

SAPPHIRE SKY
MCLEAN COUNTY, ILLINOIS

Presentation Provided by:



MAROUS & COMPANY INTRODUCTION

Michael S. MaRous is a general certified appraiser in the state of Illinois as well as holding the nationally recognized professional designations of MAI and CRE.

MaRous & Company specializes in valuation of unique and complex investment-grade real estate and has conducted similar market impact studies for a variety of clients and for several different proposed developments over the last 40 years. Clients have ranged from municipalities, counties, and school districts, to corporations, developers, and citizen's groups.

Along with the various projects described above, MaRous & Company has conducted numerous market studies of energy-related projects.

MAROUS & COMPANY INTRODUCTION

Wind Projects

Illinois

- **Grand Ridge V** in LaSalle County
- **Otter Creek Wind Farm** in LaSalle County
- **Pleasant Ridge Wind Farm** in Livingston County
- **Walnut Ridge Wind Farm** in Bureau County
- **McLean County Wind Farm** in McLean County
- **Alta Farms Wind Project II** in DeWitt County
- **Shady Oaks II** in Lee County
- **Osagrove Flats Wind Project** in LaSalle County
- **Radford's Run Wind Farm** in Macon County
- **Midland Wind Project** in Henry County
- **Harvest Ridge Wind Project** in Douglas County
- **Lincoln Land Wind** in Morgan County
- **Bennington Wind Project** in Marshall County
- **Goose Creek Wind** in Piatt County
- **Crescent Ridge Wind Farm** in Bureau County
- **Sapphire Sky** in McLean County

Indiana

- **Tippecanoe County Wind Farm** in Tippecanoe County
- **Roaming Bison Wind Farm** in Montgomery County

Iowa

- **Palo Alto County Wind Farm** in Palo Alto County
- **Ida County Wind Farm** in Ida County
- **Great Pathfinder Wind** in Bourbon & Crawford County

Minnesota

- **Freeborn County Wind Farm** in Freeborn County

Ohio

- **Seneca Wind** in Seneca County
- **Republic Wind** in Seneca County and Sandusky County

MAROUS & COMPANY INTRODUCTION

Solar Projects

Illinois

- **Hickory Point Solar Energy Center** in Christian County
- **Mulligan Solar** in Logan County
- **Black Diamond Solar Farm** in Christian County
- **South Dixon Solar** in Christian County
- **Pleasant Grove Solar** in McHenry County

Indiana

- **Lone Oak Solar Farm** in Madison County
- **Hardy Hills Solar** in Clinton County
- **Mammoth Solar** in Pulaski and Starke County

Wisconsin

- **Badger Hollow Solar Farm** in Iowa County
- **Paris Solar Farm** in Kenosha County
- **Darien Solar Energy Center** in Rock and Walworth County
- **Grant County Solar** in Grant County
- **Koshkonong Solar Energy Center** in Dane County

Maryland

- **Dorchester County Solar Farm** in Dorchester County

Solar Projects of the Western Regions of the United States of America

- **Southwest Region** - Arizona, Colorado, Nevada, New Mexico, and Utah
- **Northwest Region** - Idaho and Oregon
- **Southern Great Plains Region** – Texas
- **Northern Great Plains Region** - General Research

EXECUTIVE SUMMARY

As a result of the market impact analysis undertaken, MaRous & Company has concluded that there is no market data indicating the project will have a negative impact on either rural residential or agricultural property values in the surrounding area. Further, market data from Illinois supports the conclusion that the project will not have a negative impact on rural residential or agricultural property values in the surrounding area.

Finally, for agricultural properties that host turbines, the additional income from the wind lease may increase the value and marketability of those properties. The foregoing general conclusions are the result of considerable study of the following information and data:

- The use will meet or exceed all the required development and operating standards.
- Controls are in place to ensure on-going compliance.
- There are significant financial benefits to the local economy and to the local taxing bodies from the development of the wind farm.
- The wind farm will create well-paid jobs in the area which will benefit overall market demand.
- An analysis of recent residential sales proximate to existing wind farms, which includes residential sales within five times turbine tip height, did not support any finding that proximity to a wind turbine had any impact on property values.
- An analysis of agricultural land values in the area and in other areas of the state with wind farms did not support any findings that the agricultural land values are negatively impacted by the proximity to wind turbines.
- Studies indicate that wind turbine leases add value to agricultural land.
- A summary of the findings in literature on peer-reviewed studies of wind farms in North America, although not specific to Illinois, reported conclusions that are consistent with our findings.

SCOPE OF WORK

- Review and analysis of the McLean County Wind Energy Ordinances, and other public documents.
- Review and analysis of the demographics in the area of the proposed wind farm.
- Review and analysis of data on the general market area of the wind farm, and on the other areas in Illinois and/or McLean County in which existing wind farms are located.
- Review and analysis of data on the market for single-family houses in the immediate area of the proposed wind farm and from other areas in each of the counties from public sources, and from the McLean County and/or Illinois public records.
- Interviews of local real estate professionals concerning recent sales in the area, local market conditions, and the impact of wind turbines on property values in the area.
- Properties used for development of the matched pairs were physically inspected on the exterior, and photographs of the interiors were reviewed where available.
- Inspections were performed of the project area and the areas in nearby counties with existing wind farms by Michael S. MaRous on March 8, 2021.

MATCHED PAIR ANALYSIS

A matched pair analysis is a methodology which analyzes the importance of a selected characteristic, in this instance proximity to a wind turbine, to the value of a property. This technique compares the sale of a property in proximity to the selected characteristic to the sale of a similar property in the same market area and under similar market conditions but without the proximity to the selected characteristic.

It is difficult to find properties that are identical except for proximity to a wind turbine, and which also occurred under substantially similar market conditions, especially in rural areas. Many sales in the area are also conducted privately from family member to family member, or passed down from generation to generation, causing there to be a lack of sale information. Additionally, in many cases, the properties in these types of transactions do not sell at full market value. The matched pair analysis accounts for different adjustments that must be made to account for the differences in the paired properties.

MCLEAN COUNTY MATCHED PAIR #1



MCLEAN COUNTY MATCHED PAIR NO. 1

	IA - Proximate to a Wind Turbine	IB – Not Proximate to a Wind Turbine
Address	29394 E 850 North Rd. Ellsworth, IL 61737	26298 E 1000 North Rd. Downs, IL 61736
Distance from Turbine (Ft.)	1,865	N/A
Sale Date	November 17, 2015	March 11, 2015
Sale Price	\$207,000	\$220,000
Sale Price/Sq. Ft. (A.G.)	\$86.25	\$82.71
Year Remodeled	1978	1978
Building Size (Sq. Ft.)	2,400	2,660
Lot Size (Acres)	1.70	2.49
Style	Two-story; frame (vinyl/brick) 4 bedrooms, 2 bath	Two-story; frame (vinyl) 4 bedrooms, 3 bath
Basement	Full, Finished	Full, Finished
Utilities	Central air Propane heating Well & septic	Central air Propane heating Well & septic
Other	2-car detached garage Patio, deck Small shed	2.5-car attached garage Large storage shed

MCLEAN COUNTY MATCHED PAIR #1

#1A - 29394 E 850 NORTH ROAD



1B - 26298 E 1000 NORTH ROAD



MCLEAN COUNTY MATCHED PAIR #2



MCLEAN COUNTY MATCHED PAIR NO. 2

	2A - Proximate to a Wind Turbine	2B – Not Proximate to a Wind Turbine
Address	25156 E 1400 North Rd. Ellsworth, IL 61737	787 E 1300 North Rd. Sibley, IL 61773
Distance from Turbine (Ft.)	2,210	N/A
Sale Date	November 1, 2015	March 13, 2015
Sale Price	\$196,000	\$125,000
Sale Price/Sq. Ft. (A.G.)	\$66.58	\$49.56
Year Remodeled	1890	1900
Building Size (Sq. Ft.)	2,944	2,522
Lot Size (Acres)	4.14	3.36
Style	Two-story; frame (vinyl) 4 bedrooms, 2 bath	Two-story; frame (vinyl) 4 bedrooms, 2 bath
Basement	Full, Finished	Full, Partially Finished
Utilities	Central air Propane heating Well & septic	Central air Propane heating Well & septic
Other	1-car attached garage Porch Machine shed	2-car detached garage Large storage shed Deck

MCLEAN COUNTY

MATCHED PAIR #2

#2A - 29394 E 850 NORTH ROAD



#2B - 26298 E 1000 NORTH ROAD



MCLEAN COUNTY MATCHED PAIR #3



MCLEAN COUNTY MATCHED PAIR NO. 3

	3A - Proximate to a Wind Turbine	3B – Not Proximate to a Wind Turbine
Address	25017 E 1400 North Rd. Ellsworth, IL 61737	10837 Yankee Town Rd. Farmer City, IL 61842
Distance from Turbine (Ft.)	1,573	N/A
Sale Date	September 3, 2015	October 3, 2016
Sale Price	\$159,000	\$134,000
Sale Price/Sq. Ft. (A.G.)	\$81.45	\$68.37
Year Remodeled	1880	1908
Building Size (Sq. Ft.)	1,952	1,960
Lot Size (Acres)	2.87	4.00
Style	Two-story; frame (vinyl) 4 bedrooms, 2 bath	Two-story; frame (vinyl) 4 bedrooms, 2 bath
Basement	Full, Finished	Full, Finished
Utilities	Central air Propane heating Well & septic	Central air Propane heating Well & septic
Other	No separate garage Large shed with drive-in doors Other farm buildings	No separate garage Large shed with drive-in doors Other farm buildings

MCLEAN COUNTY

MATCHED PAIR #3

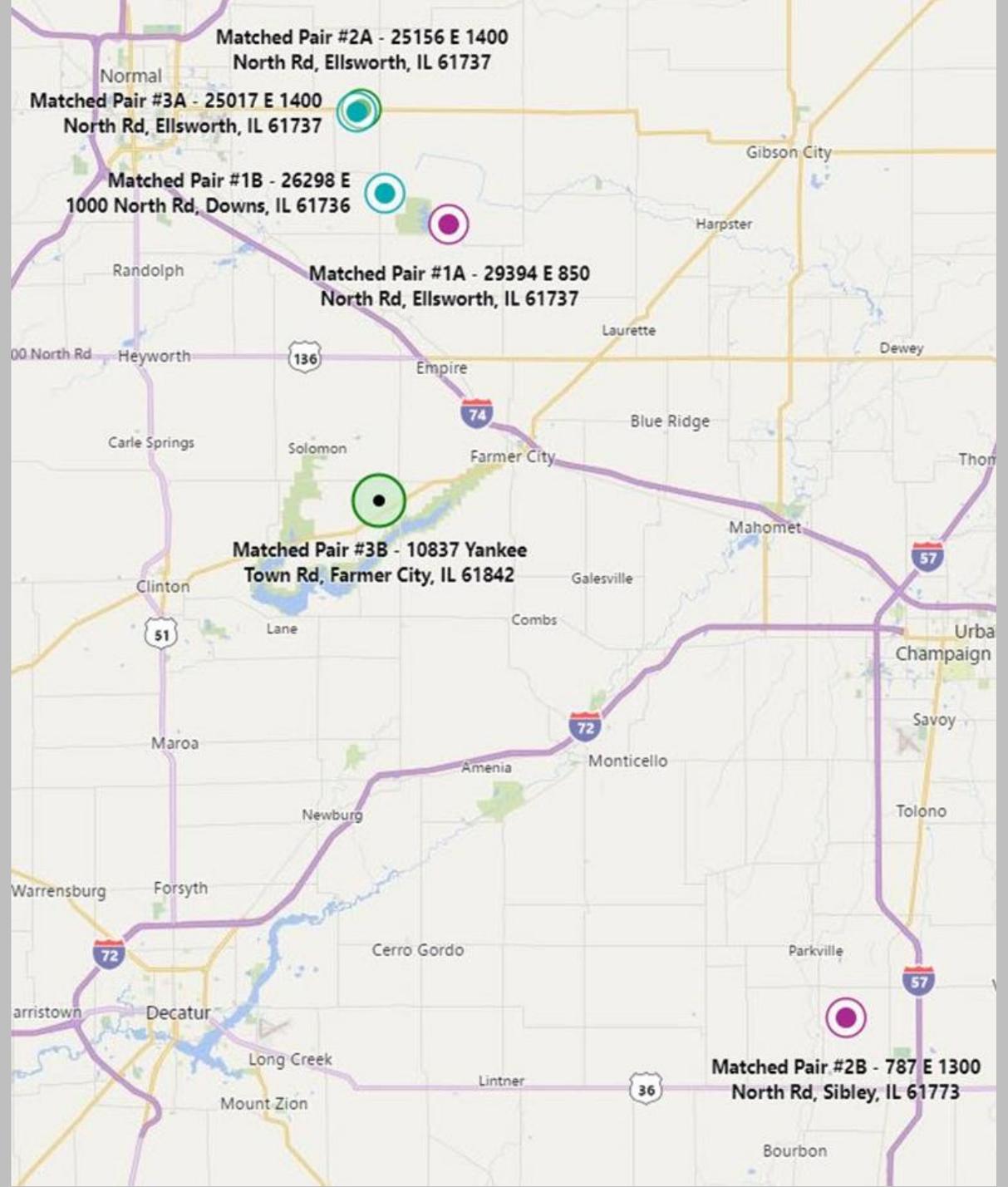
#3A - 25017 E 1400 NORTH ROAD



#3B - 10837 YANKEE TOWN ROAD



MCLEAN COUNTY MATCHED PAIR LOCATION MAP



SUMMARY OF
RESIDENTIAL SALES
NEAREST TO
SAPPHIRE SKY

**MOST RECENT SINGLE-FAMILY RESIDENTIAL SALES SUMMARY
IN THE AREA NEAREST TO SAPPHIRE SKY**

No.	Location	Sale Price	Sale Date	Site Size (Acres)	Year Built	Building Size (Sq. Ft.)	Sale Price Per Sq. Ft. of Bldg. Area Incl. Land
1	3533 North 2825 East Road Le Roy, Illinois 61752	\$105,000	11/5/20	1.30	1972	2,800	\$37.50
2	29093 East 150 North Road Le Roy, Illinois 61752	\$110,000	9/10/20	0.50	1978	1,698	\$64.78
3	305 South Main Street Mansfield, Illinois 61854	\$127,500	11/11/19	0.44	N/A	1,562	\$81.63
4	28396 East 150 North Road Le Roy, Illinois 61752	\$140,000	9/18/20	4.00	1970	2,688	\$52.08
5	40023 East 750 North Road Saybrook, Illinois 61770	\$145,000	10/30/20	0.61	1939	1,884	\$76.96
6	35150 East 500 North Road Arrowsmith, Illinois 61722	\$165,000	9/14/18	3.10	1902	2,725	\$60.55

RESIDENTIAL SALES NEAREST TO SAPPHIRE SKY

PHOTOGRAPHS

#1 - 3533 COUNTY ROAD 2825 EAST



#2 - 29093 EAST 150 NORTH ROAD



RESIDENTIAL SALES NEAREST TO SAPPHIRE SKY

PHOTOGRAPHS

#3 - 305 SOUTH MAIN STREET



#4 - 28396 EAST 150 NORTH ROAD



RESIDENTIAL SALES NEAREST TO SAPPHIRE SKY

PHOTOGRAPHS

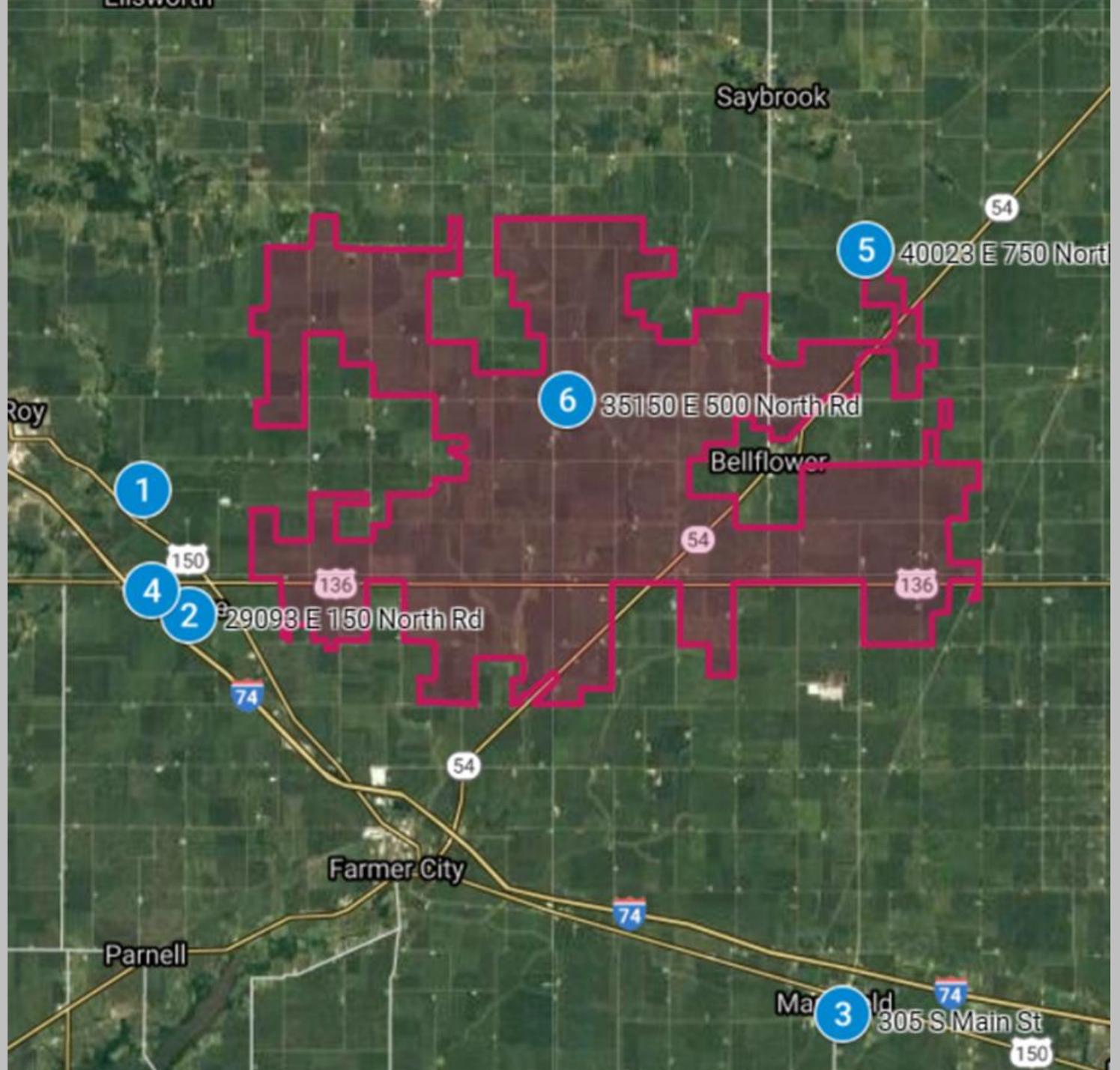
#5 - 40023 EAST 750 NORTH ROAD



#6 - 35150 EAST 500 NORTH ROAD



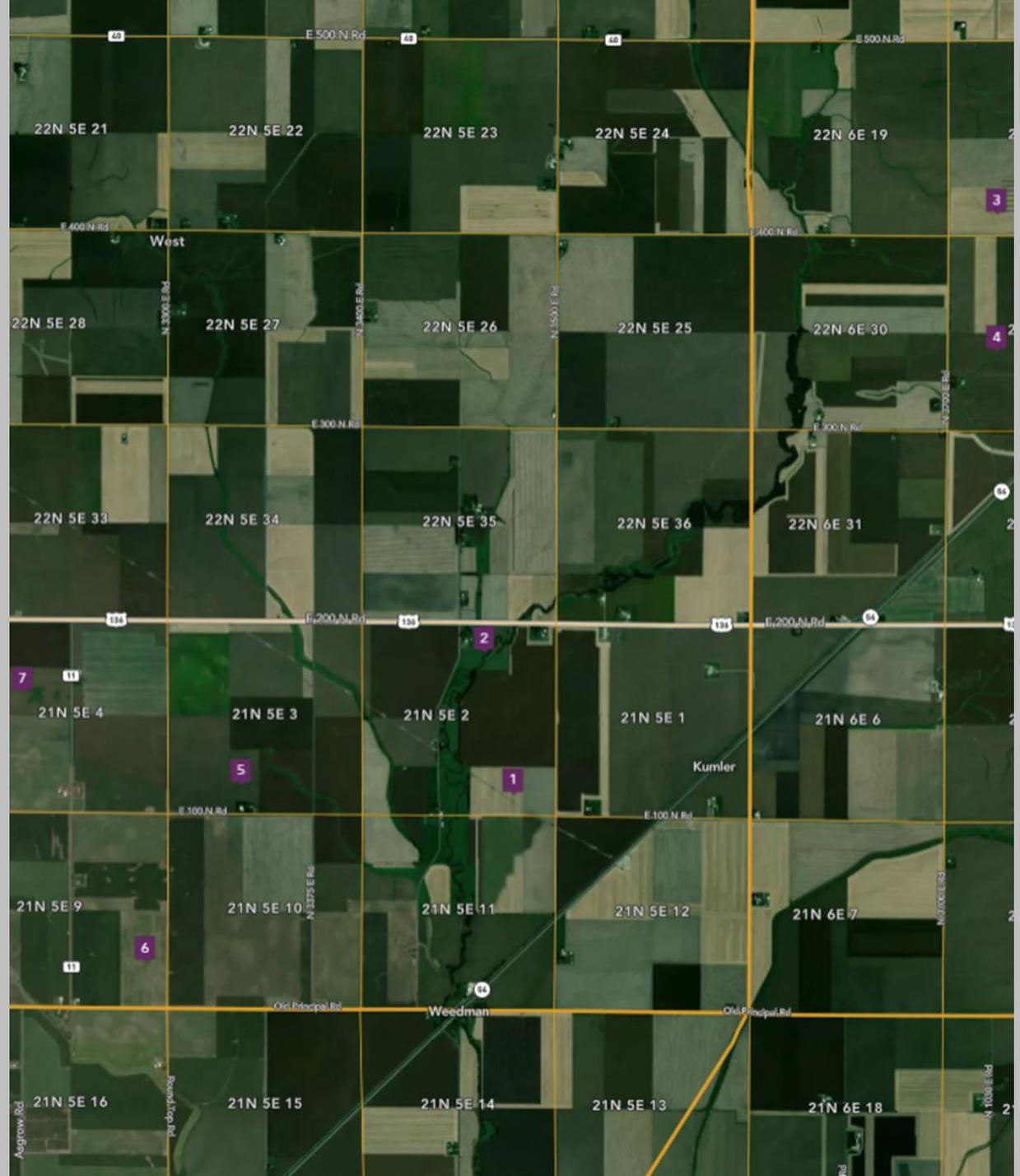
RECENT
RESIDENTIAL SALES
LOCATION MAP



SUMMARY OF RECENT LAND SALES NEAREST TO SAPPHIRE SKY

No.	Owner Mailing Address*	Sale Price	Sale Date	Land Area (Acres)	Productivity Index	Sale Price Per Acre
	& Parcel Location and Identification					
1	1020 East Richardson Street Farmer City, Illinois 61842					
	McLean County, IL 21N 5E – 1, 2 APN: 38-02-400-003					
	Land Sale #1 - 1 Parcel	\$353,500	8/21/20	71.36	139.9	\$4,953.76
2	1048 North 3450 East Road Farmer City, Illinois 61842					
	McLean County, IL 21N 5E – 2, 22N 5E – 35 APN: 38-02-100-009, -200-005, -006					
	Land Sale #2 - 3 Parcels	\$367,000	12/15/17	89.04	137.7	\$4,121.74
3	P.O. Box 1607 Bloomington, Illinois 61702					
	McLean County, IL 22N 6E – 20 APN: 32-20-300-001					
	Land Sale #3 - 1 Parcel	\$593,500	1/24/19	159.93	115.9	\$3,711.00
4	P.O. Box 1607 Bloomington, Illinois 61702					
	McLean County, IL 22N 6E – 29 APN: 32-29-300-005, 006					
	Land Sale #4 - 2 Parcels	\$719,500	5/28/20	87.33	122.2	\$8,238.86
5	33408 East 100 North Road Farmer City, Illinois 61842					
	McLean County, IL 21N 5E – 3, 4 APN: 37-26-300000					
	Land Sale #5 - 1 Parcel	\$740,000	11/8/18	192.93	137.7	\$3,835.59
6	P.O. Box 260 Champaign, Illinois 61824					
	McLean County, IL 21N 5E – 9, 10 APN: 38-09-400-002					
	Land Sale #6 - 1 Parcel	\$880,000	1/25/19	81.38	141.5	\$10,813.47
7	11720 West 1 ST Court North Wichita, Kansas 67212					
	McLean County, IL 21N 5E – 4, 22N 5E – 33 APN: 38-04-100-001					
	Land Sale #7 - 1 Parcel	\$1,627,000	2/27/20	157.82	138.5	\$10,309.21
*Owner mailing address is not to be considered parcel address, in some cases						
Summary of Recent Land Sales Averages:					130.7	\$6,569.09
McLean County Average:					130.7	\$9,979.00

RECENT LAND SALES LOCATION MAP



LITERATURE REVIEW

MaRous & Company is familiar with several academic and peer-reviewed studies of the impact of wind turbines on residential property values. There are no peer reviewed studies specifically for the state of Illinois, however the following studies are consistent with our findings in Illinois.

Municipal Property Assessment Corporation (MPAC) Study, 2008, 2012, and 2016

Ontario, Canada

This study originally was conducted in 2008 and was updated in 2012 and 2016. The conclusions in all three studies are similar: “there is *no statistically significant impact on sale prices* of residential properties in these market areas resulting from proximity to an IWT [Industrial Wind Turbine], when analyzing sale prices.” (2012 Study, Page 5; emphasis in original) Using 2,051 properties and generally accepted time adjustment techniques, MPAC “cannot conclude any loss in price due to the proximity of an IWT.” (2012 Study, Page 29) Further, Appendix G of the 2012 MPAC report “Re-sale Analysis” states in the “Summary of Findings” “MPAC’s own re-sale analysis using a generally accepted methodology for time adjustment factors indicates no loss in price based on proximity to the nearest IWT.”

Lawrence Berkeley National Laboratory (LBNL) Studies, 2009, 2010, 2013, and 2014

Nationwide

The 2009 LBNL study included analysis of 7,489 sales within 10 miles of 11 wind farms and 125 post- construction sales within 1 mile of a wind turbine. The study used rural settings and wind farms of more than 50 turbines, and considered area stigma, scenic vista sigma, and nuisance stigma in varying distances from a wind turbine. The 2010 LBNL study included 7,500 single-family residential sales located in nine states and proximate to 24 wind farms, and 4,937 post-construction sales within 10 miles of a wind turbine. The 2013 LBNL study included 51,276 sales located in nine states and proximate to 67 wind farms, and 376 post-construction sales within 1 mile of a wind turbine. The 2014 LBNL study included over 50,000 sales located in nine states and proximate to 67 wind farms, and 1,198 post-construction sales within 1 mile of a wind turbine. All were located in rural settings and near wind farms of more than 0.5 megawatts. Theses study concentrated on nuisance stigma in varying distances from a wind turbine. The study found no statistically significant evidence that turbines affect sale prices. Neither study found statistical evidence that home values near turbines were affected.

University of Rhode Island, 2013

Rhode Island

Structured similarly to the LBNL studies, this study included 48,554 total sales proximate to 10 wind farms, and 412 post-construction sales within 1 mile of a turbine. These wind farms were mostly small facilities in urban settings. The study included nuisance and scenic vista stigmas. Page 421 of the report stated, “Both the whole sample analysis and the repeat sales analysis indicate that houses within a half mile had essentially no price change ...” after the turbines were erected.

LITERATURE REVIEW

CONTINUED...

The University of Guelph, Melancthon Township, 2013

Ontario, Canada

This study analyzed two wind farms in the township, using 5,414 total sales and 18 post-construction sales within 1 kilometer of a wind turbine. The study included nuisance and scenic vista stigmas. Page 365 of the study stated that “These results do not corroborate the concerns regarding potential negative impacts of turbines on property values.”

University of Connecticut/LBNL, 2014

Massachusetts

This study included 312,677 total sales proximate to 26 wind farms, and 1,503 post-construction sales within 1 mile of a wind turbine. These wind farms were located in urban settings and primarily were proximate to small wind farms. The study included wind turbines and other environmental amenities/disamenities (including beaches and open spaces/landfills, prisons, highways, major road, and transmission lines) together, for nuisance stigma. “Although the study found the effects from a variety of negative features ... and positive features ... the study found no net effects due to the arrival of turbines.”

Wichita State University, 2019

Kansas

This study strived to decipher and develop a better understanding of wind projects and their effect on rural properties in Kansas. The study’s data is based off of 23 wind projects in Kansas with operational dates ranging from 2005 to 2015. The properties and their values, which were appraised at the county level, have operational dates ranging from 2002 to 2018. The study and its results suggest that property values do not spike up or down once the project is completed. Rather, it was noted that they have a more “modest” growth, and that the three-year average for property value growth was 0.3 % after a project had been completed and operational.

These studies had a combined number of 2,500 transactions within 1 mile of operating turbines and found no evidence of value impact.

MARKET IMPACT ANALYSIS CONCLUSIONS

As a result of the market impact analysis undertaken, MaRous & Company has concluded that there is no market data indicating the wind farm will have a negative impact on either rural residential or agricultural property values in the surrounding area.

Further, market data from Illinois, as well as from other states, supports the conclusion that the project will not have a negative impact on rural residential or agricultural property values in the surrounding area. Finally, for agricultural properties that host turbines, the additional income from the wind lease may increase the value and marketability of those properties.

MARKET IMPACT ANALYSIS CONCLUSIONS

- There are significant financial benefits to the local economy and to the local taxing bodies from the development of the wind farm.
- The proposed wind farm will create well-paid jobs in the area which will benefit overall market demand.
- An analysis of recent residential sales proximate to existing wind farms, in Illinois and other midwestern states, did not support any finding that proximity to a wind turbine had a negative impact on property values.
- An analysis of agricultural land values in Illinois did not support any finding that agricultural land values are negatively impacted by the proximity to wind turbines.
- Reports from Illinois, South Dakota, Iowa, Minnesota, Kansas, and Indiana indicate that wind turbine leases add value to agricultural land.
- A survey of County Assessors in 18 Illinois counties, 26 Iowa counties, 5 Indiana Counties, 21 Kansas counties, 8 South Dakota counties, 8 Minnesota counties, and 3 Ohio counties in which wind farms with more than 25 turbines are located determined that there was no market evidence to support a negative impact upon residential property values as a result of the development of and the proximity to a wind farm and that there were no reductions in assessed valuation.



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& COMPANY