

MARY MCCLINTON CLAY, MAI
218 Main Street
Paris, Kentucky 40361
859-987-5698

September 3, 2021

Senator Paul Hornback
Chairman
Agriculture Committee
702 Capital Avenue
Frankfort, KY 40601-3415

Dear Senator Hornback:

My name is Mary McClinton Clay and I am a real estate appraiser from Paris, Kentucky specializing in eminent domain and environmental damage studies.

As requested, I am attaching a summary chart of examples of diminution in property value as a result of proximity to utility scale solar farms.

I have documented these case studies in a report entitled "A Summary of Solar Energy Generation Power Systems (Solar Farm) Damage Studies as of May 25, 2021," which I prepared for the Clark Coalition for a hearing before the Clark County Planning Commission on May 25, 2021. The report summarizes peer review journal articles, professional appraiser's reports, and solar developer's neighbor agreements, as summarized on the attached chart.

I have also documented additional examples of value diminution in four recent reviews of Impact Studies prepared by appraisers for solar developers as part of their applications to the Kentucky Siting Board.

In addition to five previously published studies, indicating property decline of up to -20.0 percent, four case studies, prepared by my office, are included.

The North Branch, MN case study analyzes a developer buy-out of 7 abutting properties purchased by North Star Solar. The sale-resale analysis compares the sale prior to and after the purchase by the developer. The data indicates a property decline of -6.3 to -28.0 percent with an average and median decline of -17.0 percent.

The McBride Place solar farm case study from Midland N.C. includes the analysis of single family sale-resales indicating value declines ranging from -15.5 to -16.8 percent.

The Sunshine Farms case study analyzes 13 single family lots from a subdivision that abuts a solar farm in Grandy, N.C. The sales that adjoin the solar farm sold for -15.5 percent less than the lots that did not abut, despite a required 300.0 foot set back from the rear property line.

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The Spotsylvania Solar case examines single family lot sales before and after the announcement of the 6,350 acre 617 MW solar facility. The adjoining sales sold for -30.00 percent less than those not abutting the solar farm.

Solar developers use "Neighbor Agreements" to limit local opposition to their solar farms. The Western Mustang Solar Agreement consists of a monetary offer of \$17,000 to adjacent property owners to not oppose their solar farm

The Lighthouse BP Neighbor Agreement offers \$5,000 to \$50,000 to adjacent property owners depending on proximity to the solar farm.

The Posey Solar, LLC agreement offer is equal to 10.0 percent of appraised value for neighbors within 300 feet of the solar field, plus an annual \$1,000 payment, or \$35,000 for the life of the project. Apparently, Posey Solar considers any property within 300.00 feet of a solar farm to be at risk of value decline.

These payments are significant because the developers' own appraisers have determined that solar farms will have no adverse impact on adjacent property values. However, the payments can only be interpreted as a tacit admission of value impairment.

The evidence to date, indicates the need for a more robust and comprehensive analysis of the effect of utility scale solar farms on property values than that presented by solar developers; and prior to the approval of additional solar farms in Kentucky.

Sincerely,



Mary McClinton Clay, MAI

SUMMARY OF INDICATED VALUE DECLINE

DATE	STUDY	RESULT
2018	University of Texas	Assessor survey responses ranged from value impact of zero to estimation of negative impact associated with close distance between the homes and the facility, and impact increased with increased size of the solar plant.
2020	University of Rhode Island	Average decline within 3.0 mile radius was -1.7% , or \$5,671. Average decline within 0.1 mile was -7.0% , or \$23,682. The "results suggest extremely large disamenities for properties in very close proximity."
2013	Fred H, Beck & Associates, LLC	Strata Solar Case Study: Potential Purchasers cancel contract upon learning of the solar facility. Clay County Case Study: Lot sales stopped after announcement of solar plant. Clay County Board of Equalization reduced affected property assessments -30.0% . Non-residential Use View Impairment Study: Adjacent incompatible use adversely impacted nearby properties -10.7% to -25.1% , or an average of -15.2% . AM Best Solar Farm Study: No diminution in value due to pre-existing industrial zoning for solar farm.
2020	Mark W. Heckman, R.E. Appraisers	Adams County, PA View Case Study: The loss of view results in a -15% to -20.0% loss in value.
2019	Madison County Indiana	Potential purchaser offered -16.43 % less than appraised value upon learning of the proposed solar plant.

SUMMARY OF INDICATED VALUE DECLINE

DATE	STUDY	RESULT
2021	Mary McClinton Clay, MAI	North Star Solar Case Study (MN): An Analysis of the 7 adjoining properties purchased by North Star PV, LLC. A sale-resale analysis of the sale prior to and subsequent to the purchase by the solar developer. The sale-resales indicate a range of diminution from -6.3% to -28.0% with a median decline of -16.9% and an average decline of -16.8% .
2021	Mary McClinton Clay, MAI	McBride Place Solar Farm Case Study (NC): Analysis of 3 sale-resales and a comparison of the sale price and tax assessment. The sale-resales indicate -15.65% , -15.51% and -16.44 percent diminution in value. The sale price/tax assessment indicates a -16.81% loss of value.
2021	Mary McClinton Clay, MAI	Sunshine Farms Case Study (NC): Analysis of 13 vacant single family lot sales from a subdivision that abutts a solar farm. The sales that adjoin the solar farm sold for -15.5% percent less than the lots that did not abutt the solar farm.
2021	Mary McClinton Clay, MAI	Spotsylvania Solar Case Study (VA): Analysis of 5 vacant single family lot sales from a section of Fawn Lake Subdivision that is adjacent to the solar farm. The lots that adjoin the solar farm sold for -30.0% less than those that did not adjoin.
2020	Western Mustang Neighbor Agreem't	Monetary offer of \$17,000 to adjacent property owners to quel opposition to the proposed solar facility.
2020	Lighthouse BP Neighbor Agreement	Monetary offer of \$5,000 to \$50,000 to adjacent property owners depending on proximity to the solar facility to quel opposition.
2021	Posey Solar, LLC Neighbor Agreement	Monetary offer equal to 10% of appraised value for neighbors within 300 feet of the solar field, plus an annual \$1,000 payment (\$35,000 for project life).

MARY MCCLINTON CLAY
PROFESSIONAL QUALIFICATIONS

Mary McClinton Clay, MAI
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mclayky@bellsouth.net

Market Area: Commonwealth of Kentucky

Primary Practice Focus: Litigation and zoning support with an emphasis on damage studies, including environmental and eminent domain.

Appraisal Experience:

1985 to Present: Self-employed - engaged in commercial, industrial and farm valuation.
1979-1984: Employed by Realty Research - engaged primarily in income property appraisal.
1976-1979: Residential appraisal experience with fee appraisers.

Previous assignments include: Eastern State Hospital; Gateway Shopping Center; Lakeside Heights Nursing Home, N. KY; L&N Office Building, Louisville; Alltech Biotechnology Center, Nicholasville, Paris Stockyards; Conrad Chevrolet, Lexington; CSX Rail Yards in Mt. Sterling and Paris; First Baptist Church, Cold Spring; Lusk-McFarland Funeral Home, Paris; Feasibility Study of proposed Hamburg Place Office/Industrial Park, Lexington; Rent Analysis of IRS Service Center, Covington; Surtech Coating, Nicholasville; Clem Refrigerated Warehouse, Lexington; Bluegrass Manufacturing, Lexington; Finley Adhesives, Louisville; Central Manufacturing and Central Light Alloy, Paris; Review Appraisal of Rand McNally Plant, Versailles and Timberland Distribution, Danville; Old Scott County Jail; Millspring Battlefield; Truck Terminals, Fast Food Restaurants, Retail Centers, Lumber Mills, Car Wash, Multi-Family Residential, Mobile Home Parks, Convenient Stores and Subdivision Analyses.

Thoroughbred Horse Farms including Pin Oak Farm, Bunker Hunt Farms, Pillar Stud Farms, Elmendorf Farm, Summer Wind Farm, Hidaway Farm, Stoner Creek Stud, Runnymede Farm, Wilshire Farm, Lynnwood Farms, Stonereath Farm, Idle Hour Farm, Canefield Farm, Elk Creek Farm, Lochness Farm, Stoneleigh Farm, Elizabeth Station Farm.

Right of Way Experience: Rose Street Extension, Lexington, 1986-87; AA Highway: Greenup Co., 1989, Carter Co., 1990-91; U.S. 27 Campbell Co. 1991-1992, 1993; Bridge Realignment, Walton, 1992; Industry Rd, Louisville, 1993; 19th St. Bridge, Covington, 1994; U.S. 27, Alexandria, 1994; S. Main St., London, 1995; Paris Pike, Paris and Bourbon County, 1995-98; KY Hwy 22 at I-75, Dry Ridge, 1996; Bridge Projects on KY Hwy 19, Whitley County, 1997; US 150, Danville, 1998; US 460 Morgan Co., 1999; US 62 South, Georgetown, 2000; Bluegrass Pkwy and KY 27 Interchange, Anderson Co., 2001; KY 519, Rowan County, 2002; US 641, Crittenden County, 2005; US 25, Madison County, 2008-09; US 68, Bourbon County, 2009-10; Clark County, 2011; US 68 Millersburg By-pass, Bourbon County, 2012-13; US 119, Bell County, 2014-15; US 25, Madison County, 2016-17; Excess Land, Georgetown By-pass, 2020; Access Break, Industrial Drive, Lebanon, 2020.

Railroad Right of Way Experience: CSX in Floyd, Perry, Clark, Woodford, Franklin, Montgomery, Johnson, Magoffin, Breathitt, Fayette, Madison, Mason, and Bourbon Counties, 1987-2016.

Rails to Trails: Rowan County, 2005; Montgomery County, 2009, Franklin County, 2014; Floyd County, 2016.

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Environmental Damage Studies: *Yellow Creek Concerned Citizens v. Middlesboro Tannery*: effect of tannery contamination on 350 properties along Yellow Creek, Bell County, KY, 1988; *James E. Sullivan, et al v. Board of Regents, et al*: effect of Animal Waste Fermentation Project at the Organic Pasteurization Plant at North Farm of Murray State University on Sullivan's Executive Par 3 Golf Course and Sports Center, Murray, KY, 2003; West Farm Subdivision, Pulaski County: effect of contamination of groundwater from underground storage of dry cleaning solvents on residential lot values, 2004; *Gene Nettles, et al v. Environmental and Public Protection Cabinet: Division of Water, David Morgan, Director and J.P. Amberg Hog Farm*: Diminution of Value Analysis As a Result of Proximity to Hog Facilities in Daviess, Warren, Calloway, Graves, Hickman and Carlisle Counties, Kentucky, 2006; *Terry Powell, et al v. Tosh, et al*: Diminution of Value Analysis as a Result of Proximity to Hog CAFOs in Marshall County, KY, 2007; *City of Versailles v. Prichard Farm Partnership, Ltd.*: effect of sewage treatment pump station and ancillary easements upon Woodford County cattle farm, 2008; *Kentucky Utilities Company v. James and Mary Jent, CDH Preserve, LLC and Farm Credit Services of Mid-America, FLC, Violet Monroe*: the effect of High Voltage Transmission Lines on three Hardin County agricultural properties, 2011; *Terrence G. Kerschner, et al v. Burley Oil Company, et al*: the effect of Leaking Underground Gasoline Tanks on Country Lane Estates, Frankfort, KY, 2013; *Jerry Whitson v. Donnie Cross*: effect of Drainage Encroachment upon Adjacent Property, 2013; the effect of Cell Tower on Bourbon County Farm, 2014; *Steve D. Hubbard v. Prestress Services Industries, LLC*: effect of Fugitive Particulate Emissions upon a Single Family Dwelling, 2016; *Henderson City-County Airport v. Mary Janet Williams, et. al.*: the effect of Proximity of a Regional General Aviation Airport on Agricultural Values, 2019; *Patricia Kushino, et al v. Federal Aviation Administration, et al*: the effect of Stormwater Drainage on Woodland Value, 2021.

Additional Damage Studies:

Faulty Construction: 172 Post Oak Road, Paris, KY; 152 Cross Creek Drive, Paris, KY; Hartland Subdivision, Lexington, KY
Flood Damage: 208 Cary Lane, Elizabethtown, KY
Blasting Damage: Chicken Farm, Tolesboro KY
Super Fund Sites: KY Wood Preserving, Inc., Winchester, KY; River Metals Recycling, Somerset, KY

Expert Witness: Circuit Courts of Bourbon, Carter, Fayette, Franklin, Hardin, Laurel and Woodford Counties

Court Testimony:

Laurel Circuit Court: *Yellow Creek Concerned Citizens v. Middlesboro Tannery*, 1995.
Franklin County Circuit Court: *Richard McGehee v. Commonwealth of Kentucky Transportation Cabinet*, 2008; *Terrence G. Kerschner, et al v. Burley Oil Company, et al*, 2014.
Hardin County Circuit Court: *Richard McGehee v. Commonwealth of Kentucky Transportation Cabinet*, 2008.
Woodford County: *Horn v. Horn*, 2009
Bourbon County Circuit Court: Blasting Case, 1980s; Waterway Impediment Case, 2000; Faulty Construction, 2009, *Hadden v. Linville*, 2015.
Fayette County Circuit Court: Faulty Construction, 1980s; Bluegrass Manufacturing (Divorce Case), 1999, *Whitson v. Cross*: Drainage Encroachment, 2013.
Carter County: Condemnation for Commonwealth of KY Transportation Cabinet.

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Conservation and Wetland Easements: Bluegrass Heights Farm, Fayette County: Conservation and Preservation Easement; Wetland Easements in Pulaski, Lincoln, and Fulton Counties for NRCS.

Zoning Support: *John Vance, et al v. Paris City Commission* 2019; *Citizens for Progressive Growth and Development v. Paris Bourbon County Planning Commission* 2004-2007 and 2016; *Paris First v. Paris Bourbon County Planning Commission* 2003-2006; *Paris First v. Paris City Commission* 2002-2003; *Coppers Run Historic District, Inc. v. Abundant Life Worship Center* 1995; *Sugar Grove Farm v. East Kentucky Power* 1994-1996; *Lawrence Simpson, et al v. Harry Laytart* 1986-1996.

Professional Organizations:

Appraisal Institute: MAI, 1985; SRPA, 1982; SRA, 1980

Appraisal Institute Education Certification:

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. I am certified under this program through December 31, 2023.

Education: Hollins College, B.A., 1972

Appraisal Education: Society of Real Estate Appraisers Course 101, 1977; SREA Course 201, 1978; SREA Course 301, 1981; AIREA Course VIII, 1979; AIREA Course VI, 1979; AIREA Course II, 1980; AIREA Course in Investment Analysis, 1980; AIREA Course in Valuation Litigation, March, 1986; Appraisal Institute Standards of Professional Practice, 1992; AIREA Comprehensive Examination, August, 1983; Courses in Real Estate Finance, Income Property Appraisal, Real Property Valuation, and Investment Analysis, 1977-1978, Eastern Kentucky University; Appraisal Institute Course 400G, Market Analysis/Highest and Best Use, 2008, Conservation Easement Certification, 2008.

Attended numerous seminars covering a variety of topics including investment analysis, feasibility and market analysis, eminent domain and condemnation, valuation of lease interests, component depreciation, risk analysis, current issues in subdivision and zoning law, Yellow Book and appraiser as expert witness.