

11.17 Iowa Hill Property Value Study Plan

The Property Value Study for the proposed Iowa Hill Pumped Storage Development (Iowa Hill project or project) will consist of identifying residential properties located in close proximity to project-related features; using the results of the Visual Resources Study to identify the changes to the visual environment seen from these residences; and drawing on a review of the findings of research studies on the property value impacts of infrastructure facilities to make a qualitative assessment of the extent to which the proposed project has the potential to affect property sales values.

11.17.1 Pertinent Issue Questions

- What would be the short-term effects on the sales values of properties?
- What would be the long-term effects on the sales values of properties?
- Would the proposed improvement to the existing road leading to the upper reservoir site (i.e., gravel the existing dirt road), impact property values of land along that road?

11.17.2 Background

SMUD's existing Upper American River Project (UARP) is located in the rugged Sierra Nevada Mountains between the southern shores of Lake Tahoe and Sacramento. A majority of the UARP facilities are located within the Eldorado National Forest and the 85,000-acre Crystal Basin Recreation Area. The three UARP storage reservoirs – Ice House, Union Valley and Loon Lake, and their associated recreation facilities – provide significant recreational opportunities. As part of the relicensing process, SMUD seeks to add the Iowa Hill project to enhance its hydropower assets in the Upper American River. The pumped storage project would allow water to be pumped up to a holding pond on Iowa Hill when electricity is plentiful (generally during the night) and release it during peak electricity demand to generate peaking power. The pumped storage project would be located in El Dorado County, near the communities of Camino, Pollock Pines and Swansboro and the city of Placerville, placing it in an area where there is a small number of privately-owned residential properties from which there could be views of project-related landscape changes.

11.17.3 Study Objectives

The objectives of the Property Value Study are:

- Identify the privately-owned residential properties that may be affected by the proposed project and from which views of landscape changes resulting from the project would be seen.
- Identify the degree of change to the views from these properties.
- Identify the extent to which the changes to views from properties would create a change in their sales value.
- Research literature to determine the duration of impacts to property values, if any.
- Identify the privately-owned residential properties (improved and unimproved) that are located adjacent to that segment of the road leading to the upper reservoir site that would be improved.
- Identify the extent to which the proposed road improvement leading to the upper reservoir site would create a change to property values of land along that road.

11.17.4 Study Area

The study area for the property value analysis is defined as all privately owned lands located within a 3-mile radius around the reservoir sites and the project-related transmission line, as well as privately owned properties that abut the road that will be improved to provide access to the upper reservoir.

11.17.5 Study Methods

Information for this study will be obtained through data provided by the Visual Resources Study and existing secondary sources. Information to be obtained includes:

- Locations of privately-owned parcels within 3 miles of project facilities that are zoned for residential use.
- Locations of privately-owned parcels within 3 miles of project facilities on which residences now exist.
- Locations of privately-owned parcels along the segment of road that will be improved to provide access to the upper reservoir site.
- Identification of privately-owned parcels from which project facilities are potentially visible (from Visual Resources Study).
- Quantitative and qualitative data on recent trends in real estate activity in the project area.
- Identification of how and the degree to which views from each existing dwelling and potentially developable residential parcel is likely to be changed by the project (from Visual Resources Study).
- Results of the available research studies on the property value impacts of electric power generating facilities, substations, transmission lines, and comparable infrastructure facilities.

11.17.6 Study Analysis

The goal of this analysis is to assess the extent to which the proposed project would adversely affect the sales value of nearby residential properties. The analysis will focus on identifying whether properties lying within 3-miles of the project facilities would have views of project-related landscape changes, and if so, the nature and degree of those changes. In light of the nature and degree of the visual changes, a qualitative assessment will be made of the potential for an impact on the value of the property, drawing on the insights gained from a review of the research literature on the property value effects of similar kinds of projects. In addition, the analysis will assess the extent to which the improvement of the road providing access to the upper reservoir site will affect the sales value of privately-owned properties that lie alongside it.

11.17.7 Affected Environment

The characterization of the affected environment will include a map indicating the locations of residentially-zoned parcels and existing residences that lie within a 3-mile radius of proposed project features. This map will be overlaid with the results of the viewshed analysis prepared as a part of the Visual Resources Study to identify the properties from which project features will be potentially visible. For the set of residential properties from which the project is potentially visible, photographs will be presented of representative views from these residential settings. In addition, recent sales data from the County Assessor's office will be presented to provide a snapshot of current sales trends. In addition, based on interviews with local real estate brokers, a qualitative description will be provided of the market that exists for residential properties in the area and of recent market trends.

The characterization of the existing environment will also include preparation of a map indicating the locations of privately-owned properties that abut the portions of the road leading to the upper reservoir that will be improved as a part of the project. For these properties, recent sales data from the County Assessor's office will be presented to provide a snapshot of current sales trends. In addition, based on interviews with local real estate brokers, a qualitative description will be provided of the market that exists for residential properties along this road corridor.

11.17.8 Environmental Consequences

Based on a review of the visual simulations prepared as a part of the Visual Resources Study, and correlation of those simulated views to the locations of each of the residential properties in the project viewshed and their physical relationship to the various project facilities, for each property, an assessment will be made of the nature and degree of the changes to views that the project will bring about. If appropriate, the properties will be grouped into categories of similar kinds of view change and degree of visual impact. For each property or each category, a qualitative assessment will be made of potential short- and long-term effects on sales value based on application of the findings of the relevant research literature on property value impacts.

For the properties located along the access road to the upper reservoir that will be improved as a part of the project, a qualitative assessment will be made of the potential effects on property value related to the road improvements. This assessment will be made based on research conducted as a part of this project on values of comparable properties in the local area that are located along improved vs. unimproved roads.

11.17.9 Study Output

The study output will be a technical report with maps, “before” and simulated “after” views from representative properties, tables and text. The report will describe the existing environment, display the changes to residential views that would be brought about by the project, identify the available property value research literature and summarize its findings, and apply the insights gained from review of this literature to provide a qualitative assessment of the extent to which the project is likely to affect residential property values in the project vicinity. The technical report will also include a summary of the analysis of the values of properties located along improved vs. unimproved roads in the area, and an assessment of the implications of the improvement of the road leading to the upper reservoir on the values of the properties located alongside it. The technical report will be distributed to the Socioeconomic TWG for review and approval. The report will be prepared in a format so that it can easily be incorporated into the Licensee’s draft environmental assessment that will be submitted to FERC with the Licensee’s application for a new license.

11.17.10 TWG and Plenary Group Endorsement

The Socioeconomic TWG approved the issue questions and the study objectives for this study plan on February 27, 2004. The Plenary Group approved the issue questions and study objectives for this study plan on March 3, 2004.

The Socioeconomic TWG approved the draft study plan on March 29, 2004. The participants at the meeting who said they could “live with” the plan were U.S. Forest Service, El Dorado County Water Agency, City of Sacramento and SMUD. None of the participants at the meeting said they could not “live with” this study plan.

The Plenary Group approved the Iowa Hill Property Value Study Plan on April 7, 2004.