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**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application for Grant County Solar, LLC to Construct a New
Solar Electric Generation Facility located near Potosi and Harrison Townships, in Grant County, Wisconsin

Docket No. 9804-CE-100

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REBUTTAL TESTIMONY OF MICHAEL S. MAROUS

13 **Q. Are you the same Michael S. MaRous who filed prefiled direct testimony in this**
14 **proceeding?**

15 A. Yes.

16 **Q. What is the purpose of your rebuttal testimony?**

17 A. The purpose of my rebuttal testimony is to address the testimony of Grant County
18 Intervenors witnesses Preston and Jennifer Adrian, Daniel Cray, Kelsey and Travis
19 Wagner, Ross Reynolds, and Brianna and Henry Frear. Where I refer to these individuals
20 in the collective, I will refer to them as “Grant County Intervenors.”

21 **Q. Based on their stated qualifications, do any of the Grant County Intervenors have the**
22 **experience and qualifications to offer opinions regarding property valuation?**

23 A. No, they do not. None of the Grant County Intervenors are property appraisers, nor have
24 they obtained the Appraisal Institute, Designated Member (“MAI”) professional
25 designation.

26 **Q. What background and experience do you have that make you qualified to undertake**
27 **property valuation analyses?**

28 A. As stated in my Direct Testimony, I am a licensed General Certified Appraiser in
29 Wisconsin, which is the highest-level appraisal license in Wisconsin. In addition, I have

1 held the MAI designation, which is considered the highest level of qualification for real
2 estate appraisers, for over 35 years. I have had numerous leadership positions within the
3 Appraisal Institute and have taught and published under the auspices of the Appraisal
4 Institute. I have been involved with the past three editions of The Appraisal of Real Estate,
5 which is considered to be the top written resource for real estate appraisal. Further, I hold
6 the Counselors of Real Estate, Member (“CRE”) designation, which is invitation-only, for
7 the most distinguished real estate consultants in the world. I have held leadership positions,
8 including the Chair of the Midwest Chapter of the CRE. The Midwest Chapter includes
9 Wisconsin. I have sat on the national board of Directors of the CRE for the past nine years.

10 **Q. Do you have experience with property valuations in connection with solar facilities?**

11 A. Yes. I have previously consulted on proposed solar projects throughout the United States,
12 including three in Wisconsin, four in Illinois, two in Indiana, two in Michigan, one in
13 Missouri, as well as projects on Long Island in New York, and in eastern Maryland. I am
14 also involved with consulting on other proposed energy projects located in Minnesota and
15 throughout the Midwest.

16 **Q. Mr. Cray (Direct-GCI-Cray-2), Mr. and Mrs. Adrian (Direct-GCI-Adrian-2),**
17 **Mr. Reynolds (Direct-GCI-Reynolds-2), Mr. and Mrs. Wagner (Direct-GCI-**
18 **Wagner-4), and Mr. and Mrs. Frear (Direct-GCI-Frear-2) have all voiced a concern**
19 **that the Project will have a negative impact on the value of their properties. Do you**
20 **agree with this concern?**

21 A. No. While I respect their concern, market research, as set forth in detail in the Market
22 Impact Analysis conducted for the Project (Ex.-Grant County Solar- Application:

1 Appendix AA)¹ and discussed in my direct testimony, demonstrates that the Grant County
2 Intervenor's concerns are unfounded. Specifically, based upon my Market Impact
3 Analysis, I have concluded that the Project will not have a negative impact on either rural
4 residential or agricultural property values in the area surrounding the Project. In fact, for
5 the agricultural properties that host photovoltaic panels, the additional income from the
6 solar lease(s) may actually increase the value and marketability of those properties.

7 Moreover, the Public Service Commission has previously rejected assertions in
8 specific contested cases that solar generation facilities such as the Project adversely affect
9 property values. *See Application for a Certificate of Public Convenience and Necessity of*
10 *Badger Hollow Solar Farm, LLC to Construct a Solar Electric Generation Facility, to be*
11 *Located in Iowa County, Wisconsin, April 18, 2019, Final Decision, Docket No. 9697-CE-*
12 *100 (PSC REF#: 364425)), pp. 18 and Application for a Certificate of Public Convenience*
13 *and Necessity of Two Creeks Solar, LLC to Construct a Solar Electric Generation Facility,*
14 *to be Located in Manitowoc and Kewaunee Counties, Wisconsin, April 18, 2019, Final*
15 *Decision Docket No. 9696-CE-100 (PSC REF#: 364423), pp. 12-14. The Grant County*
16 *Intervenor has not presented any evidence that would warrant the Commission reaching*
17 *a different conclusion in this case.*

18 **Q. What evidence do you have any that the Grant County Intervenor's property values**
19 **will not be negatively impacted by the Project?**

20 A. As set forth in my Market Impact Analysis included as Appendix AA to the Application,
21 market data from Wisconsin, as well as from other states, supports the conclusion that the
22 Project will not have a negative impact on rural residential or agricultural property values

¹ PSC REF #:389014.

1 in the surrounding area. (Ex.-Grant County Solar- Application: Appendix AA at 15-22.) A
2 complete summary of the bases for my conclusions can be found at page 2 of my Market
3 Impact Analysis (Ex.-Grant County Solar- Application: Appendix AA), and is summarized
4 at pp. 3-4 of my direct testimony.

5 Specifically, my analysis of recent residential sales proximate to proposed solar
6 farms in Wisconsin, as well as similar sales in other states, which included residential sales
7 as close as 165 feet to potential photovoltaic panels, demonstrated that proximity to a
8 photovoltaic panel does not have impact on property values. My analysis of agricultural
9 land values in the Project Area as well as other areas of Wisconsin with solar farms also
10 did not support any finding that agricultural land values would be negatively impacted by
11 proximity to photovoltaic panels. Finally, my survey of assessors in Wisconsin and other
12 states confirmed that there is no market evidence to support a negative impact upon
13 residential property values as a result of proximity to a solar farm.

14 **Q. Mr. and Mrs. Adrian (Direct-GCI-Adrian-3), Mr. and Mrs. Wagner (Direct-GCI-**
15 **Wagner-5), Mr. Reynolds (Direct-GCI-Reynolds-3), and Mr. and Mrs. Frear**
16 **(Direct-Frear-2-3) have also voiced a concern that the Project will have a negative**
17 **impact on the marketability of their property. Do you agree with this concern?**

18 A. No. The Grant County Intervenors have presented no market evidence that the Project
19 when complete will negatively affect the marketability of their property, and I have found
20 no such evidence in my extensive review of the Project. As set forth in my Market Impact
21 Analysis, for the properties that host photovoltaic panels, the additional income from the
22 solar lease may actually enhance the marketability of those properties, similar to the
23 manner in which wind farm lease revenue enhances the marketability of agricultural land

1 proximate to wind farms. (*See* Ex.-Grant County Solar-Application: Appendix AA at 63-
2 64.)

3 **Q. Mr. and Mrs. Frear claim that the properties that you have relied on in your Market**
4 **Impact Analysis are not comparable to those in Grant County. (Direct-GCI-Frear-**
5 **3.) In your opinion, are the properties you utilized in your market study comparable**
6 **to properties in Grant County?**

7 A. Yes. The numerous comparables provided in my Market Impact Analysis provide the best
8 comparable information available in both Wisconsin and elsewhere to support my
9 conclusions. In particular, the comparable properties utilized in my matched pair analysis
10 (*See* Ex.-Grant County Solar-Application: Appendix AA at 13-40) are reasonably
11 comparable to the properties at issue here, and provide ample grounds to conclude that
12 there is not a negative impact to residential or agricultural property due to proximity to a
13 solar farm.

14 **Q. Does the 2019 sale of the Kite Property near the Badger Hollow Solar Project in Iowa**
15 **County, Wisconsin, support your conclusions that the Project will not have a negative**
16 **impact on property values and/or marketability?**

17 A. Yes. Prior to the approval of the Badger Hollow Solar Project in Docket No. 9697-CE-
18 100, interveners Brenda and Casey Kite requested appraisal services for their property at
19 2680 County Road G #80, from Kurt Kielisch of Forensic Appraisal Group. The residence
20 is a 1,987-square-foot farmhouse with a 5,040-square-foot pole barn and grain bin that sits
21 on 3.73 acres of land. The Kite property is located in an area that is surrounded by tall
22 crops, such as corn. Kurt Kielisch appraised the property with an effective date of
23 November 14, 2018, with an after solar development value of \$179,000.

1 The Kites purchased the property December 5, 2005 for \$179,999, which is
2 understood to be near the top of the local residential real estate market up to the year 2015.
3 There is limited information that indicates that significant improvements were made to the
4 property between 2005 and the eventual 2019 sale.

5 In 2019, the Kites listed the property as “For Sale by Owner”, which implies that
6 the sale was substantially under-exposed to the market. Due to the Kites not using a broker
7 for the listing, the sale price did not factor in the market broker commission. Also,
8 throughout the marketing period the Kites had a large anti-solar sign posted on the front of
9 their property.

10 The property sold on August 1, 2019 for \$253,700. With the addition of a market
11 commission of 5.5%, the sale price of the property is adjusted to \$267,600. Another
12 adjustment of 5% should be added to the property’s selling price for the lack of market
13 exposure and the anti-solar sign, to create a final adjusted sale price of \$281,000.

14 The adjusted August 1, 2019 sale price of \$281,000, which occurred with the
15 knowledge of the solar development, reflects an increase of \$102,000, or 57%, compared
16 to Kielisch’s after solar development value estimate of \$179,000. Complete details of this
17 appraisal can be found on pages XXV and XXVI in the addenda of the Market Impact
18 Analysis.

19 **Q. Does this conclude your prefiled rebuttal testimony?**

20 A. Yes.