



ADJACENT PROPERTY VALUE IMPACT STUDY A STUDY OF SIX EXISTING SOLAR FACILITIES

Located in Marion County, Indiana; Porter County, Indiana; Madison County, Indiana; La Salle County, Illinois; Chisago County, Minnesota; and Lapeer County, Michigan

PREPARED FOR:

Mr. Zachary Melda Director NextEra Energy Resources

July 26, 2021

SUBMITTED BY:

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EXECUTIVE SUMMARY

NextEra Energy Resources contracted CohnReznick to complete a property impact study for their proposed project in Indiana, to determine whether existing solar farms have had any measurable impact on the value of adjacent properties. This report summarizes the findings of the property value impact study.

The purpose of the assignment is to determine whether proximity to an existing solar farm resulted in any measurable and consistent impact on adjacent property values, given the existing uses and zoning of nearby property at the time of development; address local concerns regarding proposed solar projects having a perceived impact on surrounding property values; and, provide a consulting report that can address the required criteria for obtaining approvals for the project.

We have included six established solar farms in our study, focusing on similar rural and suburban areas with neighboring residential homes, that are comparable to the proposed solar farm location in Indiana. Solar farms with a variety of output capacities have been studied because of their proximity to residential properties. We have studied the sales of property located adjacent to the solar farms in order to see if proximity to this use results in any consistent and measurable impact on property values.

Since 1984, we have studied adjacent property values adjacent to schools, landfills, waste transfer stations, stone quarries, cellular towers, electrical power transmission lines, "Big Box" retail facilities, levies, properties with restrictive covenants, landmark districts, environmental contamination, airports, material defects in construction, stigma, and loss of view amenity for residential high rises. Over the past three years, we have studied property values adjacent to more than 25 existing solar farms across the United States of varying sizes to determine whether they demonstrate any measurable impact associated with proximity to the adjacent solar power use.

This report summarizes the findings of the property value impact study.



Study Features

Our study includes research and analyses of existing solar farms in the Midwest (collectively, the "Existing Solar Farms"), as well as the property value trends of the adjacent land uses, including agricultural, single family and residential properties; a review of published studies, and discussions with market participants. Adjoining properties physically adjacent to the Existing Solar Farms that sold in an arm's length transaction after the completion of the Existing Solar Farms were categorized as Test Area Sales that qualified for further analysis in a paired sale analysis to determine if a difference in price exists.

- Solar Farm 1 (Dominion Indy Solar Farm III) is located in a suburban, yet rural area outside of Indianapolis, in Marion County, Indiana, on a parcel totaling 134 acres. The solar farm has a capacity of 8.6 MW AC of power and the surrounding uses consist of agricultural land to the east, west and south, and a single-family subdivision to the north. We found ten adjoining properties that qualified for a paired sales analysis, two of which have resold for a total of twelve sales.
- Solar Farm 2 (Portage Solar Farm) is located near the City of Portage, in Porter County, Indiana. This solar farm is situated in a residential area on a 56-acre parcel of land. The surrounding uses consist of agricultural land to the north and east, and residential uses such as single family homes to the west and northwest, and multifamily apartments to the south. We found two adjoining properties that qualified for a paired sales analysis.
- Solar Farm 3 (IMPA Frankton Solar Farm) is located in the Town of Frankton, in Madison County, Indiana. This solar farm is situated in a fairly rural area and is located on a 13-acre parcel. The surrounding uses consist of single family homes to the east, agricultural land to the south, west, and north, and some baseball fields as well. We found two adjoining properties that qualified for a paired sales analysis.
- Solar Farm 4 (Grand Ridge Solar Farm) is located near the City of Streator in LaSalle County, Illinois, in a primarily rural area, on two contiguous parcels totaling 160 acres. The solar farm has a capacity of 23 MW of power and the surrounding uses consist of agricultural land, some with homesteads, and single-family homes. We found one adjoining property that qualified for a paired sales analysis.
- Solar Farm 5 (North Star Solar Farm) is located near the City of North Branch, in unincorporated Chisago County, Minnesota. This is a 100 MW solar farm that is situated on approximately 1,000 acres of land and is surrounded by agricultural land uses and some residential uses. We found four adjoining properties that qualified for a paired sales analysis, one of which sold twice, for a total of five sales.
- Solar Farm 6 (DTE's Lapeer Michigan Solar Projects) is a two-farm project, the Demille Solar Farm and the Turrill Solar Farm, located in the City of Lapeer, Michigan. Demille is a 28.56 MW AC solar farm that is situated on approximately 170 acres of land and is surrounded by agricultural land uses and residential uses. Turrill is a 19.72 MW AC solar farm situated on approximately 200 acres. We found four adjoining properties that qualified for a paired sales analysis.
- We analyzed 26 adjoining property sales in Test Areas and 93 comparable sales in Control Areas, collectively, for these identified solar facilities, that have occurred over the past seven years.



Methodology

The basic premise of this comparative analysis is that if there is any impact on the value of adjacent properties, by virtue of their proximity to a solar farm, it would be reflected by such factors as the range of sale prices, differences in unit sale prices, conditions of sale, and overall marketability. When comparing these factors for properties near the solar farm to properties locationally removed from the solar farm, we would expect to see some emerging and consistent pattern of substantial difference in these comparative elements – if, in fact, there was an effect.

Results

With regard to their impact on nearby property values, our studies of facilities of various sizes demonstrate that there is no measurable and consistent difference in property values for properties adjacent to solar farms when compared to similar properties locationally removed from their influence. This is supported by our interviews with local real estate brokers who have stated that there is no difference in price, marketing periods or demand for the homes directly adjacent to the solar farm facilities in Indiana, Illinois, Minnesota, and Michigan.

We have also interviewed market participants, including County and Township Assessors (with solar facilities in their districts), to give us additional insight as to how the market evaluates farmland and single-family homes located adjacent to solar farms. Local assessors have noted that there is no evidence of negative property value impacts due to proximity to a solar farm, and local brokers have noted that there has been no effect on pricing, marketing time, nor conditions of sale. Specifically:

- Connie Gardner, First Deputy Assessor for Madison County Indiana, stated that there are three solar farms in her county, and she has seen <u>no impact on land or property prices due to proximity to these</u> <u>solar farms</u>.
- Missy Tetrick, a Commercial Valuation Analyst for the Marion County Indiana Assessor said surrounding the Dominion Indy Solar III sites, she saw <u>no impact on land or property prices from proximity to this solar</u> farm.
- Tara Shaver, Director of Administration for Marion County, Indiana Assessor/Certified Assessor, stated that she has seen <u>no impact on land or property prices due to proximity to solar farms</u>.
- Ken Surface, a Senior Vice President of Nexus Group, a large valuation group in Indiana, has been hired by 20 counties in Indiana regarding property assessments. Mr. Surface is familiar with the solar farm sites in Harrison County (Lanesville Solar Farm) and Monroe County (Ellettsville Solar Farm) and stated he has noticed no impact on property values from proximity to these sites.

We performed two "Before and After" Analyses, in which we compared sales that occurred prior to the announcement and subsequent development of the solar farm project with sales that occurred after completion of the solar farm project for one solar farm in Indiana and one in Minnesota, for both adjoining and non-adjoining properties. No measurable impact on property values was demonstrated in these analyses.

We have also reviewed studies prepared by other real estate valuation experts that specifically analyzed the impact of solar facilities on nearby property values. These studies found little to no measurable or consistent

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difference in value between the Test Area Sales and the Control Area Sales attributed to the proximity to solar farms.

Considering all of this information, we can conclude that since the property values of the Adjoining Property Sales (Test Area Sales) for the existing solar farms analyzed were not adversely affected by their proximity to solar farms, that properties surrounding other solar farms operating in compliance with all regulatory standards will similarly not be adversely affected, in either the short- or long-term.



LETTER OF TRANSMITTAL

July 26, 2021

Mr. Zachary Melda Director NextEra Energy Resources

SUBJECT: Property Value Impact Study

Six Solar Farms

Located in Marion County, Indiana; Porter County, Indiana; Madison County, Indiana; La Salle

County, Illinois; Chisago County, Minnesota; and Lapeer County, Michigan

To Whom it May Concern:

CohnReznick is pleased to submit the accompanying adjacent property values impact study for proposed solar energy uses. Per the client's request, we have researched six established solar farms located in the Midwest, as identified in this report.

In forming this report, we have researched the identified existing solar farms, researched articles and other published studies, and interviewed real estate professionals and Township/County Assessors active in the market where solar farms are located, to gain an understanding of market perceptions.

The purpose of the assignment is to determine whether the proximity of the proposed renewable energy facility use (solar farm) will result in any significant measurable and consistent impact on adjacent property values, given the existing uses and zoning of nearby property at the time of development. The intended use of our opinions and conclusions is to assist the client in addressing local concerns regarding a solar farm's potential impact on surrounding property values, in addition to addressing the required criteria for obtaining approvals for this proposed solar energy use, such as minimizing the impact on adjacent property values. We have not been asked to value any specific property, and we have not done so.

The client and intended user for the assignment is NextEra Energy Resources. Additional intended users of our findings include all relevant permitting authorities for their proposed solar projects. The report may be used only for the aforementioned purpose and may not be distributed without the written consent of CohnReznick LLP ("CohnReznick").

The assignment is intended to conform to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute as well as applicable state appraisal regulations. Based on the analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our findings follow on the following page.



CONCLUSIONS

We analyzed 26 adjoining property sales and over 93 comparable sales, collectively, for the Dominion Indy III solar farm, the Grand Ridge Solar farm, the Portage solar farm, the IMPA Frankton solar farm, the North Star solar farm, and the DTE Lapeer Michigan solar projects that have occurred over the past seven years. We note that proximity to the solar farms has not deterred sales of nearby agricultural land and residential single-family homes nor has it deterred the development of new single-family homes on adjacent land.

No empirical evidence evolved that indicated a more favorable real estate impact on the Control Area Sales as compared to the adjoining, Test Area Sales with regard to such market elements as:

- 1. Range of sale prices
- 2. Differences in unit sale prices
- 3. Conditions of sale
- 4. Overall marketability
- 5. New Development
- 6. Rate of Appreciation

We have also reviewed studies prepared by other real estate valuation experts that specifically analyzed the impact of solar facilities on nearby property values. These studies found little to no measurable and consistent difference in value attributed to the proximity to solar farms between unit prices for Test Area Sales and Control Area Sales and noted that solar energy uses are generally considered a compatible use.

We have also interviewed market participants, including County and Township Assessors, to give us additional insight as to how the market evaluates farmland and single-family homes with views of the solar farm. These local real estate assessors who have at least one solar farm in their jurisdiction have determined that property adjacent to solar farms have not affected adjacent property values, specifically:

- Connie Gardner, First Deputy Assessor for Madison County Indiana, stated that there are three solar farms in her county, and she has seen <u>no impact on land or property prices due to proximity to these</u> solar farms.
- Missy Tetrick, a Commercial Valuation Analyst for the Marion County Indiana Assessor said surrounding the Dominion Indy Solar III sites, she saw <u>no impact on land or property prices from proximity to this solar</u> farm.
- Tara Shaver, Director of Administration for Marion County, Indiana Assessor/Certified Assessor, stated that she has seen *no impact on land or property prices due to proximity to solar farms*.
- Ken Surface, a Senior Vice President of Nexus Group, a large valuation group in Indiana, has been hired by 20 counties in Indiana regarding property assessments. Mr. Surface is familiar with the solar farm sites in Harrison County (Lanesville Solar Farm) and Monroe County (Ellettsville Solar Farm) and stated he has noticed no impact on property values from proximity to these sites.



Considering all of this information, we can conclude that since the Adjoining Property Sales (Test Area Sales) for the existing solar farms analyzed were not adversely affected by their proximity to solar farms, that properties surrounding other solar farms operating in compliance with all regulatory standards will similarly not be adversely affected, in either the short- or long-term periods.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Very truly yours,

CohnReznick LLP

Andrew R. Lines, MAI

Will.

Principal

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SCOPE OF WORK

CLIENT

NextEra Energy Resources

INTENDED USERS

NextEra Energy Resources; other intended users may include the client's legal and site development professionals. Additional intended users of our findings include all relevant permitting authorities for their proposed solar projects.

INTENDED USE

The intended use of our findings and conclusions is to address certain criteria required for the granting of approvals for proposed solar energy uses, including the minimization of impact on nearby or adjacent property values. The report may be used only for the aforementioned purpose and may not be distributed without the written consent of CohnReznick LLP ("CohnReznick").

PURPOSE

The purpose of the assignment is to determine whether the proximity of the studied facilities (solar farms) resulted in any significant measurable and consistent impact on adjacent property values, given the existing uses and zoning of nearby property at the time of development; address local concerns regarding a solar farm use having a perceived impact on surrounding property values; and, provide a consulting report that can address the required criteria for obtaining approvals for proposed solar energy uses.

EFFECTIVE DATE & DATE OF REPORT

July 23, 2021

PRIOR SERVICES

USPAP requires appraisers to disclose to the client any services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

This report is a compilation of the Solar Farms which we have studied over the past year, and is not evaluating a specific subject site. In this instance, there is no "subject property" to disclose.



INSPECTION

Patricia L. McGarr, MAI and Andrew R. Lines, MAI have viewed the exterior of all comparable data referenced in this report in person, via photographs, or aerial imagery.

MARKET ANALYSIS OF THE IMPACT ON VALUE FROM SOLAR FARMS

METHODOLOGY

According to Randall Bell, PhD, MAI, author of text *Real Estate Damages*, published by the Appraisal Institute in 2016, the paired sales analysis is an effective method of determining if there is a detrimental impact on surrounding properties.

"This type of analysis may compare the subject property or similarly impacted properties called **Test Areas** (at Points B, C, D, E, or F) with unimpaired properties called **Control Areas** (Point A). A comparison may also be made between the unimpaired value of the subject property before and after the discovery of a detrimental condition. If a legitimate detrimental condition exists, there will likely be a **measurable and consistent difference** between the two sets of market data; if not, there will likely be no significant difference between the two sets of data. This process involves the study of a group of sales with a detrimental condition, which are then compared to a group of otherwise similar sales without the detrimental condition."

As an approved method, paired sales analysis can be utilized to extract the effect of a single characteristic on value. By definition, paired data analysis is "a quantitative technique used to identify and measure adjustments to the sale prices or rents of comparable properties; to apply this technique, sales or rental data on nearly identical properties is analyzed to isolate a single characteristic's effect on value or rent." The text further describes that this method is theoretically sound when an abundance of market data, or sale transactions, is available for analysis. It may be impractical for those property types that do not frequently sell, such as commercial properties. The Appraisal of Real Estate states that the lack of data can reduce the strength of the analysis, and that "an adjustment derived from a single pair of sales is not necessarily indicative" of the value of the single difference (i.e., proximity to an external factor).

Our methodology, which includes utilizing paired sale analysis, does not rely on multiple subjective adjustments that are typical in many appraisals and single-paired sales analyses. Rather, our methodology remains objective and the only adjustments required are for market conditions; ³ we have reviewed and relied upon market conditions trends tracked by credible agencies. We applied a Trend Analysis to adjust the Control Sales for

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¹ Bell, Randall, PhD, MAI. Real Estate Damages. Third ed. Chicago, IL: Appraisal Institute, 2016.

² The Appraisal of Real Estate 14th Edition. Chicago, IL: Appraisal Institute, 2013.

³ Adjusting for market conditions is necessary as described in The Appraisal of Real Estate 14th Edition as follows: "Comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of appraisal require adjustment for any differences that affect their values. An adjustment for market conditions is made if general property values have increased or decreased since the transaction dates."

market conditions (the time between sales), as this is a variable that affects all properties similarly and can be adjusted for in an objective manner. The constant valuation date was determined to be the date of the Test Area sale. According to the *Dictionary of Real Estate Appraisal, 6th edition,* a Trend Analysis is defined as:

"A quantitative technique used to identify and measure trends in the sale prices of comparable properties; useful when sales data on highly comparable properties is lacking but a broad database on properties with less similar characteristics is available. Market sensitivity is investigated by testing various factors that influence sale prices."

We extracted a monthly appreciation rate for each set of Control Sales and applied that to each respective grouping to normalize the sales to a common valuation date.

PUBLISHED STUDIES

We have also considered various studies that consider the impact of solar farms on surrounding property values. The studies range from survey-based formal research to less formal analyses.

The studies show that over the past decade, the solar industry has experienced unprecedented growth. Among the factors contributing to its growth were government incentives, significant capacity additions from existing and new entrants and continual innovation. Solar farms offer a wide array of economic and environmental benefits to surrounding properties. Unlike other energy sources, solar energy does not produce emissions that may cause negative health effects or environmental damage. Solar farms produce a lower electromagnetic field exposure than most household appliances, such as TV and refrigerators, and studies have confirmed there are no health issues related to solar farms.⁴ The Solar Foundation measured that the solar industry increased employment by 22 percent from 2013 to 2015. Solar farm construction in rural areas has also dramatically increased the tax value of the land on which they are built, which has provided a financial boost to some counties.

Beyond creating jobs, solar farms are also benefiting the overall long-term agricultural health of the community. The unused land, and also all the land beneath the solar panels, will be left to repair naturally. In the long run this is a better use of land since the soil is allowed to recuperate instead of being ploughed and fertilized year in and year out.

A solar farm can offer some financial security for the property owner over 20 to 25 years. Once solar panel racking systems are removed, the land can revert to its original use.⁵

Property value impact studies prepared by other experts have also noted that the installation of utility-scale solar on a property has no measurable or consistent negative impact on adjoining property's value. According to a report titled "Mapleton Solar Impact Study" from Kirkland Appraisals, LLC, conducted in Murfreesboro, North Carolina in September 2017, which studied 13 existing solar farms in the state, the study found that the proposed



⁴ "Electromagnetic Field and Public Health." Media Centre (2013): 1-4. World Health Organization.

⁵ NC State Extension. (May 2016). Landowner Solar Leasing: Contract Terms Explained. Retrieved from: https://content.ces.ncsu.edu/landowner-solar-leasing-contract-terms-explained

solar farm had no impact to adjacent vacant residential, agricultural land, or residential homes. The adjoining land for the paired data sales analysis in the report was primarily low density residential and agricultural uses, although there was one case where the solar farm adjoined to two dense subdivisions of homes.

We note there have been two academic studies that attempt to quantify the effect on property values due to proximity to solar. The first paper is a study completed by The University of Texas at Austin, published in May 2018.⁶ The paper attempts to qualify that there may be a possible detrimental impact on property values for real estate (single-family homes) located in close distances to a solar facility, and with larger facility size. This opinion was based on survey results with local assessors, of which a majority indicated they had reviewed no data that indicated a negative impact. A small number of those assessor respondents hypothetically surmised an impact, but none had evidence of such statements. Additionally, the research team behind the paper conducted a geospatial analysis to examine both housing density and median income surrounding these facilities, and made the conclusion "that relatively few homes are likely to be impacted" since few homes are located in proximity to these facilities since they are located in areas with lower populations."

Finally, the University of Texas paper concluded that a real estate professional should undertake a more specific impact study to address and test their initial findings.

The second paper is a study prepared by a team at the University of Rhode Island, published in September 2020.⁷ The study utilized a hedonic pricing model, or multiple regression analysis, to quantify the effect of proximity on property values due to solar by studying existing solar installations in Massachusetts and Rhode Island. A significant weakness of the study is that the data points in the Test Area group extend up to a mile away from solar installations, and the preparer of the study acknowledged that view of a solar farm was not a tracked attribute of the sales. Our review of the study indicated that there was not enough reliable data utilized in the analysis to produce credible results and certain data points included in the analysis should have been omitted. That being stated, the total impact on adjacent property was considered by the model to be 1.7 percent - or a very nominal amount that we believe to be immaterial.

The Chisago County (Minnesota) Assessor's Office conducted their own study on property prices adjacent to and in the close vicinity of the North Star solar farm in Chisago County, Minnesota. At the November 2017 Chisago County Board meeting, John Keefe, the Chisago County Assessor, presented data from his study. He concluded that the North Star solar farm had, "no adverse impact." His study encompassed 15 parcels that sold and were adjacent or in the close vicinity to the solar farm between January 2016 and October 2017. Almost all of the properties sold, were at a price above the assessed value. He further stated that, "It seems conclusive that valuation has not suffered." 8

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⁶ Al-Hamoodah, Leila, et al. An Exploration of Property-Value Impacts Near Utility-Scale Solar Installations. Policy Research Project (PRP), LBJ School of Public Affairs, The University of Texas at Austin, May 2018, emp.lbl.gov/sites/default/files/property-value impacts near utility-scale solar installations.pdf.

⁷ Gaur, V. and C. Lang. (2020). Property Value Impacts of Commercial-Scale Solar Energy in Massachusetts and Rhode Island. Submitted to University of Rhode Island Cooperative Extension on September 29, 2020. Accessed at https://web.uri.edu/coopext/valuing-sitingoptions-for-commercial-scale-solar-energy-in-rhode-island/.

⁸ Chisago County Press: County Board Real Estate Update Shows No "Solar Effects" (11/03/2017)

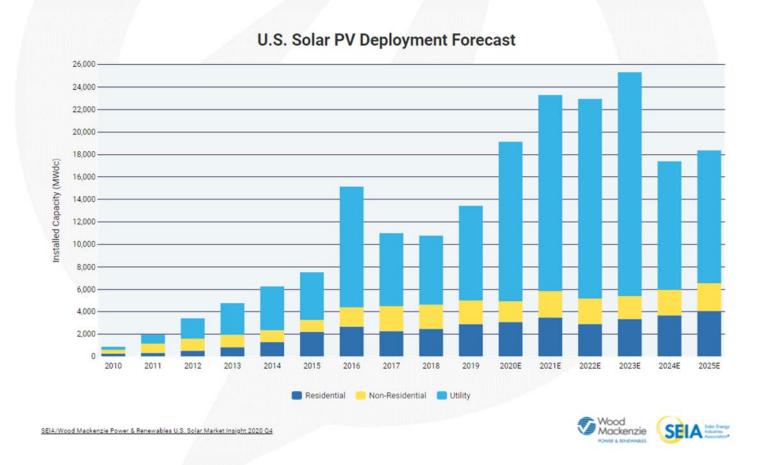
Furthermore, Grant County, Kentucky Property Value Administrator, Elliott Anderson, told us that Duke Energy built a solar farm near Crittenden, adjacent to existing homes on Claiborne Drive in December 2017. There have been nine arm's length homes sales on that street since the solar farm came online, due to normal market conditions. Each of those nine homes sold higher than its Assessed Value, one over 32 percent higher. The Assessed Values in Grant County are based on 100 percent Fair Market Values as determined by the Property Value Administrator's office. Anderson noted that several more lots are for sale by the developer and four more homes are currently under construction, set to deliver in 2021. Anderson said that the solar farm had no impact either on adjoining home values or on marketability or desirability of those homes adjacent to the solar farm. Anderson added, the homes sold at market prices in a market that has been experiencing a boom since at least mid-2019.



ADJACENT PROPERTY VALUES IMPACT STUDY

OVERVIEW OF SOLAR DEVELOPMENT IN THE UNITED STATES

Solar development increased almost exponentially over the past ten years in the United States as technology and the economic incentives (Solar Investment Tax Credits or ITC) made the installation of solar farms economically reasonable. The cost to install solar panels has dropped nationally by 70 percent since 2010, which has been one cause that led to the increase in installations. A majority of these solar farm installations are attributed to larger-scale solar farm developments for utility purposes. The chart below portrays the historical increase on an annual basis of solar installations in the US as a whole, courtesy of research by Solar Energy Industries Association (SEIA) and Wood Mackenzie, and projects solar photovoltaic (PV) deployment for the next five years through 2025, with the largest percentage of installations attributed to utility-scale projects.



The United States installed a record of 19.2 Gigawatts (GW) DC of solar photovoltaic capacity for both residential and utility-scale solar projects installed in 2020, representing an increase of 43 percent since 2019. Since the cost to install solar has decreased more than 70% over the past decade, solar has continued to rank either first or second in new electric capacity additions in each of the past eight years. The first quarter of 2021 was the largest Q1 on record, with the U.S. solar market installing more than 5 GW DC of solar capacity. Although, the

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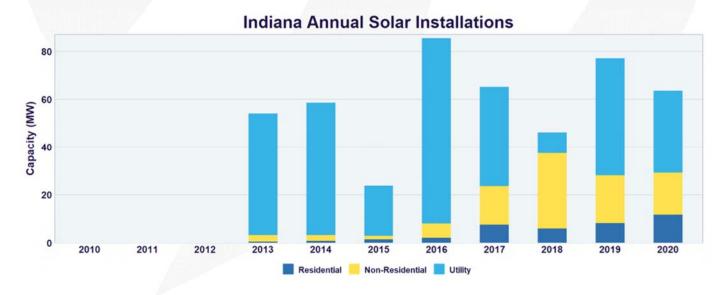
coronavirus pandemic had put some supply-side constraint on solar construction. According to SEIA, "increasing demand for solar, combined with pandemic-related macroeconomic realities (such as increased shipping costs, microchip availability, and a residential home renovation boom) have led to increased commodity prices and delivery delays." The pipeline for utility-scale PV, as of first quarter 2021, includes capacity of 77 GW for contracted projects. With the increase of utility-scale solar installations across the country, solar projects have become a common and understood feature of the landscape and will continue to do so with the projected additional capacity to come online in the coming years despite the downside risks caused by the coronavirus pandemic.

NATIONAL UTILITY SCALE ENERGY PRODUCTION

As of April 2021, the U.S. produces almost 1.219 million megawatts (MW) of power each year, according to the U.S. Energy Information Administration (EIA) in 23,520 unique power generation facilities. Of that power produced, four percent is generated from solar facilities, or 49,760.3 MW AC, at 4,714 solar facilities across the country, reflecting an average facility size of 10.56 MW AC. For utility scale solar production, the number of facilities that generate over 5 MW of power accounts for 33.6 percent of all solar facilities, nationwide, whereas 88.7 percent of solar power generated in the country comes from utility scale facilities, overall.

ENERGY PRODUCTION IN INDIANA

As of the end of the first quarter of 2021, Indiana had 939.1 MW of solar installed, ranking only 20th in the US for the capacity of solar installed. There have been significantly more utility investments in clean energy with continued growth on the horizon, with 4,549 MW of solar proposed to be installed over the next five years.



as it relates to the evaluation of the proposed solar energy generating facility in Indiana), and purpose stated within. No part of this report may otherwise be reproduced or modified in any form, or by any means, without the prior written permission of



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⁹ Solar Energy Industries Association, Solar Market Insight Report 2021 Q2

Indiana currently has 82 solar facilities in service that generate 363.2 MW of power, of which there are six solar facilities that produce over 10 MW of power in Indiana in operation currently.

As of April 2021, there is only one recently delivered and operating solar farm in Indiana that has a capacity of more than 25 MW, which is the 50.4 MW Troy Solar Project in Spencer County developed by Southern Indiana Gas & Electric Co., which was delivered in April 2021. Due to its recent completion date and outlying location, there are no home sales that sold after the Troy Solar project's completion that can be analyzed in a paired sale analysis. Although, new large, utility scale projects have been approved in Indiana and the surrounding states within the last 2 years, or are under construction. There are 5 unique solar power generation facilities that are under construction in Indiana, according to the EIA, that will produce 51.3 MW of power when in service, as of April 2021 information, ranging from 3.0 MW to 16 MW.

The following was extracted from a State of Indiana memorandum regarding Legislation Affecting Assessment Matters, dated May 26, 2021:

On April 29, 2021, Governor Holcomb signed into law House Enrolled Act 1348-2021 ("HEA 1348"). Section 1 of HEA 1348, effective January 1, 2022, amends Ind. Code § 6-1.1-8-2 by updating and adding definitions used in Ind. Code § 6-1.1-8, which provides how property owned or used by a public utility company shall be taxed...

Beginning July 1, 2021, the amended portion of Ind. Code § 6-1.1-8-24 will be as follows:

IC 6-1.1-8-24

Township assessor or county assessor determination of assessed values

- (c) This subsection applies to assessment dates after December 31, 2021. The land portion of the fixed property of a utility grade solar energy installation facility shall be assessed at an amount that does not exceed the solar land base rate for the region in which the property is located.
- (d) Assessing officials shall follow the normal guidelines and procedures as are applicable under IC 6-1.1-20.6.
- (e) This subsection applies to a utility grade solar energy installation facility:
 - (1) that had the land portion of its fixed property assessed and valued on January 1, 2021, for property taxes first due and payable in 2022; and
 - (2) for assessment dates after December 31, 2021, but only until the next planned reassessment of the property during the county's four (4) year reassessment cycle under IC 6-1.1-4-4.2.
- If, for an assessment date described in subdivision (2), the assessed value of the land portion of the fixed property of a utility grade solar energy installation facility described in this



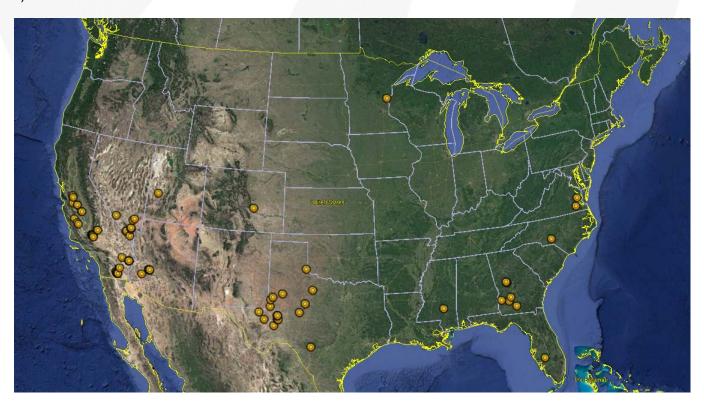
subsection for the January 1, 2021, assessment date is less than the solar land base rate for the region in which the property is located on a particular assessment date, the land portion of the fixed property of a utility grade solar energy installation facility shall be assessed at an amount equal to the assessed value determined for the January 1, 2021, assessment date.

Prior to this law, there was no consistency in assessments for solar farms across Indiana. The law sets a cap on land assessments to avoid unfair taxation based on the median solar land base rate for the region a particular facility is located in, and to ensure rural areas are receiving the same tax benefits as other locations.

CohnReznick has studied real estate tax increases due to the installation of solar, which can range up to 10-12 times the rate for farmland. Majority of tax revenue is funneled back into the local area, and as much as 50% of tax revenue can typically be allocated to the local school district. By converting farmland to a passive solar use for the duration of the system's life, the solar use would not burden school systems, utilities, traffic, nor infrastructure as it is a passive use that does not increase population as say a residential subdivision would.

LARGE-SCALE SOLAR IN THE UNITED STATES

According to the U.S. Energy Information Administration (EIA) through June 2020, there were ±230 solar facilities in operation that generate more than 50 MW AC of power, and ±84 solar facilities in operation that generate more than 100 MW AC of power. A map illustrating existing solar farms with capacities greater than 100 MW is presented below (indicated by yellow suns), using data retrieved from the Energy Information Administration (EIA).



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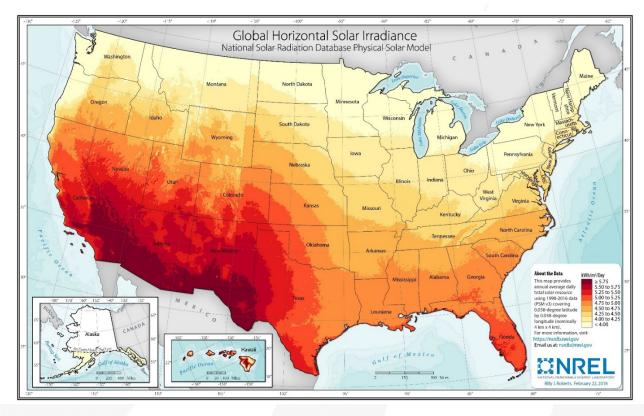


As of April 2021, there is only one recently delivered and operating solar farm in Indiana that has a capacity of more than 25 MW, which is the 50.4 MW Troy Solar Project in Spencer County developed by Southern Indiana Gas & Electric Co., which was delivered in April 2021. Due to its recent completion date and outlying location, there are no home sales that sold after the Troy Solar project's completion that can be analyzed in a paired sale analysis. Although, new large, utility scale projects have been approved in Indiana and the surrounding states within the last 2 years, or are under construction. There are 5 unique solar power generation facilities that are under construction in Indiana, according to the EIA, that will produce 51.3 MW of power when in service, as of April 2021 information, ranging from 3.0 MW to 16 MW.

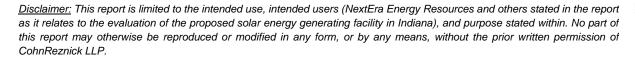
To meet zoning and planning requirements, and/or to take advantage of certain incentive programs, several solar farms are built by the same developer around the same location, de facto functioning as one larger solar farm. Many of these solar facilities are located in California, with several located in Florida, Texas, Nevada, North Carolina, Arizona, Georgia and Utah. Additionally, these installations are typically located in outlying areas where site costs are lowest, and residential development and sales activity is minimal in these areas. While we have reviewed each for surrounding uses, the majority are not good candidates for a paired sales analysis since they were either recently constructed or surrounding development/sales activity was minimal.

In the United States, there are ±27 operating solar farms with generating capacities above 200 MW AC, presented below (indicated by green suns). All of the existing solar farms in operation as of June 2020 that have a generating capacity of greater than 200 MW AC are located in the southwestern United States. This is due to economies of scale for reducing development costs by maximizing size in areas where there is maximum sunlight. The map developed by the National Renewable Energy Laboratory (NREL), presented next, shows the solar resources released by the sun daily throughout in the United States. Red indicates the areas with the most solar resources. The map at the top of the following page has solar installations larger than 200 MW (marked by green suns) and shows that the largest solar installations have been built in areas where there are the most solar resources.











SELECTION OF SITES AND ANALYSES

Because of the limited number of large solar installations in Indiana, we expanded our analysis and reviewed other large solar farms in other states. We reviewed additional solar farms located in Indiana; however, they were not candidates for a paired sale analysis due to external factors or lack of adjoining sales.

Based on our previous assessment of solar development, we have studied established solar farms in the Midwest (three in Indiana, one in Illinois, one in Minnesota, and one in Michigan), because of their size and the way that soil conditions, climate, and topography contribute to property values and their potential for impact on property values in addition to the adjacent uses and development trends.

The selected solar sites in this analysis were considered based on their similarities in surrounding areas, size, and availability of arm's length adjoining property transaction data that were available for analysis. Of note is the North Star Solar Farm located in Chisago County, Minnesota. This is a utility scale solar farm is located in a rural area surrounded by single family residences and agricultural land, similar to the proposed project.

In total, we identified six solar farms to study with comparable sales where generally the only difference was the attribute under study: proximity to a solar farm.

Ownership and sales history for each adjoining property to an existing solar farm through the effective date of this report is maintained within our workfile. Adjoining properties with no sales data or that sold prior to the announcement of the solar farm were excluded from further analysis. Adjoining properties that sold in a non-arm's length transaction (such as a transaction between related parties, bank-owned transaction, or between adjacent owners) were excluded from analysis as these are not considered to be reflective of market price levels. The adjoining properties that remained after exclusions were considered for a paired sale analysis.

The difference in price is considered to be the impact of the proximity to the solar farm. Two types of paired sales analyses were considered based on the availability of data:

- Comparing sales of adjoining properties prior to the announcement of the solar farm to sales of adjoining properties after announcement and subsequent development of the solar farm (a "Before and After Analysis").
- Comparing sales of adjoining properties after the announcement and subsequent development of the solar farm to sales of comparable properties that are locationally removed from their influence.

We have considered both types of paired sales analyses in this study. We performed two "Before and After Analyses", in which we compared sales that occurred prior to the announcement and subsequent development of the solar farm project with sales that occurred after completion of the solar farm project for one solar farm in Indiana, for both adjoining and non-adjoining properties. The remaining existing solar farms studied did not qualify for this Before and After Analysis. All ten solar farms qualified for the second type of paired sales analysis, which was comparing sales of properties locationally removed from the solar farm (Control Area) to sales of adjoining properties that occurred after the announcement and subsequent development of the solar farm project (Test Area).



We have found Control Area sales data through the local Multiple Listing Service (MLS) and other real estate broker databases and verified these sales through county records, conversations with brokers, the individual county's GIS services, and the county assessor's office. It is important to note that these Control Area Sales are not adjoining to any solar farm, nor do they have a view of a solar farm from the property. Therefore, neither the announcement nor the completion of the solar farm use could not have impacted the sale price of these properties.

To make direct comparisons, the sale price of the Control Area Sales will need to be adjusted for market conditions to a common date. In this analysis, the common date is the date of the Adjoining Property Sale after the completion of the solar farm. After adjustment, any measurable difference between the sale prices would be indicative of a possible price impact by the solar farm, if any.

For the six existing solar farms in Indiana, Illinois, Minnesota, and Michigan, a summary of the analysis completed for each of solar farms studied is presented on the following pages is. Details of these analyses are retained within our workfile.

We also noted that our impact study data and methodology have been previously reviewed by our peer in the field – Kirkland Appraisals, LLC – as well as by the Solar Energy Industries Association (SEIA).



SOLAR FARM 1: DOMINION INDY SOLAR III, MARION COUNTY, IN

Coordinates: Latitude 39°39'14.16"N, Longitude 86°15'35.06"W

PIN: 49-13-13-113-001.000-200

Total Land Size: 129.04 acres

Date Project Announced: August 2012

Date Project Completed: December 2013

Output: 8.6 MW AC (11.9 MW DC)



Aerial imagery retrieved from Google Earth

Overview and Surrounding Area:

The Dominion Indy III Solar Farm was developed by Dominion Renewable Energy and became operable in December 2013. This solar farm has ground-mounted solar panels and has the capacity for 8.6 Megawatts (MW) AC of power. The panels are mounted in a fixed tilt fashion with 12 inverters.



The Dominion Indy III solar farm is located in Decatur Township, in the southwest portion of Marion County, Indiana. The solar farm is approximately 10 miles southeast of the Indianapolis International Airport and approximately eight and a half miles from the center of Indianapolis.

The Immediate Area:

The solar installation is on the southern side of West Southport Road. Adjoining parcels to the west, south, and east are agricultural in nature, actively farmed primarily with row crops and large areas of mature trees. There is one single family home on 4.78 acres of land at the northwest corner of the solar site, with frontage on West Southport Road, identified in our analysis as Adjoining Property 9.

To the north, across West Southport Road from the solar site, is the single-family residential subdivision known as Crossfield. Originally developed with over 81 acres of land by the Key Life Insurance Company, the one- and two-story homes in the subdivision were built between approximately 1998 and 2011.

All of the adjacent land parcels to the solar farm are used for agricultural or residential purposes.

The solar farm is surrounded by a chain link fence that contains all the solar panels. Additionally, there are some natural shrubs and deciduous trees on all sides of the property; this vegetation was in place before the solar farm was developed.

Prior Use: Agricultural use

Real Estate Tax Information: Prior to development of the solar farm, in 2013, the owner of this 129-acre site paid real estate taxes of \$1,788 annually. After development of the solar farm development, in 2015, real estate taxes increased to approximately \$16,405, an 818 percent increase in tax revenue for the site.

PIN	Acres
Marion County, IN 49-13-13-113-001.000-200	129.04
TOTAL	129.04

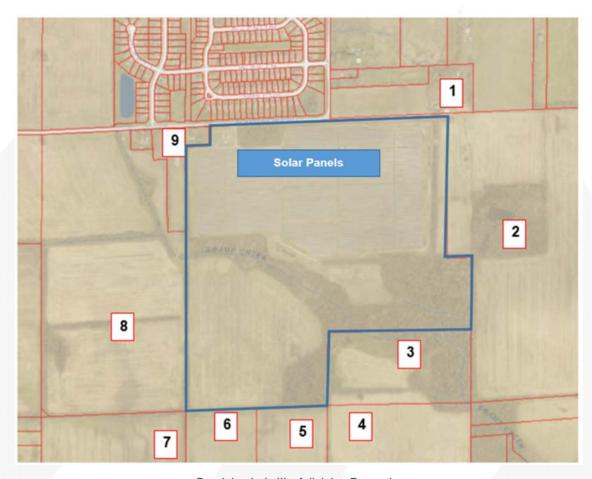
 013 Taxes 2015 Taxes Paid Paid			Tax Increase
\$ 1,788	\$	16,405	818%
\$ 1,788	\$	16,405	818%

201	3 Assessed Value	201	5 Assessed Value	Value Increase		
\$	89,400	\$	109,900	23%		
\$	89,400	\$	109,900	23%		

Paired Sale Analysis:

The maps on the following pages display the parcels within the solar farm is located (outlined in blue). Properties adjoining this site are numbered for subsequent analysis.





Dominion Indy III - Adjoining Properties





Dominion Indy III - Adjoining Properties

We have considered two types of paired sales analysis with regards to the Dominion Indy III Solar Farm. The first compares sales of Adjoining Properties to the solar farm after the completion of the solar farm site (Test Area Sales) to similar properties not proximate to the solar farm (Control Area Sales). We utilized this type of paired sale analysis for all three Groups of Adjoining Properties under study.

The second type of paired sale analysis is known as a Before and After analysis which compares sales of Adjoining Properties that occurred prior to the announcement of the solar farm with the sales of the same Adjoining Properties after the completion of the solar farm development. We were able to use home sale data from the Crossfield subdivision that is located to the north of the solar site, across West Southport Road.

Group 1 - Agricultural Land

Adjoining Property 2 is a vacant 86.96-acre agricultural parcel located to the east of the solar site. Adjoining Property 2 sold in October 2017 and was considered for a paired sale analysis, known as a Test Area Sale, in Group 1.

The property line of this unimproved parcel is approximately 166 feet from the closest solar panel. The following table outlines the other important characteristics of Adjoining Property 12.



Test Area Sale Group 1 - Agricultural Land								
Adjoining Property #	Address	Sale Price	Site Size (AC)	NCCPI Index	Wetlands	Floodplain	Sale Price/AC	Sale Date
Adjoining Property 2	5755 W Southport Rd, Indianapolis, IN	\$738,584	89.96	63.4	1%	Zone X	\$8,210	Oct-17

Crop yields have been the basis for establishing a soil productivity index, and are used by county assessors, farmers, and market participants in assessing agricultural land. While crop yields are an integral part in assessing soil qualities, it is not an appropriate metric to rely on because "yields fluctuate from year to year, and absolute yields mean little when comparing different crops. Productivity indices provide a single scale on which soils may be rated according to their suitability for several major crops under specified levels of management such as an average level." The productivity index, therefore, not crop yields, is best suited for applications in land appraisal and land-use planning.

The United States Department of Agriculture's (USDA) National Resources Conservation Services (NRCS) developed and utilizes the National Commodity Crop Productivity Index (NCCPI) as a national soil interpreter and is used in the National Soil Information System (NASIS), but it is not intended to replace other crop production models developed by individual states. ¹⁰ The focus of the model is on identifying the best soils for the growth of commodity crops, as the best soils for the growth of these crops are generally the best soils for the growth of other crops. ¹¹ The NCCPI model describes relative productivity ranking over a period of years and not for a single year where external influences such as extreme weather or change in management practices may have affected production. At the moment, the index only describes non-irrigated crops, and will later be expanded to include irrigated crops, rangeland, and forestland productivity. ¹²

Yields are influenced by a variety of different factors including environmental traits and management inputs. Tracked climate and soil qualities have been proven by researchers to directly explain fluctuations in crop yields, especially those qualities that relate to moisture-holding capacity. Some states such as Illinois have developed a soil productivity model that considers these factors to describe "optimal" productivity of farmed land. Except for these factors, "inherent soil quality or inherent soil productivity varies little over time or from place to place for a specific soil (map unit component) identified by the National Cooperative Soil Survey (NCSS)." The NRCS Web

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¹⁰ Agricultural land rental payments are typically tied to crop production of the leased agricultural land and is one of the primary reasons the NCCPI was developed, especially since the model needed to be consistent across political boundaries.

¹¹ Per the User Guide for the National Commodity Crop Productivity Index, the NCCPI uses natural relationships of soil, landscape and climate factors to model the response of commodity crops in soil map units. The present use of the land is not considered in the ratings.

¹² AgriData Inc. Docs: http://support.agridatainc.com/NationalCommodityCropProductivityIndex(NCCPI).ashx

¹³ USDA NRCS's User Guide National Commodity Crop Productivity Index (NCCPI)

Soil Survey website has additional information on how the ratings are determined. The **State of Indiana** does not have its own crop production model and utilizes the NCCPI.

In analyzing agricultural land sales for Control Area Sales with similar characteristics to Adjoining Property 12, we have excluded any parcels with NCCPI soil indices less than 50.0 and greater than 85.0.

We identified and analyzed four Control Area Sales that were comparable in location, size, and use that were not located in close proximity to the solar farm. The Control Area Sales for Adjoining Property 2 are land tracts that were larger than 20 acres and utilized specifically as farmland. We excluded sales that were bank-owned, those between related parties, split transactions, and land with significant improvements.

The Control Area Sales were adjusted for market conditions using a regression and trend analysis to identify the appropriate monthly market condition adjustment. Using the agricultural land sale data published in the *Land Sales Bulletin*, ¹⁴ from January 2016 through December 2017, which includes reliable and credible data for analysis, we extracted a monthly rate of change of 0.50 percent.

The results of our analysis for Adjoining Property 2, in Group 1 is presented below.

CohnReznick Paired Sale Analysis Dominion Indy III Solar Group 1 - Agricultural Land			
No. of Sales	Adjusted Median Price Per Acre		
Test Area Sale (Adjoining Property 2)	Yes: Solar Farm was completed by the sale date	\$8,210	
Control Area Sales (4)	No: Not adjoining solar farm	\$8,091	
Difference between Unit Price o	1.47%		

It is noted that we have kept this analysis within our study despite it being the sole land-only analysis. While we have not tabulated the difference in our reconciled average of variance (from study to study), this is important because it shows that agricultural land adjacent to solar but also lying in the future path of development does not show any degradation of value.

Noting the relatively low price differential, in which the Test Area Sale was higher than the median for the Control Areas Sales, it does not appear that the Dominion Indy III solar farm had any negative impact on the adjoining agricultural property values.



¹⁴ https://www.landsalesbulletin.com/

We idenitified a total of nine Adjoining Properties that sold after the develoment of the solar farm as single-family home uses. Adjoining Properties 11, 13, 14, 15, 18, 20, 22, 24 and 26 were analyzed in two paired sales analyses (Group 2 and Group 3). These nine properties were analyzed as single-family homes and they are located in the Crossfield subdivision, across West Southport Road from the solar site, as seen in the prior aerials.

It should be noted that Adjoining Properties 11 and 24 have sold more than once since the solar farm was constructed, and each sale is included in the analysis. Adjoining Property 11 sold first in December 2015 and later in July 2018, approximately two and a half years later. Adjoining Property 24 sold first in February 2014 and later in April 2019, approximately five years later. Our research indicated that these were arm's-length sales between typically motivated buyers and sellers.

The nine Adjoining Properties that were included in our paired sales analysis were divided into two groups, based on the sale dates of the Test Area Sales.

Group 2

For Group 2 (sales in 2014 – 2016), we analyzed four Control Area Sales with similar location, square footages, lot sizes, and ages that sold within a reasonable time frame from the median sale date of the Group 2 Test Area Sales described below.

Dominion Indy III Solar Test Area Sales Group 2									
Adj. Property#	Address	Median Sale Price	Median Site Size (AC)	Median Beds	Median Baths	Median Year Built	Median Square Feet	Median Sale Date	Median Price PSF
11, 20, 22, 24	5933 Sable Dr, 5829 Sable Dr, 5813 Sable Dr, 5737 Sable Dr	\$129,375	0.23	4	2.0	2008	2,163	Jul-15	\$59.10

The Test Area Sales in Group 2 are located between 230 feet and 404 feet from the house to the solar panels. The Control Area Sales for Group 2 are located beyond this area in other areas of the Crossfield subdivision and in other nearby subdivisions. The Control Area Sales did not have a view of the solar farm.

Group 3

For Group 3 (sales in 2017 - 2019), we analyzed a set of seven Control Area Sales with similar locations, square footages, lot sizes, and ages that sold within a reasonable time frame from the median sale date of the Group 3 Test Area Sales described on the next page.



Test Area Sales Group 3									
Adj. Property #	Address	Median Sale Price	Median Site Size (AC)	Median Beds	Median Baths	Median Year Built	Median Square Feet	Median Sale Date	Median Price PSF
11, 13, 14, 15, 18, 24, 26	5933 Sable Dr, 5921 Sable Dr, 5921 Sable Dr, 5915 Sable Dr, 5909 Sable Dr, 5841 Sable Dr, 5737 Sable Dr, 5731 Sable Dr		0.23	3	2.5	2006	2,412	Jul-18	\$72.15

The Test Area Sales in Group 3 are located between 227 feet and 419 feet from the house to the solar panels. The Control Area Sales are located beyond this area, in other areas of the Crossfield Subdivision, and in other nearby subdivisions. The Control Area Sales did not have a view of the solar farm.

Control Area Sales in Groups 2 and 3 were adjusted for market conditions using a regression analysis to identify the appropriate monthly market condition adjustment. The results of our study are presented below.

CohnReznick Paired Sale Analysis Dominion Indy III Solar Group 2				
No. of Sales	Adjusted Median Price Per SF			
Test Area Sales (4)	Adjoining solar farm	\$59.10		
Control Area Sales (8)	No: Not adjoining solar farm	\$57.84		
Difference between Unit Pr Adjusted Median Unit Pri	2.18%			

CohnReznick Paired Sale Analysis Dominion Indy III Solar Group 3			
No. of Sales	Adjusted Median Price Per SF		
Test Area Sales (7)	Adjoining solar farm	\$72.15	
Control Area Sales (11)	Control Area Sales (11) No: Not adjoining solar farm		
Difference between Unit Pri Adjusted Median Unit Pri	0.65%		

The Test Area Sales for Group 2 sold with a median of 33 days on market, while the Control Area Sales for Group 2 sold with a median of 31 days on market. The Test Area Sales for Group 3 sold with a median of 17



days on market, while the Control Area Sales for Group 3 sold with a median of 25 days on market. There is no significant negative marketing time differential.

Noting the relatively low price differentials, it does not appear that the Dominion Indy III solar farm had any negative impact on adjoining residential property values.

Before Announcement and After Construction of the Solar Farm Analysis:

Due to the number of sales over time in the Crossfield subdivision, we were able to conduct an analysis on the unit prices of single-family homes before the solar farm announcement date in comparison to the prices of single-family homes after the construction of the Dominion Indy III solar farm. We have provided our conclusions from the data below and the following page contains a chart with the data.

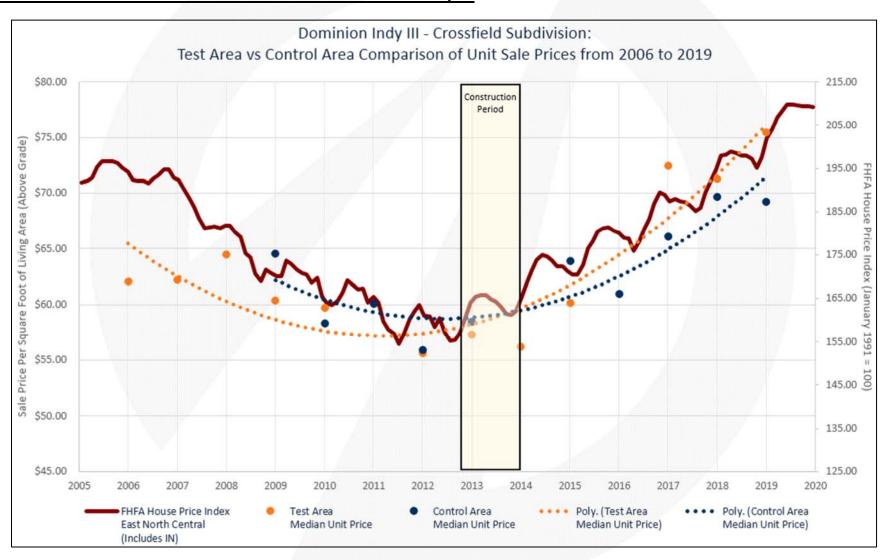
- 25 Test Area Sales were sold from 2006 to 2019 and 46 Control Area Sales sold from 2008 to 2019.
 - The Test Area Sales are homes located adjoining the Dominion Indy III Solar Farm in the Crossfield subdivision.
 - ➤ The Control Area Sales are homes located in the remainder of the Crossfield subdivision, not adjoining the solar farm.
- In both the Test Area Sales (ORANGE) and Control Area Sales (BLUE) plotted on the chart on the following page, new construction homes sold through 2011, prior to announcement of the solar farm.
- The dotted lines are polynomial trend lines plotted by Microsoft Excel in order to illustrate and approximate the "average" trend of each set of data.
- The economic climate improved in the period from 2013 to 2019 as shown by the Red line representing the
 Federal Housing Finance Agency's House Price Index for the East North Central region that includes Indiana.
 After construction of the solar farm, in parallel with the improving economic climate, it appears that unit prices
 for both the Test Area Sales and the Control Area Sales appreciated at a similar rate over the period from
 2013 to 2019.

A difference in appreciation rates does not appear to exist between Test Area Sale homes versus the Control Area Sale homes before, during, or after construction.

Sale prices of single-family homes after the construction of the solar farm exhibit a similar appreciation trend as sales prior to the solar farm announcement. Overall, our findings indicate that there *is not a consistent and measurable difference* in prices that exists in association with homes proximate to the Dominion Indy III solar farm.



Before Announcement and After Construction of the Solar Farm Analysis:



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SOLAR FARM 2: PORTAGE SOLAR FARM, PORTAGE TOWNSHIP, IN

Location: Porter County, IN

Coordinates: Latitude 41.333263, Longitude -87.093015

PIN: 64-06-19-176-001.000-015

Total Land Size: 56 AC

Recorded Owner: PLH Inc.

Date Project Announced: February 2012

Date Project Completed: September 2012

Output: 1.5 MW AC

This solar farm is located on the south side of Robbins Road, located just outside the City of Portage. The solar farm was developed by Ecos Energy, who is a subsidiary of Allco Renewable Energy Limited. This solar farm is ground mounted has the capacity for 1.5 Megawatts (MW) of power, which is enough to power 300 homes. This solar farm consists of 7,128 solar modules which are of a fixed tilt installation, and contains three inverters. The solar farm is fenced from adjacent properties by a fence that surrounds all of the solar panels. Natural vegetation borders the western and northern sides of the solar farm.

Real Estate Tax Info: The 56 acres of farm land was paying \$1,400 per year in taxes. After the solar farm was developed, only 13 acres (23% of the site) was reassessed and the remaining 43 acres continued to be farmed. The total real estate tax bill increased to \$16,350 per year after the solar farm was built, including both uses on the site. This indicates that the real estate taxes for the solar farm increased from \$25 per acre to \$1,175 per acre after the solar farm was developed.

The map on the following page displays the parcels within the solar farm is located (outlined in red). Properties adjoining this parcel are numbered for subsequent analysis.





Solar Farm 2 Adjoining Properties





Solar Farm 2 Adjoining Properties

Adjoining Properties 1 and 7 (Test Areas) were each considered for a paired sales analysis. Adjoining Property 1 was analyzed as homestead/small farm land tract since at the time of purchase the site was used as agricultural land. The buyer bought it as vacant land and subsequently built a home on site. Adjoining Property 7 was analyzed as a single-family home use. Another property, Adjoining Property 14, sold after completion of the solar farm as of December 2017, however, this was a partial interest transfer of an agricultural parcel as noted on the Indiana Sales Disclosure Form and was excluded from analysis as it does not represent a market transaction.

For Adjoining Property 1, we analyzed nine Control Area homestead/small farm land tract sales that sold within a reasonable time frame from Adjoining Property 1's sale date. For Adjoining Property 7, we analyzed seven Control Area single family home sales that sold within a reasonable time frame from Adjoining Property 7's sale date. All Control area sales were adjusted for market conditions using regression analysis to identify the appropriate monthly market conditions adjustment.

The result of our analyses for Solar Farm 2 is presented below.

CohnReznick Paired Sale Analysis - Solar Farm 2				
	Potentially Impacted by Solar Farm	Adjusted Median Price Per Acre		
Control Area Sales (9)	No: Not adjoining solar farm	\$7,674		
Adjoining Property 1 (Test Area)	Yes: Solar Farm was completed by the sale date	\$8,000		
Difference		4.25%		

CohnReznick Paired Sale Analysis - Solar Farm 2				
	Potentially Impacted by Solar Farm	Adjusted Median Price Per SF		
Control Area Sales (7)	No: Not adjoining solar farm	\$84.27		
Adjoining Property 7 (Test Area)	Yes: Solar Farm was completed by the sale date	\$84.35		
Difference		0.10%		

Noting the relatively small price differential, with both adjacent sales (Adjoining Property 1 or 7) having higher unit sale prices than the Control Area sales, it does not appear that Solar Farm 2 had any negative impact on adjacent property values.

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SOLAR FARM 3: IMPA FRANKTON SOLAR FARM, FRANKTON, IN

Location: Madison County, IN

Coordinates: Latitude 40.125701; Longitude -85.4626.88

PIN: 48-08-06-500-012.001-020

Recorded Owner: IMPA

Total Land Size: 13 acres

Date Project Announced: November 2013

Date Project Completed: June 2014

Output: 1.0 MW

This solar farm is located on the west side of South Lafayette Street, located in the Town of Frankton. IMPA Frankton Solar Farm was built in 2014 in joint effort by Inovateus Solar and Indian Municipal Power Agency (IMPA). This solar farm has the capacity for 1 MW and its expected annual output is 1,426 MWh (megawatt hours). The solar farm is separated off from their adjacent properties by a 6' fence that surrounds the entirety of the solar panels. From our inspection of the site we note that the driveway to access the panels slopes downward and allows some views of the site.

The map on the following page displays the parcels within the solar farm is located (outlined in red). Properties adjoining this parcel are numbered for subsequent analysis.





Solar Farm 3 Adjoining Properties

Adjoining Properties 2 and 7 (Test Areas) were each considered for a paired sales analysis. Adjoining Property 2 was manufactured single family home use. Adjoining Property 7 was analyzed as a single-family home use.

We also identified a transfer of Adjoining Properties 5 and 6 with a third parcel, which sold in June 2018 with a 1,456 square foot home on it. The house was a manufactured home that had been converted to a custom singlefamily home with an attached garage. Per discussion with the selling broker, the house was situated on an unusually large site. While the property sold at a price (\$77.42/SF) that well exceeded surrounding homes, we could not identify sales of similar small houses on large lots to compare with this adjacent property. For this reason, we have excluded Adjoining Properties 5 and 6 from further analysis.

For Adjoining Property 2, we analyzed six Control Area sales that sold within a reasonable time frame from Adjoining Property 2's sale date. For Adjoining Property 7, we analyzed five Control Area sales that sold within a reasonable time frame from Adjoining Property 7's sale date. All Control area sales were adjusted for market conditions using regression analysis to identify the appropriate monthly market conditions adjustment.

The result of our analyses for Solar Farm 3 is presented below.

CohnReznick Paired Sale Analysis - Solar Farm 3						
	Potentially Impacted by Solar Farm	Adjusted Median Price Per SF				
Control Area Sales (6)	No: Not adjoining solar farm	\$28.42				
Adjoining Property 2 (Test Area)	Yes: Solar Farm was completed by the sale date	\$28.58				
Difference		0.56%				

CohnReznick Paired	CohnReznick Paired Sale Analysis - Solar Farm 3						
	Potentially Impacted by Solar Farm	Adjusted Median Price Per SF					
Control Area Sales (5)	No: Not adjoining solar farm	\$51.47					
Adjoining Property 7 (Test Area)	Yes: Solar Farm was completed by the sale date	\$52.40					
Difference		1.81%					

Noting the relatively small price differential, in which both Adjoining Property Sales 2 and 7 sold at a slightly higher unit sale price that the Control Area Sales, it does not appear that Solar Farm 3 had any negative impact on adjoining property sales.



SOLAR FARM 4: GRAND RIDGE SOLAR FARM, LASALLE COUNTY, IL

Coordinates: Latitude 41.143421, Longitude -88.758340

PINs: 34-22-100-000, 34-22-101-000

Total Land Size: 158 acres

Date Project Announced: December 31, 2010

Date Project Completed: July 2012

Output: 20 MW AC



Aerial imagery retrieved from Google Earth

Overview and Surrounding Area:

This solar farm is located in the southeast quadrant of the intersection of E. 21st and N. 15th Roads, near Streator, in LaSalle County, Illinois. The solar farm was developed by Invenergy and is part of a renewable energy center known as Grand Ridge. The Energy Center includes the 20 MW AC solar facility, a 210 MW wind farm, and a 36 MW advanced-energy storage facility, all in one local vicinity. The solar site is located adjacent to the south

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and west of Invenergy's wind farm. The solar facility consists of twenty individual 1-MW solar inverters and over 155,000 photovoltaic modules manufactured by General Electric.

The Grand Ridge Solar Farm is situated just outside of the City of Streator, in Otter Creek Township, in LaSalle County, Illinois. The solar farm is located in a primarily rural part of Illinois, with the nearest interstate, Interstate-55, located approximately 14 miles southeast of the site.

The Immediate Area:

Within a one-mile radius of the solar farm, surrounding uses mainly consist of agricultural land, with some singlefamily homes to the west. All of the adjacent land parcels to the solar farm are used for agricultural and/or residential purposes.

The solar site is surrounded by row crops to the north adjoining N. 15th Road. Row crops also adjoin the solar arrays to the east. Scrub shrubbery exists on the western border of the solar site, along E. 21st Road. On the west side of E. 21st Road is the 28-acre private Sandy Ford Sportsmans Club that includes a 12-acre fishing lake. The private Lazy Acres Fishing Club adjoins the solar site to the south and is surrounded by mature trees.

Prior Use: Agricultural use

Real Estate Tax Information: Prior to development of the solar farm, in 2011 the owner of this 158-acre site paid real estate taxes of \$3,036. In the year following the solar farm development, 2012, real estate taxes increased to approximately \$240,000, a 7,791 percent increase in tax revenue for the site.

PIN	Acres
LaSalle County, IL	
34-22-100-000	78.99
34-22-101-000	78.80
TOTAL	157.79

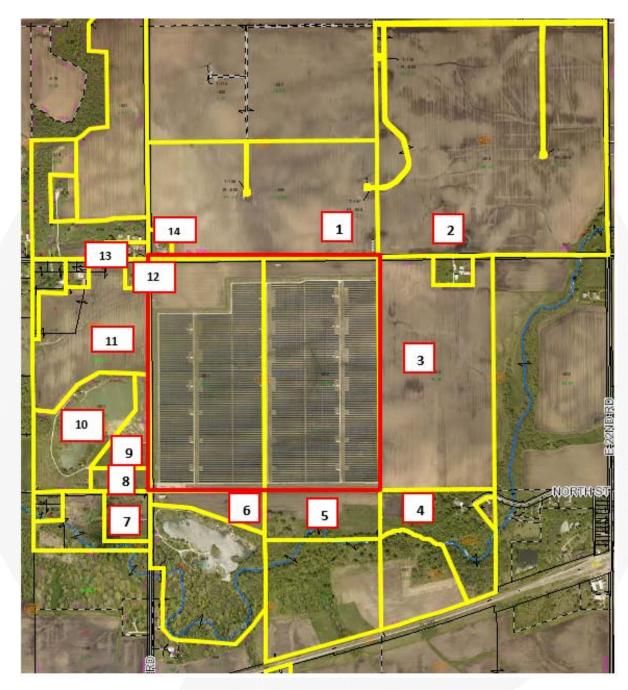
1 Taxes Paid			
\$ 1,580	\$	120,064	7501%
\$ 1,457	\$	119,539	8106%
\$ 3,036	\$	239,602	7791%

2011	l Assessed Value	201	2 Assessed Value	Value Increase		
\$	23,830 21,975	\$	1,812,357 1,804,433	7505% 8111%		
\$	45,805	\$	3,616,790	7796%		

Paired Sale Analysis:

The map on the following page displays the parcels within the solar farm site (outlined in red). Properties adjoining the solar parcels are outlined in yellow and numbered for subsequent analysis.





Grand Ridge Solar - Adjoining Properties



In reviewing Adjoining Properties to study in a Paired Sale Analysis, several properties and sales were considered but eliminated from further consideration as discussed below.

Adjoining Properties 1,3, 5, 6, 7, 13, and 14 have no sales data. Therefore, Adjoining Properties 1,3, 5, 6, 7, 13, and 14 are excluded from further analysis.

Recall, the solar farm under analysis was announced on December 31, 2010 and began operations in July 2012. Adjoining Properties 8 and 9 were sold in 1997 and 1996, respectively. These sales did not occur within a reasonable time period prior to announcement/completion. Therefore, Adjoining Properties 8 and 9 were excluded from further analysis.

Adjoining Property 4 sold in March 2011 while construction was ongoing. However, we have not considered this property for a paired sales analysis because the impact of being proximate to the solar farm could not be differentiated from the impact of the construction. Therefore, Adjoining Property 4 was excluded from further analysis.

Adjoining Property 2 transferred in September of 2018 with no consideration amount on a Trustee's deed from Gemini Farms LLC to Bedeker Family Gift Trust. John and Susan Bedeker are owners of the Adjoining Property 1 which is adjacent. This is not considered an arm's length transaction. Therefore, Adjoining Property 2 was excluded from further analysis.

Adjoining Properties 11 and 12 were initially one parcel of 37.07 acres. Adjoining Property 12 sold in October 2016, which is a reasonable time period after completion of the solar farm. When Adjoining Property 12 was sold, the parcel was split into the two-acre homesite Adjoining Property 12, and the 35.07 acre farm (Adjoining Property 11). The seller, the Kmetz Trust, retained ownership of the 35-acre farm. Therefore, we have excluded Adjoining Property 11 and only considered Adjoining Property 12 (Test Area Sale) for paired sales analysis.

We have considered only one type of paired sales analysis, which was comparing sales of properties proximate to the solar farm (Control Area) to the sales of adjoining properties after the completion of the solar farm project (Test Area). We were unable to compare any sales of adjoining properties that occurred prior to the announcement of the solar farm with the sales of the adjoining properties after the completion of the solar farm project as there were no adjoining properties that sold prior to the announcement of the solar farm, within a reasonable period of time.

Adjoining Property 12 (Test Area Sale) was considered for a paired sales analysis, and we analyzed this property as a single-family home use. The property is a 2,328 square foot home located on a 2.0-acre parcel that sold in October 2016. This parcel is approximately 366 feet from the closest solar panel, and the improvements are approximately 479 feet from the closest solar panel. The following table outlines the other important characteristics of Adjoining Property 12.



	Adjoining Property 12									
Status	Address	Sale Price	Site Size (AC)	Beds	Baths	Year Built	Square Feet		Sale Price/SF	Sale Date
Sold	2098 N 15th Rd	\$186,000	2.00	3	4	1997	2,328	Home and Garage	\$79.90	Oct-16

We have found Control Area Sale data through the Northern Illinois Multiple Listing Service (MLS) and verified these sales through county records, conversations with brokers, and the County Assessor's Office. We excluded sales that were not arm's length, such as REO or bank-owned sales or those between related parties. We have excluded any home sites under one acre, and included only sales with a similar number of bedrooms, bathrooms, and living area.

It is important to note that these Control Area Sales are not adjoining to any solar farm, nor do they have a view of one from the property. Therefore, the announcement nor the completion of the solar farm use could not have impacted the sales price of these properties. It is informative to note that the average marketing time (from list date to closing date) for Control Area Sales of 171 days is consistent with the marketing time for Adjoining Property 12 of 169 days. This is an indication that the marketability of the Test Area is not negatively influenced by proximity to the Solar Farm. The Control Area Sales are comparable in most physical characteristics and bracket Adjoining Property 12 reasonably.

We analyzed the five Control Area Sales and adjusted the Control Area Sales for market conditions using a regression analysis to identity the appropriate monthly market conditions adjustment. The result of the paired sales analysis for the Grand Ridge Solar Farm is presented below.

CohnReznick Paired Sales Anaysis Grand Ridge Solar Farm Adjoining Property 12						
No. of Sales	Adjusted Median Price Per SF					
Test Area Sale (1)	Yes: Adjoining solar farm	\$79.90				
Control Area Sales (5)	No: Not adjoining solar farm	\$74.35				
Difference between Unit Price of T Median Unit Price of Co	7.46%					

The unit sale price of the Test Area Sale was slightly higher than the median adjusted unit sale price of the Control Area Sales. Noting no negative marketing time differential, as we contacted the selling broker, Tina Sergenti with Coldwell Banker, who said that the proximity of the solar farm had no impact on the marketing time or selling price of the home. Noting no negative price differential, it does not appear that the Grand Ridge Solar Farm impacted the sales price of the Test Sale, Adjoining Property 12. This was confirmed by the real estate agent who marketed and sold this home.



SOLAR FARM 5: NORTH STAR SOLAR FARM, CHISAGO COUNTY, MN

Coordinates: Latitude 45.486756, Longitude -92.884206

PINs: Multiple

Total Land Size: ±1,000 Acres

Date Project Announced: 2014

Date Project Completed: October 2016

Output: 100 MW AC



Overview and Surrounding Area:

The North Star Solar Farm is located approximately four miles southeast of the City of North Branch in unincorporated Chisago County, near the intersection of Route 69 and Route 72. The solar farm was developed by Community Energy Solar in 2016 and is the largest solar farm in the Midwest. The solar farm features 440,000 solar panels and a power output capacity of 100 MW AC, which is enough to power 20,000 homes. The owner, North Star, LLC, has a 25-year purchase contract for the power produced by the project with Xcel Energy.

Chisago County lies on Minnesota's eastern border, abutting the western border of Wisconsin, across the Saint Croix River. The North Star Solar Farm is approximately 16 miles west of the border with Wisconsin and is just

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over one mile west of the Kost Dam public park and reservoir, a 28-acre park on the south branch of the Sunrise River.

The Immediate Area:

The North Star Solar Farm is surrounded by agricultural land to the north and west. To the south and east of the project there are several residential properties, some of which are nestled within the actual solar farm.

All of the adjacent land parcels to the solar farm are used for agricultural or residential purposes.

The solar farm has agricultural and deer fencing around parts of the project. Additionally, native vegetation and trees previously existed as a buffer along the frontage roads.

Prior Use: Agricultural use

Real Estate Tax Information:

Prior to development of the solar farm, in 2015, this ±1,000-acre site paid real estate taxes of \$37,250, annually. After the solar farm development, in 2017, real estate taxes increased to \$112,856, a 203 percent increase in tax revenue for the site.

Acres
74.91
74.30
16.95
68.01
81.87
121.84
72.07
66.42
60.26
40.55
68.32
160.83
30.52
10.00
946.85

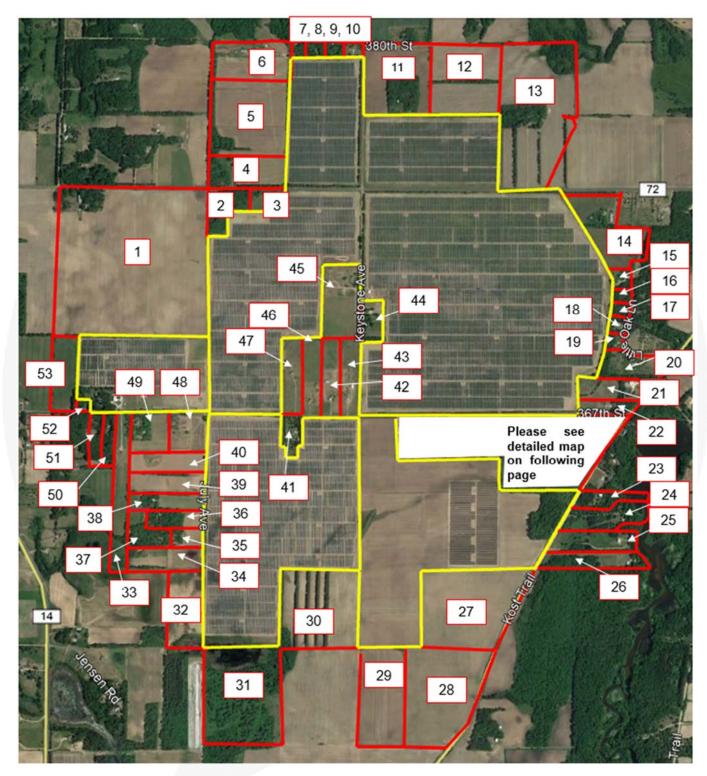
201	15 Taxes	20	17 Taxes	Tax
	Paid Paid			Increase
\$	2,806	\$	8,546	205%
\$	2,818	\$	8,578	204%
\$	644	\$	2,752	327%
\$	3,260	\$	9,806	201%
\$	3,114	\$	8,678	179%
\$	4,578	\$	13,324	191%
\$	3,382	\$	7,440	120%
\$	1,460	\$	6,836	368%
\$	1,506	\$	7,284	384%
\$	1,010	\$	3,968	293%
\$	3,426	\$	7,638	123%
\$	3,598	\$	17,924	398%
\$	788	\$	4,748	503%
\$	4,860	\$	5,334	10%
\$	37,250	\$	112,856	203%

201	2015 Assessed		7 Assessed	Value
	Value		Value	Increase
\$	198,800	\$	233,900	18%
\$	199,600	\$	234,800	18%
\$	45,600	\$	75,300	65%
\$	230,900	\$	268,400	16%
\$	220,500	\$	237,500	8%
\$	324,200	\$	364,700	12%
\$	194,400	\$	224,100	15%
\$	180,000	\$	210,000	17%
\$	168,700	\$	168,800	0%
\$	110,700	\$	140,700	27%
\$	315,700	\$	338,200	7%
\$	422,500	\$	469,100	11%
\$	84,900	\$	109,500	29%
\$	257,700	\$	290,100	13%
\$	2,954,200	\$	3,365,100	14%

Adjoining Properties:

The maps on the following pages display the parcels that contain the solar farm (outlined in yellow). Properties adjoining the solar site (outlined in red) are numbered for subsequent analysis.

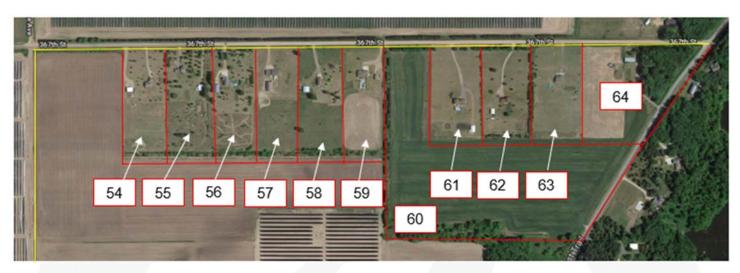




North Star Solar Farm - Adjoining Properties

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North Star Solar Farm - Adjoining Properties

In reviewing Adjoining Properties to study in a Paired Sales Analysis, several properties and sales were considered but eliminated from further consideration as discussed below.

While assembling the solar development site, the developer of the solar farm acquired seven homes along 367th Street and nearby, Adjoining Properties 41, 42, 43, 44, 45, 46, and 47, which are surrounded by the solar arrays. According to conversations with the solar developer, they purchased the homes prior to development to provide interim housing for employees as the solar farm was under construction, or for potential use for the project area (which ultimately was not necessary). Per the developer the houses were purchased at an assemblage premium above their appraised values. After construction, the developer sold all seven homes at market prices, six to new buyers, and one, Adjoining Property 47, which was re-purchased by the original owner. This indicates that the development of the North Star Solar Farm did not deter transactions nor affect sale prices in the surrounding area.

Clifford Sheppeck, broker at Keller Williams Classic, was hired by Renewable Energy Asset Co, LLC, the solar farm developer, to market and sell the remaining five properties that the developer owned. We discussed these transactions with Mr. Sheppeck who indicated they all sold within two months, which was in line with the market.

In addition to the seven homes sold by the developer, we identified six other properties all which sold since the construction of the solar farm: Adjoining Properties 3, 10, 18, 38, 54 and 64. In all, a total of 13 identified Adjoining Properties have sold during or since the construction of the solar farm. These properties are discussed further in the following sections.

Properties Excluded from Paired Sales Analysis

Adjoining Property 3, located at 10009 375th Street, sold most recently in July 2019 for \$260,000, or \$172.41 per square foot of finished living area. This property is improved with a modular/pre-fabricated home in the rambler style, with one story and a basement with a partial walk-out portion, on just over five acres of land. During our search for similar homes that sold away from the solar farm, we did not locate enough market transactions of homes around the time of the most recent sale of Adjoining Property 3 with similar construction and land size to

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yield reliable conclusions in a paired sale analysis. Although, this home, located at 10009 375th Street, sold most recently in July 2019 for \$260,000 it had also sold in March 2016 for \$219,900, during construction of the solar farm. The home also sold in March of 2005 for \$163,000. We have excluded the 2016 sale from paired sale analysis because we cannot separate any influence from construction on the sale price at that time. However, we can calculate the average monthly appreciation from 2005 to 2019 (+0.27 percent) which is higher than the average monthly home price appreciation in the same zip code of 55056 according to the FHFA Housing Price Index (discussed in more detail later), which was 0.0 percent over the same period. It is evident that the home value increased at a higher rate than homes in the local area over the same period. This information is also presented in the Before and After Analysis later in the study of the North Star solar farm. The buyer's broker in the 2019 sale, Gail Reinhard, noted that the buyer had no concerns or issues with the home's proximity to the solar farm and the price paid was market oriented.

Adjoining Property 10, located at 10270 380th Street, sold in June 2018 for \$163,800, or \$143.18 per square foot of finished living area. The property is improved with a small, single-story, modular/pre-fabricated home with no basement, which is atypical for the area. Most the homes in the area, while similar in gross living areas, are onestory, single-family homes with basements, many with some level of finished square footage below grade. We conducted a search in the area for comparable modular homes without basements but did not find sufficient data yield reliable conclusions in a paired sale analysis. Additionally, this home does not appear to have been listed on the local MLS as we could not identify a broker contact for the most recent sale. We have reached out to the buyer and seller to confirm the nature of the transaction, but as of this writing, we have not made contact. We note that the home sold previously in July 2004; however, county sale records indicate the 2004 sale was between related parties which disgualifies it as an arm's length transaction. Due to limited sales in the area to categorize as Control Area Sales, Adjoining Property 10 was excluded from further analysis.

Adjoining Property 22, located at 11210 367th Street, sold in March 2015 for \$280,000, or \$74.55 per square foot of finished living area. It is a rambler built in 1974 with a full finished basement and has some ancillary farm buildings on a 5.2 acre site. This property also sold previously in December 2003 for \$107,000 before the solar farm was constructed. We have excluded the 2015 sale from paired sale analysis because we cannot separate any influence from construction on the sale price at that time. However, we can calculate the average monthly appreciation from 2003 to 2015 (+0.71 percent) which is higher than the average monthly home price appreciation in the same zip code of 55056 according to the FHFA Housing Price Index (discussed in more detail later), which was -0.1 percent over the same period. It is evident that the home value increased at a higher rate than homes in the local area over the same period. This information is also presented in the Before and After Analysis later in the study of the North Star solar farm.

Adjoining Property 38, located at 36438 July Avenue, sold during construction of the solar farm in October 2015 for \$225,000, or \$117.68 per square foot of finished living area. It is a home designed specifically as a passive solar home, taking advantage of the same renewable energy potential of the North Star solar farm. The property is set back behind five acres of agricultural land and is secluded behind trees and operates as a mixed-use "hobby farm." This is a highly atypical use with no comparable sales and it sold during construction; we have excluded the 2015 sale from paired sale analysis because we cannot separate any influence from construction on the sale price at that time. We note that the home sold previously in November 2003; however, we could not



prepare a Before and After analysis utilizing this prior transaction as the most recent sale was marketed as a passive solar home. For these reasons, Adjoining Property 38 was excluded from further analysis.

Adjoining Property 41, located at 10095 367th Street, is subject to an existing 30-year lease for the southern 6.24 acres of the parcel for solar panels in the North Star solar farm. Because the property is a participating parcel in the solar farm, and due to the additional rental income from the land, the June 2017 sale of this property for \$336,900, or \$135.48 per square foot of finished living area, was excluded from a paired sales analysis. The sale of this property in May 2016 was to the solar developer for an above appraised value of \$365,000, which was an atypically motivated transaction. Because this home traded in an atypically motivated transaction in 2016, we have not included it in a Before and After analysis.

Adjoining Property 43, located at 10254 367th Street, sold for \$335,000 in July 2017, for \$191.21 per square foot of finished living area, and is a two-story home with an atypical floor design. Most of the homes in the area, while having similar gross living areas, are one-story, single-family homes with basements. We conducted a search in the area for comparable above-grade, two-story homes, but did not find sufficient sales data. Mr. Sheppeck was the listing broker for this property and confirmed its atypical nature. He indicated that it sold at a price that was in-line with the market even though two-story homes are considered to be rare in the area. Due to limited comparably designed sales in the area, Adjoining Property 43 was excluded from a paired sales analysis. The prior sale of this property was to the solar developer for assemblage during construction for \$535,000, an above market price, in July 2016. Because this home traded in an atypically motivated transaction in 2016, we have not included it in a Before and After analysis.

Adjoining Property 44, located at 37083 Keystone Avenue, sold for \$257,000, or \$157.86 per square foot of finished living area, in August 2017 and is a one-story rambler style home with an inferior quality of construction and an inferior basement. Sale listing materials indicated deferred maintenance. Most comparable sales either have finished or walk-out basements and average to above-average construction and condition quality. Due to limited comparable sales for this property, Adjoining Property 44 was excluded from a paired sales analysis. The prior sale of this property was in October 2016, to the solar developer for assemblage, for \$302,500. Because this home traded in an atypically motivated transaction in 2016, we have not included it in a Before and After analysis.

Adjoining Property 45, located at 37206 Keystone Avenue, sold in June 2017 for \$290,000, or \$149.48 per square foot of finished living area, from the solar farm developer. The property is a split-entry home on over 20 acres. The home features an attached 3-car garage, a detached two-car garage with a finished second story, and a fenced in-ground pool. The County Assessor classified this property as agricultural due to its large acreage. Because this home is atypical (large acreage and pool) there were no comparable sales in the area and Adjoining Property 45 was excluded from further analysis. This home was previously purchased by the solar farm developer in July 2016 for \$450,000, an above market price, for assemblage during solar farm construction. After construction was complete, the home was sold in 2017 at a market-oriented price, in an average number of days listed on the Multiple Listing Service (MLS). Because this home traded in an atypically motivated transaction in 2016, we have not included it in a Before and After analysis.



Adjoining Property 47, located at 10090 367th Street, most recently sold in March 2018 for \$302,500, or \$127.53 per square foot of finished living area, from the solar farm developer. This home was previously purchased by the solar farm developer in August 2016 for \$360,800, an above market price, for assemblage during solar farm construction. According to the broker, Cliff Sheppeck, the original owner leased the house back from the developer after the sale, never moved out, and was hired to do maintenance and upkeep on the other six houses the developer purchased in the area. When the developer no longer needed the property, he sold it back to the original owner in 2018 at a market-oriented price. Because of the relationship between the parties in 2018 and 2016, we have not included it in a Paired Sales Analysis nor a Before and After analysis.

Adjoining Property 64, located at 36640 Kost Trail, sold in December 2019 for \$310,000, or \$139.70 per square foot of finished living area. The property is an above-grade, two-story home and has a partially finished basement, on over 8 acres of land. The property also includes a detached 2-car garage and a pole barn. Jeff Turbeville, broker at Edina Realty Inc., explained this two-story home style is atypical in the area and not enough control sales could not be found in our search for a credible paired sales analysis; thus, Adjoining Property 64 was excluded from further analysis.

Properties Included in Paired Sales Analysis

Adjoining Property 18, located at 37096 Little Oak Lane, sold in April 2017 for \$289,000, or \$119.82 per square foot of finished living area. The home is a rambler style, one-story, home with a finished walk-out basement on a 2.07-acre parcel. The improvements on this property are located approximately 225 feet from the nearest solar panel. The buyer's broker, Amy Lamb, noted that the home was in good shape and had been on the market for two years because the seller would not lower the price to market levels during previous listings. In the summer, Lamb noted, the solar panels were barely visible from the back of the property, but in winter they were visible. Lamb asked the buyers if the solar panel view would be a problem and their opinion was that the neighboring solar panels meant no other development that created traffic or noise would be built to disturb them. This home qualified for a paired sales analysis and was studied in Group 2, as detailed on subsequent pages. We have also studied this property in a Before and After analysis later in this report as it also sold in 2006, prior to construction of the North Star solar farm.

Adjoining Property 42, located at 10200 367th Street, sold in November 2017 for \$330,000, or \$151.93 per square foot of finished living area. The home is a split-level style house on 9.30 acres. The improvements on this property are approximately 393 feet from the nearest solar panel. This home qualified for a paired sales analysis and was studied in Group 1, as detailed on subsequent pages. This home was previously purchased by the solar farm developer in July 2016 for \$387,900, an above market price, for assemblage during solar farm construction. After construction was complete, the home was sold in 2017 at a market-oriented price, in an average number of days listed on the Multiple Listing Service (MLS). Because this home traded in an atypically motivated transaction in 2016, we have not included it in a Before and After analysis.

Adjoining Property 46, located at 10132 367th Street, sold most recently in December 2020 for \$415,000, or \$196.87 per square foot of finished living area. The home is a split-level style house on 9.31 acres. The home features an attached 3-car heated garage, an 816 square foot detached heated garage, and a 1,400 square foot outbuilding. The improvements on this property are approximately 330 feet from the nearest solar panel. This

home also sold in October 2017 for \$333,000 from the solar developer who had purchased it in September 2016 for \$387,900, an above market price, for assemblage during solar farm construction. After construction was complete, the home was sold in 2017 at a market-oriented price, in an average number of days listed on the Multiple Listing Service (MLS). This home qualified for a paired sales analysis and was studied in Group 1 (2017) sale), and in Group 3 (2020 sale), as detailed on subsequent pages. Because this home traded in an atypically motivated transaction in 2016, we have not included it in a Before and After analysis.

Adjoining Property 54, located at 10009 375th Street, sold in July 2019 for \$260,500, or \$137.83 per square foot of finished living area. The home is a is a split-level style house on 5.0 acres. The improvements on this property are located approximately 352 feet from the nearest solar panel. This home qualified for a paired sales analysis and was studied in Group 1, as detailed on subsequent pages. We have also studied this property in a Before and After analysis later in this report as it also sold in 1999, prior to construction of the North Star solar farm.

Paired Sales Analysis

Group 1

We analyzed three split-level homes that sold between 2016 and 2017 that were located adjacent to the North Star solar farm.

North Star Solar Test Area Sales - Group 1									
Adj. Property # Address Sale Price Site Size (AC) Beds Baths Year GLA Sale Price Price (AC)								Price PSF	
52	10505 367th St	\$260,500	5.00	3	2	1999	1,890	Aug-16	\$137.83
42	10200 367th St	\$330,000	9.30	4	3	2003	2,172	Nov-17	\$151.93
46	10132 367th St	\$333,000	9.31	4	3	2001	2,108	Oct-17	\$157.97
Median		\$330,000	9.30	4	3	2001	2,108	Oct-17	\$151.93

Throughout our analysis we have relied on square footage data from the Chisago County Assessor's office for home sizes. We have included above-grade and finished below-grade square footage in our calculations as the market in this area considers finished square feet on every level to be livable. Split-level homes and those with basements or walkout basements are prevalent in this area. We note that the square footage for Adjoining Property 42 is shown on the MLS real estate listing from 2017 as being 2,350, we have utilized the Assessor's livable square footage of 2,172 in our analysis.

We analyzed 11 Control Area Sales, single family homes with similar location, construction, square footages, lot sizes, and ages that sold within a reasonable time frame from the median sale date of the Test Area Sales, that were not located in close proximity to the solar farm.

The Control Area Sales for Group 1 are split-level homes with either 3 or 4 bedrooms and 1.5 to 4 bathrooms. We excluded sales that were bank-owned, those between related parties, or others under duress as non-arm's length transactions.

When adjusting sale prices for market conditions (time between date of Test Area Sale and Control Area Sale date) throughout this analysis we have used regression analysis to identify the appropriate monthly market

conditions adjustment. We utilized the Federal Housing Finance Agency House Price Index (FHFA HPI) for the zip code 55056, the zip code of all Test Area and Control Area Sales, for the compounded monthly rate of appreciation. The FHFA HPI is a broad measure of the movement of single-family house prices. The FHFA HPI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties. The FHFA HPI serves as a timely, accurate indicator of house price trends at various geographic levels. 15 We adjusted Group 1 Control Area Sales using the FHFA HPI for the period from 2016 through 2017.

The results of our analysis for Group 1 are presented below.

CohnReznick Paired Sale Analysis North Star Solar Group 1						
No. of Sales	Adjusted Median Price Per SF					
Test Area Sales (3)	Adjoining solar farm	\$151.93				
Control Area Sales (11)	\$139.50					
Difference between Unit Pri Adjusted Median Unit Pri	8.91%					

We note a somewhat large positive difference in adjusted median price per square foot between the median of the Test Area Sales and the Control Area Sales. The price differential is likely attributable to the larger parcel sizes of the Test Area Sales, which range from 5.00 acres to 9.31 acres. The Control Area Sales home sites range from to 2.29 to 7.10 acres, with a median of 5.0 acres. Control Area Sales with lot sizes that bracketed the Test Area Sales on the high side did not transact during the period studied but the properties are considered comparable. The sale prices of Adjoining Properties in Group 1 were not negatively impacted by the homes' proximity to the North Star solar farm.

We note that the median unit sale price of the most recent sales of each of the excluded adjoining properties identified previously is \$141.44 per square foot. As indicated above, the included Test Area Sales have a median unit price of \$151.93 per square foot. Inclusion of the excluded adjoining property sales would not have made a conclusive impact on the conclusions of the paired sale analysis.

¹⁵ https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx

Group 2

We analyzed Adjoining Property 18, a single-story, rambler style home that sold in 2017.

	North Star Solar											
Test Area Sale - Group 2 Median Site Size (AC) Median Beds Median Sale Date Median Beds Med												
18	37096 Little Oak Ln	\$289,000	2.07	4	3.0	2001	2,412	Apr-17	\$119.82			

We analyzed 10 Control Area Sales, single family homes with similar location, construction, square footages, lot sizes, and ages that sold within a reasonable time frame from the median sale date of the Test Area Sale, that were not located in close proximity to the solar farm.

Adjoining Property 18 sits on a somewhat small lot for the home size in this area. So as to capture homes that bracket the Test Area Sale home size, those ranging from 2,314 square feet to 3,371 square feet of finished living area (including finished basements), the parameters of our search for Control Area Sales were widened to include lot sizes between 1 and 10 acres.

The Control Area Sales for Group 2 are rambler style homes with 4 bedrooms and 2 to 4 bathrooms on less than 10-acre parcels. We excluded sales that were bank-owned, those between related parties, or others under duress as non-arm's length transactions. We adjusted the Control Area Sales for market conditions using the compounded monthly growth rate exhibited in the FHFA House Price Index, for the period from 2016 through 2018.

CohnReznick Paired Sale Analysis North Star Solar Group 2										
No. of Sales	Adjusted Median Price Per SF									
Test Area Sales (1)	Adjoining solar farm	\$119.82								
Control Area Sales (10)	No: Not adjoining solar farm	\$118.72								
Difference between Unit Pro Adjusted Median Unit Price		0.92%								

Noting no significant price differential, it does not appear that the North Star solar farm had any negative impact on adjacent property value in Group 2.



Group 3

Adjoining Property 46 was analyzed as a 2017 sale in Group 1 and sold again most recently in December 2020. While this sale is not yet published in the Chisago County Assessor's data, the sale has been recorded in the public record and the MLS.



Photo of 10132 367th Street (Adjoining Property 46) with view of solar arrays from 2020 MLS listing

North Star Solar Test Area Sale - Group 3												
Adj. Property # Address Median Sale Price (AC) Median Beds Median Baths Median Built Median Median Built (SF) Date Median Median Median Sale Price PS												
46	10132 367th St	\$415,000	9.31	4	3.0	2001	2,108	Dec-20	\$196.87			

We analyzed six Control Area Sales, single family homes with similar location, construction, square footages, lot sizes, and ages that sold within a reasonable time frame from the median sale date of the Test Area Sale, that were not located in close proximity to the solar farm.

The Control Area Sales for Group 3 are split-level style homes with 4 bedrooms and 2 or 3 bathrooms on one to ten acre parcels. We excluded sales that were bank-owned, those between related parties, or others under

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duress as non-arm's length transactions. We adjusted the Control Area Sales for market conditions using the compounded monthly growth rate exhibited in the FHFA House Price Index, for the period from 2018 through 2019 (the most recent data available). The results of our analysis are presented below.

	CohnReznick Paired Sale Analysis North Star Solar Group 3										
No. of Sales	Adjusted Median Price Per SF										
Test Area Sale (1)	Adjoining solar farm	\$196.87									
Control Area Sales (6)	No: Not adjoining solar farm	\$139.60									
Difference between Unit Pr Adjusted Median Unit Pric		41.02%									

We note that the sale price of the 2020 sale of Adjoining Property 46 is the highest for this home type (split-level) in all the County Assessor data from 2016 to 2020 for North Branch Township. However, the selling broker, Candace Rindahl, remarked that the price was market for the area at the time of sale. We see this in a study of the rate of appreciation over the course of three years between the prior sale and most recent sale. Adjoining Property 46 appreciated at a faster rate than the local area, as seen in the following table.

	Test Area Sale										Zip Code ng Price Index ange
Property ID	Address	Land Area (Acres)	Total Finished Living Area (SF)	Most Recent Sale Date	Most Recent Sale Price	Dato	Prior Sale Price	Total Appreciation	Monthly Appreciation Rate	Total Appreciation	Monthly Appreciation Rate
AP 46	10132 367th St	9.31	2,108	12/20/20	\$415,000	10/20/17	\$333,000	24.62%	0.58%	17.43%	0.42%

We note a somewhat large positive difference in adjusted median price per square foot between the Test Area Sale and the Control Area Sales. The most comparable Control Area Sale, Control Area Sale 5 (6836 410th Street), sold for an adjusted sale price per square foot of \$182.74 a difference of 7.2 percent to the unit sale price of the Test Area Sale. We find that on a macro and micro level of analysis, the sale price of Adjoining Property 46 (Group 3) was not negatively impacted by its proximity to the North Star solar farm.

The differential between the Test Sale and the Control Sales is much higher than any of our other studies; we have considered this to be an outlier. While the indication shows that the adjacent solar farm has not negatively impacted the property value for this home, we have considered that this house has "set the market" for this kind of property type (home style, age and acreage) - we believe that this differential will likely stabilize in the near future as other homes catch up to the appreciation shown by Adjoining Property 46. Thus, we have not included this Group in the collection of impact studies in our conclusion of this study presented on page 79.



A Repeat Sales Study (Before and After Construction of the Solar Farm Analysis):

In a 2017 study conducted by Chisago County Assessor John Keefe, Keefe analyzed the sales of 15 parcels alongside or near the North Star Solar Farm that sold between January 2016 and October 2017. Based on trends exhibited by 750+ sales throughout the county, Keefe concluded that the homes, located on 375th, 367th, Keystone, Little Oak, Lincoln Trail, and Kost Trail were all "in excess of assessed" and reported that "valuation hasn't suffered."16

Considering Keefe's 2017 study, we conducted a supplemental analysis in which we compared the sale prices of the three homes sold in Group 1 that are adjacent to the North Star Solar Farm (Test Area Sales Group) to the previous sale price of the home, commonly known as a "Repeat Sales Analysis" utilizing a sale and resale of the same property. These sales reflect the average site size, home type, and home size of properties in the surrounding area. In our comparison for each property analyzed, we calculated the total appreciation between each sale, the number of months that elapsed between each sale, and determined the monthly appreciation rate for the property. We then compared the extracted monthly appreciation rates to the change in the Federal Housing Finance Agency (FHFA) Home Price Index in Minnesota's 55056 zip code (where the studied homes are located) over the same period. The index for zip codes is measured on a yearly basis and is presented to the right.

We conducted the same analysis for seven single-family properties that are not within proximity to the North Star Solar Farm, that were within the Group 1 Control Area Sales. The tables on the following page present this study.

There was one home in the Test Area Sales group that experienced negative appreciation (Adjoining Property 18, 37096 Little Oak Lane) from when it sold first in 2006 to the most recent sale in 2017. There was also one home in the Control Area Sales group that experienced negative appreciation (G1-2, 5183 366th Street) from when it sold first in 2007 to the most recent sale in 2016. During the calendar years of 2005, 2006 and 2007, housing prices in the United States were reaching their peak. In 2006 the HPI reached 251.83, a record at that time. Post-recession homes

55056 Zip Code - Housing Price Index Change (Year Over Year) **Not Seasonally Adjusted**

Year	Annual Index	Annual Change (%)	Compounded Monthly Change (%)
1991	100.00		
1992	101.15	1.15%	0.10%
1993	105.00	3.81%	0.31%
1994	110.54	5.28%	0.43%
1995	121.51	9.92%	0.79%
1996	127.27	4.74%	0.39%
1997	134.29	5.52%	0.45%
1998	141.08	5.06%	0.41%
1999	149.86	6.22%	0.50%
2000	169.13	12.86%	1.01%
2001	187.18	10.67%	0.85%
2002	200.83	7.29%	0.59%
2003	212.82	5.97%	0.48%
2004	226.83	6.58%	0.53%
2005	246.73	8.77%	0.70%
2006	251.83	2.07%	0.17%
2007	243.35	-3.37%	-0.29%
2008	223.07	-8.33%	-0.72%
2009	196.72	-11.81%	-1.04%
2010	179.99	-8.50%	-0.74%
2011	163.09	-9.39%	-0.82%
2012	155.38	-4.73%	-0.40%
2013	165.02	6.20%	0.50%
2014	175.59	6.41%	0.52%
2015	187.02	6.51%	0.53%
2016	203.03	8.56%	0.69%
2017	220.28	8.50%	0.68%
2018	235.98	7.13%	0.58%
2019	248.44	5.28%	0.43%
2020	258.67	4.12%	0.34%

prices, after 2008 did not recover to the same or higher levels until 2019 and 2020. When the homes sold in

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¹⁶ https://www.cleanenergyresourceteams.org/chisago-county-boards-real-estate-update-shows-solar-has-no-impact-property-values

2017 and 2016, respectively, the housing market had not fully recovered in the area and the negative appreciation tracks with the overall market conditions, illustrated in the red boxes in the table on the prior page.



	Test Area Sales Group										55056 Zip Code - FHFA Housing Price Index			
Property ID	Address	Land Area (Acres)	Total Finished Living Area (SF)	Most Recent Sale Date	Most Recent Sale Price	Prior Sale Date	Prior Sale Price	Total Appreciation	Months Elapsed Between Sales	Monthly Appreciation Rate	Index Level During Year of Most Recent Sale	Voar Indov	Total Appreciation	Monthly Appreciation Rate
AP 54	10505 367th Avenue	5.00	1,890	8/19/2016	\$260,500	4/30/1999	\$123,294	111.28%	208	0.36%	203.03	149.86	35.48%	0.15%
AP 22	11210 367th Street	5.20	3,756	3/31/2015	\$280,000	12/19/2003	\$107,000	161.68%	135	0.71%	187.02	212.82	-12.12%	-0.10%
AP 18	37096 Little Oak Lane	2.10	2,412	4/11/2017	\$289,000	1/27/2006	\$308,000	-6.17%	134	-0.05%	220.28	251.83	-12.53%	-0.10%
AP 3	10009 375th Street	5.10	1,040	7/12/2019	\$260,000	3/4/2005	\$163,000	59.51%	172	0.27%	248.44	246.73	0.69%	0.00%
	Median - Test Area Sales	5.05	2,151							0.32%				0.02%

	Control Area Sales Group										55056 Zip Code - FHFA Housing Price Index			
Property ID	Address	Land Area (Acres)	Total Finished Living Area (SF)	Most Recent Sale Date	Most Recent Sale Price	Prior Sale Date	Prior Sale Price	Total Appreciation	Months Elapsed Between Sales	Monthly Appreciation Rate	Index Level During Year of Most Recent Sale	Year Index	Total Appreciation	Monthly Appreciation Rate
G1-1	10589 Wilcox Road	5.00	1,900	7/6/2016	\$262,500	9/26/2007	\$223,700	17.34%	105	0.15%	203.03	243.35	-16.57%	-0.17%
G1-2	5183 366th Street	2.29	1,530	7/28/2016	\$227,708	4/13/2007	\$207,000	10.00%	112	0.09%	203.03	243.35	-16.57%	-0.16%
G1-3	4359 Elk Court	2.50	1,970	1/20/2017	\$263,000	11/25/1998	\$175,365	49.97%	218	0.19%	220.28	141.08	56.14%	0.20%
G1-4	39088 More Ferry Road	5.00	1,838	1/27/2017	\$229,000	9/29/2005	\$185,000	23.78%	136	0.16%	220.28	246.73	-10.72%	-0.08%
G1-7	4737 377th Street	2.50	2,002	6/28/2017	\$230,000	7/20/1999	\$138,400	66.18%	215	0.24%	220.28	149.86	46.99%	0.18%
G1-8	8628 380th Street	5.00	1,842	7/6/2017	\$275,000	4/23/2010	\$203,000	35.47%	86	0.35%	220.28	179.99	22.38%	0.23%
G1-9	6417 360th Street	5.00	2,346	7/7/2017	\$325,009	5/16/2008	\$270,000	20.37%	110	0.17%	220.28	223.07	-1.25%	-0.01%
	Median - Control Area Sales	5.00	1,900							0.17%				-0.01%

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Most home sites outside of a subdivision in this area are within the 2.00- to 5.00-acre range, as shown in the Control Area Sales table on the prior page. The median gross living area for each group differs by less than 50 square feet of living area. The analysis described in this section, however, does not require us to make adjustments to the sales as we are only evaluating the difference in appreciation rates between a sale and resale of the same property.

As mentioned earlier in the report, Adjoining Property 3, (10009 375th Street), sold most recently in July 2019 for \$260,000 and also sold in March 2016 for \$219,900, during construction of the solar farm. The home sold first in 2005 for \$163,000. We have excluded the 2016 from our analysis because we cannot separate any influence from solar farm construction on the sale price at that time.

Conclusion

When compared to the FHFA home price index for the local zip code, the median monthly appreciation rate of the Test Area Sales group and the Control Area Sales group both outperformed the average for the zip code, as depicted in the far-right column in the tables on the prior page. As such, we concur with Assessor Keefe's conclusion that there does not appear to be a consistent detrimental impact on properties adjacent to the North Star Solar Farm.



SOLAR FARM 6: DTE'S LAPEER SOLAR PROJECTS, LAPEER, MICHIGAN

Coordinates: Latitude 43.0368219316, Longitude -83.3369986251

PINs: L20-95-705-050-00, L20-98-008-003-00

Owner of Record: DTE Electric Company & City of Lapeer

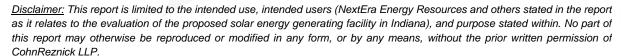
Total Land Size: ±365 Acres

Date Project Announced: 2016

Date Project Completed: May 2017

Output: 48.28 MW AC







Overview and Surrounding Area:

The DTE Lapeer solar farm is located just south of the City of Lapeer, in Lapeer County, Michigan and is a joint project between the City of Lapeer and DTE Electric Company. The solar farm was developed with Inovateus Solar MI, LLC to meet Michigan renewable energy standards. The solar farm features over 200,000 panels, a power output of 48.28 MW AC, and produces enough energy to power 14,000 homes. The Lapeer solar project was developed in two phases: the Demille Solar installation and the Turrill Solar installation. For purposes of our study, taken together, both installations are considered one solar farm.



DTE's Lapeer Solar Projects Demille and Turrill solar installations

Lapeer is considered to be in the Tri-Cities area of central Michigan and is approximately 21 miles east of the City of Flint. Interstate-69 serves Lapeer and runs east-west just south of the solar farm. The two phases of the solar installation are on the east and west sides of Michigan State Route 24 from each other.



The Immediate Area:

Land uses surrounding the Demille installation include a correctional facility and industrial uses to the west, buffered by a mature stand of trees, a retail center to the northeast, other commercial uses to the east along MI-24/South Lapeer Road, and residential homes to the southeast. Interstate-69 runs south of the Demille solar installation.

The Turrill installation is surrounded to the north by a residential subdivision, to the north and east by industrial uses, to the south by vacant land and residential homes, and to the west by light commercial and professional uses along MI-24/South Lapeer Road. Hunter's Creek divides two sets of solar arrays in the Turrill installation.

The Demille installation is surrounded on the west by a large grove of mature trees. A small part of the solar farm extends southward and adjoins Interstate-69 while more mature trees and shrubbery buffer the rest of the southern exposure of the south side of the solar panels. To the southeast, buffering the subdivision homes are mature trees and some shrubbery. The eastern border of the solar installation is primarily existing mature trees, and some vacant land. To the northeast corner of the solar panels is a senior living facility, Stonegate Health Campus, developed before the solar facility that is buffered by shrubbery and mature trees. According to employees at Stonegate the solar panels are not visible from the building.

The Turrill installation is separated from Tower Road on the west by trees and shrubbery. To the south, existing mature trees and shrubbery buffers the solar panels from Turrill Road. The solar panels are bisected by Hunters Creek, which runs roughly north-south. Mature trees buffer the industrial uses on the eastern side and the northeastern corner of the solar panels. The northern border of the solar panels is separated from the Hunters Creek subdivision by mature trees as well.

Prior Use: Agricultural use

Real Estate Tax Information:

Prior to the development of the solar farm, the land under the Demille and Turrill solar installations were municipal-owned and were not subject to property tax. After development, in 2017, the land became taxable and taxes were \$82,889 total, as shown below.

3000000	
PIN	Acres
Lapeer County, MI	
L20-98-008-003-00*	110.84
L20-95-705-050-00*	254.84
TOTAL	365 68

2016 Taxes Paid		201	I7 Taxes Paid	Tax Increase
\$	-	\$	34,294	N/A
\$	-	\$	48,595	N/A
\$	-	\$	82,889	N/A

2016 Assessed Value		201	7 Assessed Value	Value Increase
\$	1 1	\$ \$	726,700 1,029,750	N/A N/A
\$	_	\$	1,756,450	N/A

^{*} Prior to development as a solar farm, the parcels were municpal property without a taxable value.



Paired Sale Analysis:

The maps, below, and on the following pages display properties adjoining the solar sites that are numbered in red for subsequent analysis.

Demille Solar Farm



DTE's Lapeer Solar Projects - Demille Adjoining Properties

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DTE's Lapeer Solar Projects - Demille Adjoining Properties



Turrill Solar Farm



DTE's Lapeer Solar Projects - Turrill Adjoining Properties





DTE's Lapeer Solar Projects - Turrill Adjoining Properties

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In reviewing Adjoining Properties to study in a Paired Sale Analysis, several properties and sales were considered but eliminated from further consideration as discussed below.

We identified seven Adjoining Properties that sold since the solar farm started operations in May of 2017: Adjoining Properties 3, 4, 7, 9, and 16 for the Demille Solar Farm, and Adjoining Properties 3 and 4 for the Turrill Solar Farm. Of these properties, three were considered atypical for the area.

Adjoining Property 7 adjacent to the Demille Solar farm is a split-level home with a finished walk out basement with a pool. The typical home in the area has a traditional basement and pools are atypical. The unusual nature of this sale was confirmed with the selling broker, Renee Voss (see comments below).

Adjoining Property 16 just south of the Demille Solar Farm is a 10.1-acre lot that is buffered by trees. The home is atypical for the area, as most homes are situated on lots between 1-acre and 1.5-acres in size and were built before 1980; this home was built in 2008. We interviewed the broker Josh Holbrook (see comments below) who confirmed the atypical nature of this property.

Adjoining Property 3, just west of the Turrill Solar Farm, was a ranch home with 1,348 square feet on a lot that was just over one acre. Comparables for homes of this size, type, and lot size were not available in the immediate market area. It should be noted that the price per square foot for this home (\$108.01) is significantly higher than median price per square foot of either data set we studied.

As a part of our research, we interviewed three local real estate brokers that sold homes adjacent to the Lapeer Solar farm. According the brokers, there was no impact on the home prices or marketability due to the homes' proximity to the solar arrays.

Renee Voss of Coldwell Banker, selling broker of the raised ranch at 1138 Don Wayne Drive (Adjoining Property 7), which is adjacent to the Demille solar farm at the southeast corner, noted that there was no impact on this sale from the solar farm located to the rear. The home, which has a pool in the backyard, sold quickly with multiple offers, Voss stated.

Josh Holbrook, the selling broker of 1408 Turrill Road (known as Adjoining Property 16), located just south of the Demille Solar Farm, said the solar farm had no impact on the sale and that the community takes pride in the solar farm.

Anne Pence of National Realty Centers, the selling broker for 1126 Don Wayne Drive, a single-family home adjacent to the Demille solar farm (known as Test Area Sale 9), reported that "the solar farm did not have any effect on the sale of this home. The buyers did not care one bit about the solar field in the back yard. The fact is that you know no one is going to be behind you when they develop a solar farm in your back yard. And there they put up trees to block the view. My in-laws also actually live at end of that street, even though they haven't sold or put their house on market, they don't mind the solar panels either. It's not an eyesore. And another house sold on that block, a raised ranch home, and it sold with no problems."



Group 1 – Demille:

Adjoining Properties 3, 4, and 9 to the Demille Solar Farm were considered for a paired sales analysis, and we analyzed these properties as single-family home uses in Group 1. The improvements on these properties are located between 210 to 255 feet to the nearest solar panel.

	Test Area Sales Group 1 - Demille Solar											
Adj. Property # Address Median Site Size (AC) Median Baths Median Square Built Median Sale Price PSF												
3, 4, 9	1174 Alice Dr, 1168 Alice Dr, 1126 Don Wayne Drive	\$160,000	0.50	3	2.0	1973	1,672	May-18	\$86.12			

We analyzed seven Control Area Sales of single-family homes with similar construction and use that were not located in close proximity to the solar farm, that sold within a reasonable time frame from the median sale date of the Test Area Sales in Group 1. The Control Area Sales for Group 1 are ranch homes with three bedrooms and one and two bathrooms. We excluded sales that were bank-owned, and those between related parties.

The Control Area Sales were adjusted for market conditions using a regression analysis to identify the appropriate monthly market conditions adjustment. The result of our analysis for DTE's Lapeer Solar Project - Group 1 is presented below.

DTE Lapeer Solar Group 1 - Demille Solar						
No. of Sales	Potentially Impacted by Solar Farm	Adjusted Median Price Per SF				
Test Area Sales (3)	Adjoining solar farm	\$86.12				
Control Area Sales (7)	No: Not adjoining solar farm	\$85.92				
Difference between Unit Pri Adjusted Median Unit Pri	0.24%					

The days on market for the three Test Area Sales had a median of 28 days on market (ranging from 5 to 48 days), while the median days on market for the Control Area sales was 72 days (ranging from 14 to 224 days), and we note no negative marketing time differential.



Group 2 – Turrill:

Adjoining Property 4 to the Turrill Solar Farm was analyzed separately since it is a two-story home on a larger lot as Group 2. The home on Adjoining Property 4 is 165 feet from the property line to the nearest solar panel.

Test Area Sale Group 2 - Turrill Solar										
A	Adj. Property #	Address	Median Sale Price	Median Site Size (AC)	Median Beds	Median Baths	Median Year Built	Median Square Feet	Median Sale Date	Median Price PSF
	4	1060 Cliff Drive	\$200,500	1.30	4	2.5	1970	2,114	Sep-18	\$94.84

We analyzed four Control Area single-family homes sales with similar construction that were not located in close proximity to the solar farm, that sold within a reasonable time frame from the sale date of Adjoining Property 4.

The Control Area Sales for Group 2 are 2-story homes with between two and four bedrooms and 2.5 to 3.0 bathrooms. We excluded sales that were bank-owned, and those between related parties.

We adjusted the Control Area Sales for market conditions using a regression analysis to identity the appropriate monthly market conditions adjustment. The result of our analysis for DTE's Lapeer Solar Project – Group 2 is presented below.

CohnReznick Paired Sale Analysis DTE Lapeer Solar Group 2 - Turrill Solar					
No. of Sales	Potentially Impacted by Solar Farm	Adjusted Median Price Per SF			
Test Area Sale (1)	Adjoining solar farm	\$94.84			
Control Area Sales (4)	No: Not adjoining solar farm	\$91.80			
Difference between Unit Pr Adjusted Median Unit Pric	3.31%				

The days on market for the Test Area Sale was 2 days, while the median days on market for the Control Area sales was 35 days (ranging from 11 to 177 days), *and we note no negative marketing time differential.*

Noting no negative price differential, with the Test Area Groups having a higher unit sale price than the Control Area sales, in either Group, it does not appear that the DTE's Lapeer Solar had any negative impact on adjacent property values.



SUMMARY OF ADJOINING USES

The table below summarizes each subject solar farm's adjoining uses.

		Composi					
Solar Farm#	Solar Farm	Acreage % of Surrounding Agricultural Uses	Acreage % of Surrounding Residential Uses	Acreage % of Surrounding Industrial Uses	Acreage % of Surrounding Office Uses	Acreage % of Surrounding Other Uses	Avg. Distance from Panels to Improvements (Feet)
1	Dominion Indy Solar III	97.70%	2.30%	0.00%	0.00%	0.00%	474
2	Portage	65.50%	34.50%	0.00%	0.00%	0.00%	991
3	IMPA Frankton	76.30% 5.70% 0.00% 0.00% 18.		18.00%	236		
4	Grand Ridge	dge 97.60% 1.40% 0.00%		0.00%	1.00%	553	
5	North Star	75.00%	15.00%	0.00%	0.00% 10.00%		325
6 Lapeer Solar 60.00%		35.00%	0.00%	0.00%	5.00%	260	

Overall, the vast majority of the surrounding acreage for each comparable solar farm is made up of agricultural land, some of which have homesteads. There are also smaller single-family home sites that adjoin the solar farms we have studied. We have found that these solar farms are sound comparables in terms of adjoining uses, location, and size.



MARKET COMMENTARY

Additionally, we have contacted market participants such as appraisers, brokers, and developers familiar with property values around solar farms in Indiana, Illinois, Minnesota, and Michigan. Commentary from our conversations with these market participants are recorded below.

We spoke with Ken Surface, a Senior Vice President of Nexus Group. Nexus Group is a large valuation group in Indiana and has been hired by 20 counties in Indiana regarding property assessments. Mr. Surface is familiar with the solar farm sites in Harrison County (**Lanesville Solar Farm**) and Monroe County (**Ellettsville Solar Farm**) and stated he has noticed <u>no impact on property values from proximity to these sites</u>.

We spoke with Ken Crowley, Rockford Township Assessor in Winnebago County, Illinois, who stated that he has seen *no impact on property values in his township as an effect of proximity to the Rockford Solar Farm*.

We interviewed Missy Tetrick, a Commercial Valuation Analyst for the Marion County Indiana Assessor. She mentioned the **Indy Solar III sites** and stated that she saw <u>no impact on land or property prices from proximity</u> to this solar farm.

We spoke with Dorene Greiwe, Decatur County Indiana Assessor, and she stated that solar farms have only been in the county a couple of years, but she has seen <u>no impact on land or property prices due to proximity to this solar farm</u>.

Connie Gardner, First Deputy Assessor for Madison County Indiana, stated that there are three solar farms in her county, and she has seen <u>no impact on land or property prices due to proximity to these solar farms</u>.

We spoke with Tara Shaver, Director of Administration for Marion County, Indiana Assessor/Certified Assessor, and she stated that she has seen <u>no impact on land or property prices due to proximity to solar farms</u>.

In Otter Creek Township, in LaSalle County, Illinois, we spoke with Viki Crouch, the Township Assessor, and she said that <u>there has been no impact on property values due to their proximity to the **Grand Ridge Solar Farm**.</u>

Candace Rindahl of ReMax Results, a real estate broker with 16 years of experience in the North Branch, Minnesota area, said that she has been in most of the homes surrounding the **North Star Solar Farm** and personally sold two of them. She reported that the neighboring homes sold at market rates comparable to other homes in the area not influenced by the solar farm, and they sold within 45 days of offering, at the end of 2017, which was in line with the market.

Dan Squyres, Chisago County Tax Assessor, confirmed that the Chisago County Assessor's Office completed their own study on property values adjacent to and in close vicinity to the solar farm from January 2016 to October 2017. From the study, the assessor determined the residential homes adjacent to the **North Star Solar Farm** were in-line with the market and were appreciating at the same rate as the market.¹⁷



Anne Pence of National Realty Centers in Lapeer, Michigan reported that "the Lapeer Solar Farms did not have any effect on the sale of this home. The buyers did not care one bit about the solar field in the back yard. The fact is that you know no one is going to be behind you when they develop a solar farm in your back yard. And there they put up trees to block the view. My in-laws also actually live at end of that street, even though they haven't sold or put their house on market, they don't mind the solar panels either. It's not an eyesore. And another house sold on that block, a raised ranch home, and it sold with no problems."

Renee Voss of Coldwell Banker in Lapeer, Michigan noted the home she sold that backed to a solar farm <u>sold</u> <u>quickly with multiple offers</u>.

Josh Holbrook of The Brokaw Group in Lapeer, Michigan said that <u>solar farms had no impact on value, and in Lapeer, the community takes pride in the solar farm</u>.



SOLAR FARM FACTORS ON HARMONY OF USE

Zoning changes and conditional use permits often require that the proposed use is compatible with surrounding uses.

The following section analyzes specific physical characteristics of solar farms and is based on research and our solar farm site visits, and indicate that solar farms are generally harmonious with surrounding property and compliant with most zoning standards.

Appearance: Most solar panels have a similar appearance to a greenhouse or single-story residence and are usually not more than 10 feet high. As previously mentioned, developers generally surround a solar farm with a fence and often leave existing perimeter foliage, which minimizes the visibility of the farm. The physical characteristics of solar farms are compatible with adjoining agricultural and residential uses.

Sound: Solar panels in general are effectively silent and noise levels are minimal, like ambient noise. There are limited sound-emitting pieces of equipment on-site, which only produce a quiet hum. However, these sources are not typically heard outside the facility fence

Odor: Solar panels do not produce any byproduct or odor.

Traffic: The solar farm requires very minimal on-site regular maintenance from on-site employees and thus does not attract traffic during daily operation aside from the initial construction and installation of the farm.

Hazardous Material: Modern solar panel arrays are constructed to U.S. government standards. Testing shows that modern solar modules are both safe to dispose of in landfills and are also safe in worst case conditions of abandonment or damage in a disaster.

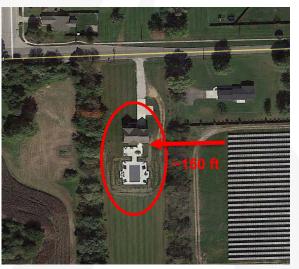
Examples of homes built adjoining to solar farms are presented on the following pages.



For the solar farm Dominion Indy III, the adjacent land to the west was acquired and subsequently developed with a large estate home – after the solar panels had been in operation for years.



Dominion Indy III Solar Farm September 2014



Dominion Indy III Solar Farm October 2016



Estate home adjacent to Dominion Indy III Solar Farm

On-site pool and attached garage (home cost estimated at \$450,000 - October 2015)





Innovative Solar 42 (2017) Cumberland County, NC



Innovative Solar 42 (2019) Cumberland County, NC





Developer Built Home Sold 6/18/19 for \$265,900 (\$110.75/sf) Cumberland County, NC (adjacent to Innovative 42 solar farm)





Portage Solar Farm, IN October 2015



Portage Solar Farm, IN October 2016



4,255 square foot estate home under construction, adjacent to Portage Solar Farm located in Indiana

On-site pond and attached garage (cost estimated at \$465,000) April 2018



The Brighton PV Solar farm became operational in December 2012. Located in Adams County, north of Denver, CO, this solar farm has a capacity of 1.8 MW AC and is located on a triangular parcel of land east of an area of existing custom-built estate homes. A photo of one home (15880 Jackson Street) located directly north of the circled area below is presented to the right.



In December 2012, the 2.55-acre lot encircled in red below (15840 Jackson Street) was purchased for future development of a single-family home. This home was built in 2017, and per the county assessor, the two-story home is 3,725 square feet above ground with 4 bedrooms and 3.5 bathrooms. According to the building permit issued in August 2016, the construction cost was budgeted at \$410,000.



Brighton PV Solar, Adams County, CO June 2016



Brighton PV Solar, Adams County, CO June 2017



SUMMARY AND FINAL CONCLUSIONS

We have reviewed published methodology for measuring impact on property values as well as published studies that analyzed the impact of solar farms on property values. We have also interviewed market participants to give us additional insight as to how the market evaluates farmland and single-family homes with views of the solar farm. These studies found little to no measurable and consistent difference between the Test Area Sales and the Control Area Sales attributed to the solar farms. We then can conclude that since the Adjoining Property Sales (Test Area Sales) were not adversely affected by their proximity to the solar farm, that properties surrounding other proposed solar farms operating in compliance with all regulatory standards will similarly not be adversely affected, in either the short or long term periods.

The purpose of this property value impact study is to determine whether the presence of a solar farm has caused a measurable and consistent difference in values between the Test Area Sales and the Control Area Sales. A summary of our findings for the paired sales analyses is presented below, which analyzes all of the improved homes, and then an additional analysis summarizing the impact on adjacent farmland.

#	Solar Farm	Number of Test Area Sales	Number of Control Area Sales	Median Adjoining Property Sale (Test Area) Price per Unit	Control Area Sales Median Price per Unit	Difference (%)	Avg. Feet from Panel to Lot	Avg. Feet from Panel to House	Impact Found?
ingle-Fa	mily Residential								
1	Indy Solar III Group 2	4	8	\$59.10	\$57.84	+2.18%	240	350	No Impact
	Indy Solar III Group 3	7	11	\$72.15	\$71.69	+0.65%	165	300	No Impact
2	Portage Solar Farm Group 2	1	7	\$84.35	\$84.27	+0.10%	1196	1320	No Impact
3	IMPA Frankton Solar Farm Group 1	1	6	\$28.58	\$28.42	+0.56%	83	145	No Impact
	IMPA Frankton Solar Farm Group 2	1	5	\$52.40	\$51.47	+1.81%	208	414	No Impact
4	Grand Ridge Solar Group 1	1	5	\$79.90	\$74.35	+7.46%	366	479	No Impact
5	North Star Solar Group 1	3	11	\$151.93	\$139.50	+8.91%	123	358	No Impact
	North Star Solar Group 2	1	10	\$119.82	\$118.72	+0.92%	152	225	No Impact
	North Star Solar Group 3*	1	6						
6	DTE Lapeer Solar Group 1	3	7	\$86.12	\$85.92	+0.24%	220	260	No Impact
	DTE Lapeer Solar Group 2	1	4	\$94.84	\$91.80	+3.31%	165	250	No Impact
edian V	ariance in Sale Prices for Test to Contro			+1.37%					

²⁴ Adjoining Test Sales studied and compared to 80 Control Sales

^{*} Note, the paired sale analyais for this group is an outlier as determined earlier in this report and was excluded from this summary table.

Land (Agricultural)										
2	Portage Solar Farm Group 1	1	9	\$8,000	\$7,674	+4.25%	874	1227	No Impact	
4	Indy Solar III Group 1	1	4	\$8,210	\$8,091	+1.47%	280	-	No Impact	
Median V	Median Variance in Sale Prices for Test to Control Areas					+2.86%				

² Adjoining Test Sales studied and compared to 13 Control Sales

Most of the solar farms under study reflected sales of property adjoining an existing solar farm in which the unit sale prices were effectively the same or higher, except for two, than the comparable Control Area sales that were not near a solar farm. The conclusions support that there is no negative impact for improved residential homes adjacent to solar, nor agricultural acreage.

Based upon our examination, research, and analyses of the existing solar farm uses, the surrounding areas, and an extensive market database, we have concluded that <u>no consistent negative impact has occurred to adjacent property that could be attributed to proximity to the adjacent solar farm</u>, with regard to unit sale prices or other influential market indicators. Additionally, in our workfile we have retained analyses of additional test subjects, each with their own set of matched control sales, which had consistent results, indicating no



consistent and measurable impact on adjacent property values. This conclusion has been confirmed by numerous county assessors who have also investigated this use's potential impact on property values.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

CohnReznick LLP

Andrew R. Lines, MAI

Principal

Certified General Real Estate Appraiser

Illinois License No. 553.001841

Expires 9/30/2021

Indiana License No. CG41500037

Expires 6/30/2022

Patricia L. McGarr, MAI, CRE, FRICS

Patricia & Mcyar

National Director - Valuation Advisory Services

Certified General Real Estate Appraiser

Indiana License No. #CG49600131

Expires 6/30/2022

Michigan License No. 1201072979

Expires 7/31/2022

Illinois License No. #553.000621

Expires 9/30/2021

CERTIFICATION

We certify that, to the best of our knowledge and belief:

- 1. The statements of fact and data reported are true and correct.
- 2. The reported analyses, findings, and conclusions in this consulting report are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, findings, and conclusions.
- 3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 5. We have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- 6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value finding, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.
- 8. Our analyses, findings, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP).
- 9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 10. Patricia L. McGarr, MAI, CRE, FRICS and Andrew R. Lines, MAI have viewed the exterior of all comparable data referenced in this report in person, via photographs, or aerial imagery.
- 11. We have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, and receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
- 12. Sonia K. Singh, MAI, Michael F. Antypas, Amanda G. Edwards, TJ Schemmel, and Connor H. Martin, provided significant appraisal consulting assistance to the persons signing this certification.
- 13. We have experience in reviewing properties similar to the subject and are in compliance with the Competency Rule of USPAP.
- 14. As of the date of this report, Patricia L. McGarr, MAI, CRE, FRICS, Andrew R. Lines, MAI, and Sonia K. Singh, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.



If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

With

CohnReznick LLP

Andrew R. Lines, MAI Principal

Certified General Real Estate Appraiser

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Illinois License No. #553.000621

Expires 9/30/2021

ASSUMPTIONS AND LIMITING CONDITIONS

The fact witness services will be subject to the following assumptions and limiting conditions:

- 1. No responsibility is assumed for the legal description provided or for matter pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The legal description used in this report is assumed to be correct.
- 2. The property is evaluated free and clear of any or all liens or encumbrances unless otherwise stated.
- 3. Responsible ownership and competent management are assumed.
- 4. Information furnished by others is believed to be true, correct and reliable, but no warranty is given for its accuracy.
- 5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
- 6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- 7. It is assumed that the property is in full compliance with all applicable federal, state, and local and environmental regulations and laws unless the lack of compliance is stated, described, and considered in the evaluation report.
- 8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the evaluation report.
- 9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- 10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
- 11. The date of value to which the findings are expressed in this report apply is set forth in the letter of transmittal. The appraisers assume no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.
- 12. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such substances on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas, lead or lead-based products, toxic waste contaminants, and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No

- responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- 13. The forecasts, projections, or operating estimates included in this report were utilized to assist in the evaluation process and are based on reasonable estimates of market conditions, anticipated supply and demand, and the state of the economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicated by the appraisers and which could affect the future income or value projections.
- 14. Fundamental to the appraisal analysis is the assumption that no change in zoning is either proposed or imminent, unless otherwise stipulated. Should a change in zoning status occur from the property's present classification, the appraisers reserve the right to alter or amend the value accordingly.
- 15. It is assumed that the property does not contain within its confined any unmarked burial grounds which would prevent or hamper the development process.
- 16. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have not made a specific compliance survey and analysis of the property to determine if it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Unless otherwise noted in this report, we have not been provided with a compliance survey of the property. Any information regarding compliance surveys or estimates of costs to conform to the requirements of the ADA are provided for information purposes. No responsibility is assumed for the accuracy or completeness of the compliance survey cited in this report, or for the eventual cost to comply with the requirements of the ADA.
- 17. Any value estimates provided in this report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in this report.
- 18. Any proposed improvements are assumed to have been completed unless otherwise stipulated; any construction is assumed to conform with the building plans referenced in this report.
- 19. Unless otherwise noted in the body of this report, this evaluation assumes that the subject does not fall within the areas where mandatory flood insurance is effective.
- 20. Unless otherwise noted in the body of this report, we have not completed nor are we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property.
- 21. This report should not be used as a basis to determine the structural adequacy/inadequacy of the property described herein, but for evaluation purposes only.
- 22. It is assumed that the subject structure meets the applicable building codes for its respective jurisdiction. We assume no responsibility/liability for the inclusion/exclusion of any structural component item which may have an impact on value. It is further assumed that the subject property will meet code requirements as they relate to proper soil compaction, grading, and drainage.



23. The appraisers are not engineers, and any references to physical property characteristics in terms of quality, condition, cost, suitability, soil conditions, flood risk, obsolescence, etc., are strictly related to their economic impact on the property. No liability is assumed for any engineering-related issues.

The evaluation services will be subject to the following limiting conditions:

- 1. The findings reported herein are only applicable to the properties studied in conjunction with the Purpose of the Evaluation and the Function of the Evaluation as herein set forth; the evaluation is not to be used for any other purposes or functions.
- 2. Any allocation of the total value estimated in this report between the land and the improvements applies only to the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are not valid if so used.
- 3. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in the evaluation.
- 4. This report has been prepared by CohnReznick under the terms and conditions outlined by the enclosed engagement letter. Therefore, the contents of this report and the use of this report are governed by the client confidentiality rules of the Appraisal Institute. Specifically, this report is not for use by a third party and CohnReznick is not responsible or liable, legally or otherwise, to other parties using this report unless agreed to in writing, in advance, by both CohnReznick and/or the client or third party.
- Disclosure of the contents of this evaluation report is governed by the by-laws and Regulations of the Appraisal Institute has been prepared to conform with the reporting standards of any concerned government agencies.
- 6. The forecasts, projections, and/or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions. This evaluation is based on the condition of local and national economies, purchasing power of money, and financing rates prevailing at the effective date of value.
- 7. This evaluation shall be considered only in its entirety, and no part of this evaluation shall be utilized separately or out of context. Any separation of the signature pages from the balance of the evaluation report invalidates the conclusions established herein.
- 8. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purposes by anyone other than the client without the prior written consent of the appraisers, and in any event, only with property qualification.
- The appraisers, by reason of this study, are not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.



- 10. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's client, through advertising, solicitation materials, public relations, news, sales or other media, without the written consent and approval of the authors, particularly as to evaluation conclusions, the identity of the appraisers or CohnReznick, LLC, or any reference to the Appraisal Institute, or the MAI designation. Further, the appraisers and CohnReznick, LLC assume no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.
- 11. This evaluation is not intended to be used, and may not be used, on behalf of or in connection with a real estate syndicate or syndicates. A real estate syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, an investment or gain from an interest in real property, including, but not limited to a sale or exchange, trade or development of such real property, on behalf of others, or which is required to be registered with the United States Securities and Exchange commissions or any state regulatory agency which regulates investments made as a public offering. It is agreed that any user of this evaluation who uses it contrary to the prohibitions in this section indemnifies the appraisers and the appraisers' firm and holds them harmless from all claims, including attorney fees, arising from said use.

ADDENDUM A: APPRAISER QUALIFICATIONS





Patricia L. McGarr, MAI, CRE, FRICS, CRA Principal, National Director, Valuation Advisory Services

200 S. Wacker Drive, Suite 2600 Chicago, IL 60606 312-508-5802 patricia.mcgarr@cohnreznick.com www.cohnreznick.com

Patricia L. McGarr, MAI, CRE, FRICS, CRA, is a principal and National Director of CohnReznick Advisory Group's Valuation Advisory Services practice who is based in Chicago. Pat's experience includes market value appraisals of varied property types for acquisition, condemnation, mortgage, estate, ad valorem tax, litigation, zoning, and other purposes. Pat has been involved in the real estate business since 1980. From June 1980 to January 1984, she was involved with the sales and brokerage of residential and commercial properties. Her responsibilities during this time included the formation, management, and training of sales staff in addition to her sales, marketing, and analytical functions. Of special note was her development of a commercial division for a major Chicago-area brokerage firm.

Since January 1984, Pat has been exclusively involved in the valuation of real estate. Her experience includes the valuation of a wide variety of property types including residential, commercial, industrial, and special purpose properties including such diverse subjects as quarries, marinas, riverboat gaming sites, shopping centers, manufacturing plants, and office buildings. She is also experienced in the valuation of leasehold and leased fee interests. Pat has performed appraisal assignments throughout Illinois and the Chicago Metropolitan area as well as Wisconsin, Indiana, Michigan, New York, New Jersey, California, Nevada, Florida, Utah, Texas, and Ohio. Pat has gained substantial experience in the study and analysis of the establishment and expansion of sanitary landfills in various metropolitan areas including the preparation of real estate impact studies to address criteria required by Senate Bill 172. She has also developed an accepted format for allocating value of a landfill operation between real property, landfill improvements, and franchise (permits) value.

Over the past several years, Pat has developed a valuation group that specializes in serving utility companies establish new utility corridors for electric power transmission and pipelines. This includes determining acquisition budgets, easement acquisitions, and litigation support. Pat has considerable experience in performing valuation impact studies on potential detrimental conditions and has studied properties adjoining landfills, waste transfer stations, stone quarries, cellular towers, schools, electrical power transmission lines, "Big Box" retail facilities, levies, properties with restrictive covenants, landmark districts, environmental contamination, airports, material defects in construction, stigma, and loss of view amenity for residential high rises.

Pat has qualified as an expert valuation witness in numerous local, state and federal courts.

Pat has participated in specialized real estate appraisal education and has completed more than 50 courses and seminars offered by the Appraisal Institute totaling more than 600 classroom hours, including real estate transaction courses as a prerequisite to obtaining a State of Illinois Real Estate Salesman License.



Pat has earned the professional designations of Counselors of Real Estate (CRE), Member of the Appraisal Institute (MAI), Fellow of Royal Institution of Chartered Surveyors (FRICS) and Certified Review Appraiser (CRA). She is also a certified general real estate appraiser with active licenses in numerous states.

Education

North Park University: Bachelor of Science, General Studies

Professional Affiliations

- National Association of Realtors
- CREW Commercial Real Estate Executive Women
- IRWA International Right of Way Association

Appointments

Appointed by the Governor in 2017 to the State of Illinois' Department of Financial & Professional Regulation's Real Estate Appraisal Board; Vice-Chairman - 2018

Licenses and Accreditations

- Member of the Appraisal Institute (MAI)
- Counselors of Real Estate, designated CRE
- Fellow of Royal Institution of Chartered Surveyors (FRICS)
- Certified Review Appraiser (CRA)
- Alabama State Certified General Real Estate Appraiser
- California State Certified General Real Estate Appraiser
- Connecticut State Certified General Real Estate Appraiser
- District of Columbia State Certified General Real Estate Appraiser
- Illinois State Certified General Real Estate Appraiser
- Indiana State Certified General Real Estate Appraiser
- Louisiana State Certified General Real Estate Appraiser
- Maryland State Certified General Real Estate Appraiser
- Massachusetts State Certified General Real Estate Appraiser
- Michigan State Certified General Real Estate Appraiser
- Nevada State Certified General Real Estate Appraiser
- New Jersey State Certified General Real Estate Appraiser
- New York State Certified General Real Estate Appraiser
- North Carolina State Certified General Real Estate Appraiser
- Indiana State Certified General Real Estate Appraiser
- South Carolina State Certified General Real Estate Appraiser
- Tennessee State Certified General Real Estate Appraiser
- Texas State Certified General Real Estate Appraiser
- Virginia State Certified General Real Estate Appraiser
- Wisconsin State Certified General Real Estate Appraiser





Andrew R. Lines, MAI Principal – Real Estate Valuation, Valuation Advisory Services

200 S. Wacker Drive, Suite 2600 Chicago, IL 60606 312-508-5892 andrew.lines@cohnreznick.com www.cohnreznick.com

Andrew R. Lines is a principal in CohnReznick's Valuation Advisory Services group where he specializes in Real Estate, Affordable Housing, Cannabis and Renewable Energy. Andrew leads a group of appraisers across the country performing valuations on a wide variety of real estate property types including residential, commercial, industrial, hospitality and special purpose properties: landfills, waste transfer stations, marinas, hospitals, universities, self-storage facilities, race tracks, CCRCs, and railroad corridors. Affordable Housing experience includes Market Studies, Rent Compatibility Studies and Feasibility Analysis for LIHTC and mixed-income developments. Cannabis assignments have covered cultivation, processing and dispensaries in over 10 states, including due diligence for mergers and acquisitions of multi-state operational and early stage companies. Renewable Energy assignments have included preparation of impact studies and testimony at local zoning hearings in eight states.

He is experienced in the valuation of leasehold, leased fee and partial interest and performs appraisals for all purposes including financial reporting (GAAP, IFRS, IRC), litigation (including Eminent Domain), and gift/estate planning. Andrew is a State Certified General Real Estate Appraiser in the states of Illinois, Indiana, Maryland, Georgia, Florida, Ohio, New York, New Jersey, Arizona, Kentucky and the District of Columbia.

Before joining CohnReznick, Andrew was with Integra Realty Resources-Chicago Metro, starting as analyst support in 2002 and leaving the firm as a director in late 2011. His real estate experience also includes administration for the residential multifamily REIT Equity Residential Properties Trust (ERP), in the transaction department, where he performed due diligences associated with the sale and acquisition of multi-family properties and manufactured home communities.

Education

- Syracuse University: Bachelor of Fine Arts
- MAI Designation (Member of the Appraisal Institute)

Professional Affiliations

- Chicago Chapter of the Appraisal Institute
 - Alternate Regional Representative (2016 2018)
 - MAI Candidate Advisor (2014 Present)
- International Real Estate Management (IREM)
- National Council of Real Estate Investment Fiduciaries (NCREIF)

Community Involvement

- Syracuse University Regional Council Active Member
- Syracuse University Alumni Association of Chicago, Past Board member
- Chicago Friends School Treasurer & Board Member





Sonia K. Singh, MAI

Senior Manager - Real Estate Valuation

7501 Wisconsin Avenue, Suite 400E Bethesda, Maryland 20814 301-280-5193 sonia.singh@cohnreznick.com www.cohnreznick.com

Sonia K. Singh, MAI is a senior manager in CohnReznick Advisory Group's Valuation Advisory practice and based in the Bethesda office. For the past nine years, she has engaged in real estate valuation and other real estate consulting services and valued over \$5 billion in real property.

Sonia is adept at valuing a variety of commercial real estate across the United States, including the following complex property types: athletic clubs; full-service hotels and beach resorts; marinas; historic redevelopment projects; recycling facilities; single-family rental home portfolios; master planned communities; and for-sale residential units or subdivisions. She has also performed real estate appraisals involving leasehold interests, air rights ownership, and right-of-way fee simple and easement acquisitions for utility corridors. She has performed these and other appraisals others for purposes including financial reporting, estate planning, gift and estate tax, bond and conventional financing, litigation (eminent domain), and asset management, with the ability to handle appraisals of large portfolios in expedited timeframes. With significant experience in the appraisal of senior living facilities including continuing care retirement communities, skilled nursing facilities, assisted living and memory care facilities, as well as age-restricted housing, Ms. Singh has elevated the firm's modelling of complex healthcare property ownership structures to help illuminate debt/income and lease coverage ratios for federal courts, resulting in millions of dollars in recovered credits for clients.

Additionally, Sonia is experienced in purchase price allocations (GAAP, IFRS, and IRC 1060) for financial reporting, including the early adoption of ASU 2017-01. She has also provided valuation services related to highest and best use analysis, market feasibility studies, and useful life analysis. She has prepared impact studies measuring the possible detrimental impact of economic and environmental influences on property values, including those related to high-voltage transmission lines, distribution warehouses, wind farms, and solar farms. She has provided expert witness testimony at local county zoning hearings for proposed solar energy uses and their potential detrimental impacts on adjacent property values.

Education

University of Illinois: Bachelor of Science, Actuarial Science

Professional Affiliation, Licenses, and Exams

- MAI Appraisal Institute, Designated Member
- Urban Land Institute, Associate Member
- · Certified General Real Estate Appraiser with Active Licenses in DC and the States of MD, MO, and VA
- Successful completion of the following actuarial exams: Probability (1/P), Financial Mathematics (2/FM), and Models for Financial Economics (3/MFE)

Awards and Recognitions

2019 National Association of Certified Valuators and Analysts (NACVA) and the Consultants Training Institute (CTI)
 40 Under Forty Honoree



Michael F. Antypas

Senior Consultant, Valuation Advisory Services

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Michael Antypas is a senior consultant in CohnReznick Advisory Group's Valuation Advisory Services practice and is based in the Bethesda office. He has assisted other associates and appraisers in the valuation of a variety of retail shopping centers, hotels, market rate and restricted rental apartment properties, Class A office complexes with GSA tenants, mixed-use properties, developable land, and **single-family** rental home portfolios owned by REITs. He has also completed solar farm impact studies, appraisals for eminent domain disputes, as well as purchase price allocations on various senior living facilities, medical office buildings, and retail centers. In addition, Michael is certified in working with Argus Enterprise valuation software. He is a practicing affiliate in the Appraisal Institute and is working towards becoming a Certified General Real Estate Appraiser.

He graduated from the Villanova School of Business in May of 2016. Some of his other experience working in Real Estate originated through interning with commercial brokers. Throughout his senior year in college, Michael interned with Newmark Grubb Knight Frank as a Capital Markets intern. There he helped create and revise many marketing packages for the firm's senior managing directors. He also assisted in developing underwriting models and projections for offering memorandums. He also worked with a boutique restaurant broker in Washington D.C, Papadopoulos Properties where he compiled market research for his client's use and surveyed prospective restaurants to gauge their interest in expanding to the Washington D.C. market.

Education

 Villanova University: Bachelor of Business Administration, Finance and Real Estate, Minor in Business Analytics

Certifications

Argus Enterprise Certified

Professional Affiliations

Appraisal Institute, Practicing Affiliate

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Amanda G. Edwards

Consultant, Valuation Advisory Services

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Amanda Edwards is a consultant in CohnReznick's Valuation Advisory Services practice group and is based in Chicago. Amanda has assisted other appraisers in the valuation of a variety of industrial properties, medical offices, hotels, multifamily properties, condominium developments, retail and mixed-use properties, developable and open space land, and **single-family** subdivisions. She has also assisted with appraisals and continuing consulting for eminent domain litigation. Additionally, Amanda has provided audit support for Assurance clients of the firm. Amanda is a licensed Associate Real Estate Trainee Appraiser in Illinois, working toward becoming a Certified General Real Estate Appraiser.

Before joining CohnReznick, Amanda worked at the Inland Group of companies valuing properties and underwriting, as well as assisting in the closing of, commercial mortgage loans, nationwide. Property types included industrial, office, multi-family, retail, and hotel, with an emphasis on value-add properties and new construction projects. Amanda has also worked as a commercial lender for builder-developer housing at Fifth Third Bank, specializing in the Chicago metro area. She has also worked valuing senior housing properties and associated business models for acquisition purposes at a senior housing developer/operator.

Amanda has spent considerable time in the consulting environment, developing and conducting in-depth interviews for primary research in a variety of industries such as technology, financial institutions, and industrial manufacturing for private equity clients.

Education

Bryn Mawr College, Bachelor of Arts

Other Affiliations

- Practicing Affiliate Appraisal Institute
- Chicago Real Estate Council Member

