

BEFORE THE OHIO POWER SITING BOARD

In the Matter of the Application of)	
Willowbrook Solar I, LLC)	
for a Certificate of Environmental)	Case No. 18-1024-EL-BGN
Compatibility and Public Need)	

DIRECT TESTIMONY OF ANDREW LINES

Q.1. Please state your name, title and business address.

A.1. My name is Andrew R. Lines, MAI. I am a Principal of the Valuation Advisory Services group for CohnReznick LLP. My business address is 200 S. Wacker Drive, Suite 2600, Chicago, Illinois 60606.

Q.2. What are your duties as a Principal of Valuation Advisory?

A.2. My duties as a Principal of CohnReznick LLP's Valuation Advisory group include overseeing a staff of 30 appraisers and valuation experts in all type of real estate. One of my specialty practices has been property value impact studies. I have testified before numerous governmental bodies regarding proposed new developments, including solar power installations, and addressed community concerns regarding those proposed developments. I have worked on numerous redevelopment projects, in Illinois, Indiana and the District of Columbia; including determining values for acquisitions of property, easements and leases and the evaluation of impacts caused by proposed projects on real estate values.

Q.3. What is your educational and professional background?

A.3. I have a B.F.A. degree from Syracuse University. I am a designated Member of the Appraisal Institute (MAI), a recognized designation by courts of law, government agencies, as well as financial institutions, with over 16 years of real estate appraisal

1 experience. I am a Certified General Real Estate Appraiser with active licenses in the
2 following states: Arizona, Florida, Georgia, Illinois, Maryland, New Jersey, and New
3 York. Temporary licenses have been granted in many other states, including Ohio.
4 Appraiser licensure is currently pending for the state of Ohio. I have performed
5 valuations on a wide variety of real property types including single- and multi-unit
6 residential (including LIHTC), student housing, office, retail, industrial, mixed-use and
7 special purpose properties including landfills, waste transfer stations, marinas, hospitals,
8 universities, telecommunications facilities, data centers, self- storage facilities,
9 racetracks, CCRCs, and railroad corridors. I am also experienced in the valuation of
10 leasehold, leased fee, and partial interests, as well as purchase price allocations (GAAP,
11 IFRS and IRC 1060) for financial reporting. I have also completed valuations nationwide
12 for a variety of assignments including mortgage financing, litigation, tax appeal, estate
13 gifts, asset management, workouts, and restructuring, as well as valuation for financial
14 reporting including purchase price allocations (ASC 805), impairment studies, and
15 appraisals for investment company guidelines and REIS standards. I have qualified as an
16 expert witness, providing testimony for eminent domain cases in the states of Illinois and
17 Maryland. I have completed valuation impact studies on landfills, big box retail
18 developments, electric power transmission lines, environmental stigma, view amenities,
19 as well as solar farms.

20 **Q.4. On whose behalf are you offering testimony?**

21 **A.4.** I am testifying on behalf of the Applicant, Willowbrook Solar I, LLC in support
22 of its application filed in Case No. 18-1024-EL-BGN.

23 **Q.5. What is the purpose of your testimony?**

1 **A.5.** The purpose of my testimony is to evaluate the potential impact of the
2 Willowbrook Solar Project on property values in the area surrounding the project.

3 **Q.6.** **Are you familiar with the Willowbrook Solar Project?**

4 **A.6.** Yes. I have reviewed, and am familiar with, the application filed by the Applicant
5 in this case. I am also generally familiar with the area in which the Project is proposed to
6 be located.

7 **Q.7.** **Are you familiar with the impact of commercial-scale solar projects on property**
8 **values in the area surrounding the project?**

9 **A.7.** Yes. I have been involved in studies evaluating the potential impact of commercial-
10 scale solar projects on surrounding properties in the states of Indiana, Illinois, and Virginia,
11 the largest being the North Star Solar plant in Minnesota, consisting of 100 MW facility
12 on over 1,000 acres. Additionally, I have been involved in approximately a dozen of studies
13 evaluating the potential impact of community-sized solar farms in the states of Illinois,
14 Indiana, Colorado, and Missouri, as well provided expert testimony at local hearings

15 **Q.8** **Can you explain how those studies were conducted?**

16 **A.8.** The purpose of these studies was to determine whether existing solar energy uses
17 have had any measurable impact on the value of adjacent properties. In these studies, the
18 properties adjacent to existing and established solar energy plants were researched and
19 analyzed - focusing on rural and suburban areas with neighboring residential homes that
20 are most comparable to the areas and adjacent uses of the proposed solar facilities. Those
21 sales located physically contiguous to the solar farms, or the Target Group are then
22 compared to similar properties that are removed from any solar facility influence, referred
23 to as the Control Group. This comparison was made in order to determine if proximity to

1 solar energy uses results in any consistent and measurable impact on property values. We
2 have studied established, commercial-scale solar farms in the Midwest, Virginia, and North
3 Carolina, specifically, because of the way that regional soil conditions, climate, and
4 topography contribute to property values and their potential for impact on property values,
5 in addition to the adjacent uses and development trends. We reviewed other large-scale
6 solar farms located in nearby states; however, they were mostly located in outlying areas
7 or did not have sufficient adjoining sales that qualified for a paired sales analysis either due
8 to limited sale activity or the newer age of the solar farm. The basic premise of this
9 comparative analysis is that if there is any impact on the value of adjacent properties, by
10 virtue of their proximity to a solar energy use, it would be reflected by such factors as the
11 range of sale prices, differences in unit sale prices, conditions of sale, and overall
12 marketability. When comparing these factors for properties near an existing solar energy
13 use to properties locationally removed from the solar energy use, it would be expected to
14 see some emerging and consistent pattern of substantial difference in these comparative
15 elements – if, in fact, there was an effect. According to Randall Bell, PhD, MAI, author of
16 the text *Real Estate Damages*, Third Edition, published by the Appraisal Institute in 2016,
17 the paired sales analysis is an effective method of determining if there is a measurable and
18 consistent detrimental impact on surrounding properties. As an approved method, this
19 technique can be utilized to extract the effect of a single characteristic on value, such as
20 proximity to an existing solar energy use. By definition, paired data analysis is “a
21 quantitative technique used to identify and measure adjustments to the sale prices or rents
22 of comparable properties; to apply this technique, sales or rental data on nearly identical

1 properties is analyzed to isolate a single characteristic's effect on value or rent.”¹ The
2 difference in sale price is considered to be the impact of the proximity to the solar farm.
3 For each existing solar energy use studied, we have identified Test Area Sales (sales
4 adjacent to existing solar energy uses that occurred after announcement and subsequent
5 development of the solar farm) and have compared those to Control Area Sales (sales of
6 comparable properties that are removed from the influence of a solar energy use) that
7 occurred within a reasonable time frame of the Test Area sales, adjusted to a common date
8 utilizing a Trend Analysis. Ownership and sales history for each adjoining property to an
9 existing solar farm is maintained within our workfile through the effective date of the study.
10 Adjoining properties with no sales data or that sold prior to the announcement of the solar
11 farm were excluded from further analysis. Adjoining properties that sold in a non-arm's
12 length transaction (such as a transaction between related parties, bank-owned transaction,
13 or between adjacent owners) were excluded from analysis as these are not considered to be
14 reflective of market price levels. The adjoining properties that remained after exclusions
15 were considered for a paired sale analysis (Test Area sales). We have found Control Area
16 sales data through the local Multiple Listing Service (MLS) and other real estate broker
17 databases and verified these sales through county records, conversations with brokers, the
18 individual county's GIS services, and the County Assessor's office. It is important to note
19 that these Control Area Sales are not adjoining to any solar farm, nor do they have a view
20 of a solar farm from the property. Therefore, the announcement nor the completion of the
21 solar farm use could not have impacted the sales price of these properties. To make direct
22 comparisons, the sale prices of the Control Area sales were adjusted for market conditions

¹ The Appraisal of Real Estate 14th Edition. Chicago, IL: Appraisal Institute, 2013.

1 to a common date. In this analysis, the common date is the date (or median sale date) of
2 the Test Area sales. After adjustment, any measurable difference between the sale prices
3 would be indicative of a possible price impact of the solar farm, if any.

4 In addition to our research and analysis of existing solar energy facilities, we have reviewed
5 property value trends of the adjacent land uses, including agricultural, single-family and
6 residential properties; reviewed published studies, and held discussions with market
7 participants (real estate assessors and brokers).

8 **Q.9. And what were the results of the studies you conducted?**

9 **A.9.** Based upon examination, research, and analyses of existing solar energy uses, the
10 surrounding areas, and an extensive market database, it was concluded that no consistent
11 and measurable negative impact had occurred to adjacent property that could be attributed
12 to proximity to the adjacent, commercial-scale, solar energy use, with regard to unit sale
13 prices or other influential market indicators such as marketing time. In addition, interviews
14 with market participants (local real estate assessors and brokers) were conducted to give
15 additional insight as to how the market evaluates farm land and single-family homes that
16 are proximate to solar energy uses. These interviews reaffirmed that there was no
17 difference in price, marketing periods or demand for property directly adjacent to existing
18 solar energy uses when compared to similar properties locationally removed from any solar
19 energy use's influence. This conclusion has been confirmed by numerous county assessors
20 who have also investigated this use's potential impact.

21 **Q.10. Is there any reason to expect that the conclusions of the studies you previously**
22 **conducted would be different from a study evaluating the impact of the Willowbrook**
23 **Solar Project?**

1 **A.10.** No.

2 **Q.11. What is your overall assessment of the potential impacts of the Willowbrook Solar**
3 **Project on property values?**

4 **A.11** Based on my experience with other commercial solar projects and my familiarity
5 with the Willowbrook Solar Project, I would not expect the Project to be the cause of a
6 decrease in property values in the project area.

7 **Q.12. Does this conclude your direct testimony?**

8 **A.12.** Yes, it does.

CERTIFICATE OF SERVICE

The Ohio Power Siting Board's e-filing system will electronically serve notice of the filing of this document on the parties referenced in the service list of the docket card who have electronically subscribed to this case. In addition, the undersigned certifies that a courtesy copy of the foregoing document is also being served upon the persons below via electronic mail this 22nd day of February 2019.

/s/ Michael J. Settineri

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Case No(s). 18-1024-EL-BGN

Summary: Testimony of Andrew Lines electronically filed by Mr. Michael J. Settineri on behalf of WILLOWBROOK SOLAR I LLC