

**Tab 15**

MOORE APPRAISALS INC.

P.O. Box 6734  
Helena, MT, 59604

mooreappraisalfirm.net  
tim@mooreappraisalfirm.net

Phone: 406-442-6180  
Fax: 406-442-6182

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Amy Berg Pickett  
NW Zoning Manager | Outreach  
Cypress Creek Renewables  
2660 NE Hwy 20, Suite 610- #30 | Bend, Oregon 97701

Re: Fox Solar and Portage Solar sites impact on surrounding property values

Dear Ms. Pickett;

At the request of your attorney, Mr. Wiley Barker of the Crowley, Fleck law firm here in Helena, I have read the two reports completed by Mr. Richard Kirkland Jr., MAI to provide you with my opinion of the data included in the reports in relation to your proposed projects near Great Falls. The Kirkland study was completed in June of this year on the proposed Fox Solar and Portage Solar projects. In his report Mr. Kirkland analyzed similar projects from around the country as the basis for his conclusions, most of those being in Oregon, although several others were discussed from other states including Tennessee, North Carolina and Texas. In a phone conversation with Mr. Kirkland he noted that he has now studied over 200 solar projects around the country to determine their impact on surrounding property.

One of the issues that is addressed in the report is the makeup of adjacent land uses. The Portage project you are proposing is located on the south/east portion of Great Falls, lying outside the city limits. My research shows that there are 17 adjacent lots to the subject with a total of 38,820,960 square feet. (It should be noted that at least one of these lots is under the same ownership as the subject). Of that total, just over 91% (35,617,251 square feet) of the land is agricultural in use, (this includes the Great Falls Cemetery property that is currently vacant). The remaining 8+/-% (3,203,709 square feet) is large lot-residential, while 70% of the 17 individual lot numbers are residential in use (12 lots) with just under 30% (5 lots) being agricultural. Obviously, the agricultural lots are much larger than the residential uses containing the vast majority of land in the surrounding properties.

The Fox project, in the west/central part of the city, again outside of the city limits, is mostly surrounded by primarily large lot residential uses, although there is a Northwestern Energy substation just south of the site as well as a large commercial type shop building currently under construction. It is my understanding that this shop, owned by a local construction company will include outside storage of equipment, with this property further supporting the mixed use currently in the area. The proposed Fox Solar site is bordered on the west by Flood Road, across which are Burlington Northern Rail Road tracks. (Adjacent uses noted above include those properties to the west of the tracks.) It should be noted that several of these acreage lots west of the tracks have large outbuildings, along with some having numerous vehicles and or other items in the yard. In addition, it is not unusual, and in fact noted in several properties, for a portion of the site to remain in a natural state, with no landscaping completed, creating a more agricultural feel to the area.

Another issue that I noticed during my site visit was the current storage of railroad cars around a half mile north of the subject property. During slowdowns in rail traffic, as is occurring at present, it is not unusual for the railroad to utilize seldom used tracks such as those running through the subject neighborhood, for storage of unneeded cars. While current storage of these cars ends to the north of the subject, there is nothing preventing further slowdowns, which are likely through the winter months, to create more need for additional storage, moving cars farther down this line, which could directly impact those properties just to the west of the subject site. Issues such as this support the opinion that the area is not a pristine residential neighborhood, but rather, a typical outlying neighborhood with a history of mixed uses.

One other problem that should be mentioned is the large power line running north and south through the subject property, connecting to the substation on the southern boundary. Views of power lines has been discussed in the past as having adverse influence on the marketability, and consequently the value of, properties with this view. Given the already diminished view, it is hard to support the opinion that the subject project would contribute in any substantial way to injuring the value of the adjoining properties. It is further supported that with the current mixture of uses in the area, the proposed use is in harmony with the area in which it is to be located.

The Portage project is even more typical of the sites noted in Mr. Kirkland's report, with a mixture of residential and agricultural uses adjoining the solar farm site, although there is a County owned lot to the west of the property that currently has numerous junk cars located on that site.

Several of the projects studied by Mr. Kirkland were surrounded or nearly surrounded by residential uses and landscape screening was typical in many of the projects, although as noted on page 13 of his report, comments on the Goldsboro, NC site state "the solar farm is clearly visible particularly along the north end of this street, where there is only a thin line of trees separating the solar farm from the single-family houses". Also, on page 22, comments regarding the San Antonio, TX project note "This project is located with small lot residential development on the north, west and south. There appears to be minimal landscaping along this project". Both of those projects have a much higher residential proximity than the Portage project with no adverse influence supported by Mr. Kirkland's data. It can also be noted that landscape screening is proposed in both proposed Cypress Creek projects.

In reading the provided studies, it is obvious that there is a much larger amount of data available from Oregon and North Carolina than we have access to in Montana. Solar farms are a recent phenomenon in our state, although a Billings Gazette article from several months ago notes that at that time there were over 100 projects in the planning or construction stages. It is my understanding that your company itself has a number of projects in process at present in the Great Falls, Helena, Missoula and Hardin areas.

The most significant portion of the Kirkland study was his use of paired sales analysis to support his findings. Utilizing sales from five different locations, three in North Carolina and one each in Tennessee and Texas, the studies researched and analyzed sales of single family properties adjacent to and nearby solar farms, expanding that research to sales that occurred prior to the announcement of the farms, sales that occurred after the announcement of a project and those that closed after the projects had been completed.

In each of the five projects included in the report, there was no supportable impact on property values to the adjacent or surrounding properties. The study did note that in more densely populated areas, setbacks and landscape screening was used to mitigate any potential adverse impacts. It should also be noted that the report included discussion of projects of various sizes, near single family properties with values ranging from around \$130,000 to over \$700,000. In no instance was there a supportable impact on property values that could be attributed to the construction of a solar farm. My phone conversation with Mr. Kirkland confirmed that in his research of over 200 solar farms from around the county, he has found no supportable negative impact on values in properties adjoining solar farms.

The reports also address the most common issues from adjoining property's impacting property values. These include hazardous material, odor, noise, traffic, stigma and appearance. In none of these areas did a solar farm have noticeable impacts on adjoining properties. Certainly, other uses in the area more substantially impact the surrounding properties in these areas, particularly the railroad tracks with their currently stored rail cars and the commercial shop building under construction which will increase traffic of heavy equipment as well as the noise of operating these machines. Or on the Portage site with an adjacent lot with numerous junk cars in evidence.

In examining these issues, I have completed research including your project applications and plans, personally visiting the sites, viewing aerial photos and Cadastral records along with consideration of articles and reports from local newspapers, internet stories and the LUM Library (a library supported by the Appraisal Institute, dedicated exclusively to real estate research of all kinds). Given the number of states that have projects of this nature, and the findings of no supportable impact in value on the adjoining properties, I believe it is reasonable to conclude that there would be no substantial impact from the subject properties. In my nearly 30 years of appraising in the Montana market, I have found that it is not unusual to depend on information obtained from other markets, particularly when researching properties that are a new or unusual use in any given area. I understand and agree that Montana is a special place with its own set of influences, however if no influence was found in other states (Oregon, and North Carolina) with similar views and mountain amenities, it is unlikely that any supportable adverse impacts would be found in Montana.

After completing my research, I support Mr. Kirkland's conclusions, that there is no support for any adverse impact on the value of surrounding properties and that the proposed projects will not substantially impact the value of adjoining property and, that given the lack of impact from noise, traffic, odor, etc., the proposed developments will be in harmony with the areas in which they are located.

If you have any questions regarding this issue, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Tim J. Moore IFAS". The signature is written in a cursive style with a large initial "T" and "M".

Tim J. Moore, IFAS