

Planning Director Julie Maybee:

The intent of an I-2 zoning district is to provide for public and private heavy industrial uses and facilities including wholesale distribution, processing, manufacturing, and production; however, it is required that industries in this district to take whatever measures appropriate to minimize the emissions of smoke, dust, fumes, noise, vibration resulting from such industrial activity. In your agenda material, I included the applicant's exhibits that were submitted to the Planning Board for their consideration. This tract of land abuts the Town. At the March 10th meeting, one of the conditions of approval of the solar farm at that location was for them to voluntarily annex the property, the solar farm area, and also the area adjacent to it. The property owner has submitted a voluntary annexation petition with the process starting at the June 9th Town Council meeting.

Attorney Chip Hewett:

Both parcels?

Planning Director Julie Maybee:

Yes. On the larger tract, there is a barn that is dilapidated. I was out there today, and it is still there. The property owner conveyed to staff and to Council that he would have it taken down. Again, just looking at the zoning districts; all industrial right around that 15-acre parcel. The front portion of the property of the solar farm parcel that was initially approved, part of it is inside city. The remainder outside. The Future Land Use Plan shows this as Industrial. There is a heavy buffer around the perimeter. On the site plan, it is going to have a fence going around the perimeter. It is a six-foot chain-linked fence with five small evergreen trees and five evergreen bushes per 100 linear feet around the perimeter. The Planning Board requested that detail to be shown on the site plan. The solar farm is to be buffered around the entire perimeter, and in three years, the height of the trees to grow to ten foot with a 75% opacity. The site is located within a protected watershed. It must comply with applicable municipal code provisions. The site is to comply with the watershed requirements. In considering a special use permit, you need to consider the required findings of fact. At the Planning Board's April 27th meeting, the Planning Board recommended to adopt the findings of fact as their own, and recommended to approve the special use permit to include Phase 2 of the modification upon the voluntary annexation, and also that the detail around the perimeter landscape buffer be included on the site plan. There are a number of requirements when it comes to a solar farm. The noise cannot exceed 40 decibels at the property boundaries. In the applicant's exhibit, they did a solar impact study. They illustrated where the disconnects would be. The site plan has been reviewed by staff. The entrance location as it is proposed on Buffalo Road has received preliminary approval by DOT. The still need to have a driveway permit. As with any property, the

property needs to be maintained, buffer needs to be maintained. What I mean by property maintained, the grass height cannot exceed more than ten inches in height. The height of the solar panels cannot exceed 25 feet in height.

Mayor Pro-Tem Jackie Lacy:

Does it tell you how many panels will be out there?

Planning Director Julie Maybee:

It is my understanding the applicant has additional information he wants to present and more detail.

Attorney Kirkland Odom, 377 Barrette Lane, Wendell, NC 27591:

If it pleases Council, I would like to submit exhibits A through D into evidence and a motion that they be received by the Council.

Attorney Chip Hewett:

Mayor, these are the exhibits in agenda item 1D exhibits A through D. Unless Council has any objection, I think these should be received. Exhibits A through D are received.



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March 4, 2015

Mr. Reynaldo Rodriguez
Red Toad, Inc.
215 New Gate Loop
Lake Mary, FL 32746



Mr. Rodriguez

At your request, I have considered the likely impact of a solar farm proposed to be constructed near Selma, North Carolina. Specifically, I have been asked to give my professional opinion on whether the proposed solar farm will “substantially injure the value of adjoining or abutting property” and whether “the location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located.”

To form an opinion on these issues, I have researched and visited existing and proposed solar farms in North Carolina, researched articles through the Appraisal Institute and other studies, and discussed the likely impact with other real estate professionals. I have not been asked to assign any value to any specific property.

This letter is a limited report of a real property appraisal consulting assignment and subject to the limiting conditions attached to this letter. My client is Red Toad, Inc., represented to me by Mr. Reynaldo Rodriguez. My findings support the Special Use Permit application. The effective date of this consultation is March 2, 2015 the date of my inspection of the property and surrounding areas.

Proposed Use Description

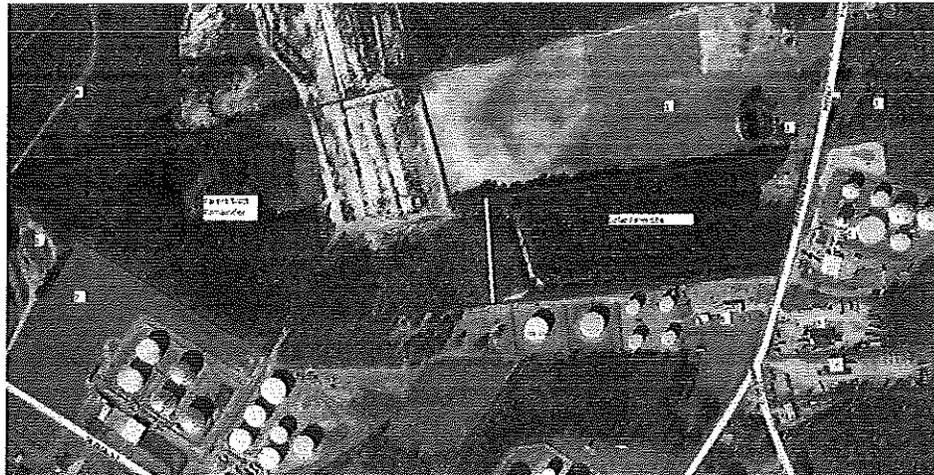
The proposed solar farm will consist of a fixed solar array located on approximately 15 acres out of a 49.23 acre parent tract located at 4451 Buffalo Road, Selma, North Carolina. This property is currently owned by Roberts & Wellons, Inc.

Adjoining land is a mix of industrial and residential uses, which is actually a little uncommon for solar farms in North Carolina as shown later in this report. Typically, solar farms are located where rural and suburban areas meet with most adjoining uses being agricultural and residential. There are solar farms near industrial land, but it is less common than the other pattern.

There are no nearby homes and the nearby residential uses would be impacted by the nearby industrial uses that are mostly tall petroleum tanks, whereas the proposed solar farm will be smaller, lower to the ground and easily screened.

The solar farm will consist of stationary solar panels that will generate no noise beyond the fence, no odor, and less traffic than a residential subdivision. The panels are less than 10 feet in height and will be located behind a chain link fence.

I have considered adjoining uses as shown in the map below. The mix of uses is predominately industrial and some residential uses. Industrial uses do not typically receive negative impacts from adjoining uses and I have therefore focused on potential impacts on adjoining residential uses.



Adjoining Use Breakdown

	Acreage	Parcels
Industrial	70.17%	77.78%
Residential	29.83%	22.22%
Total	100.00%	100.00%

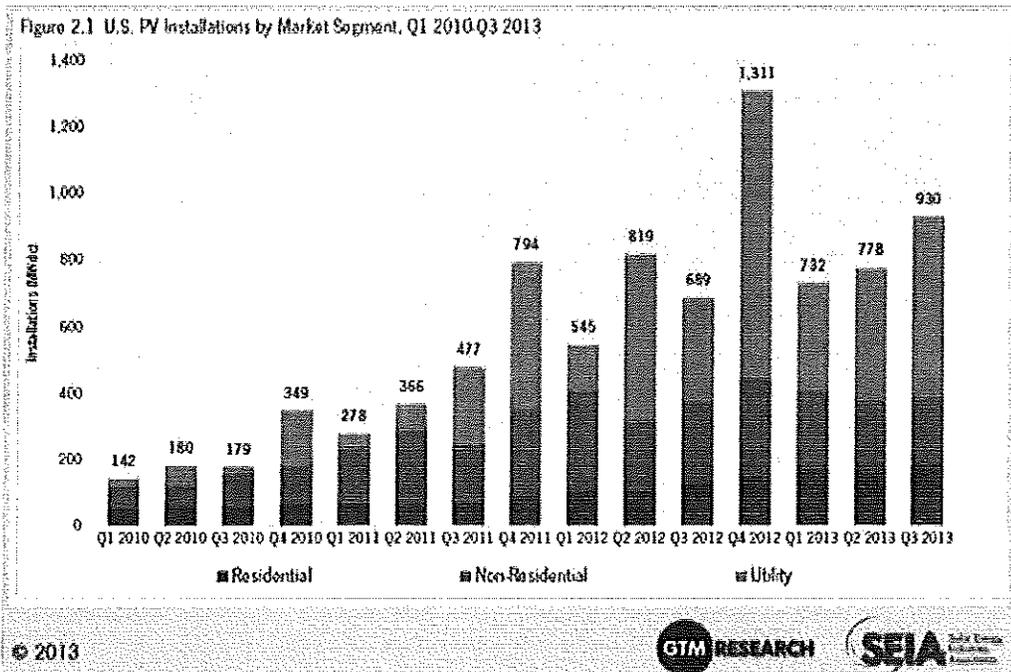
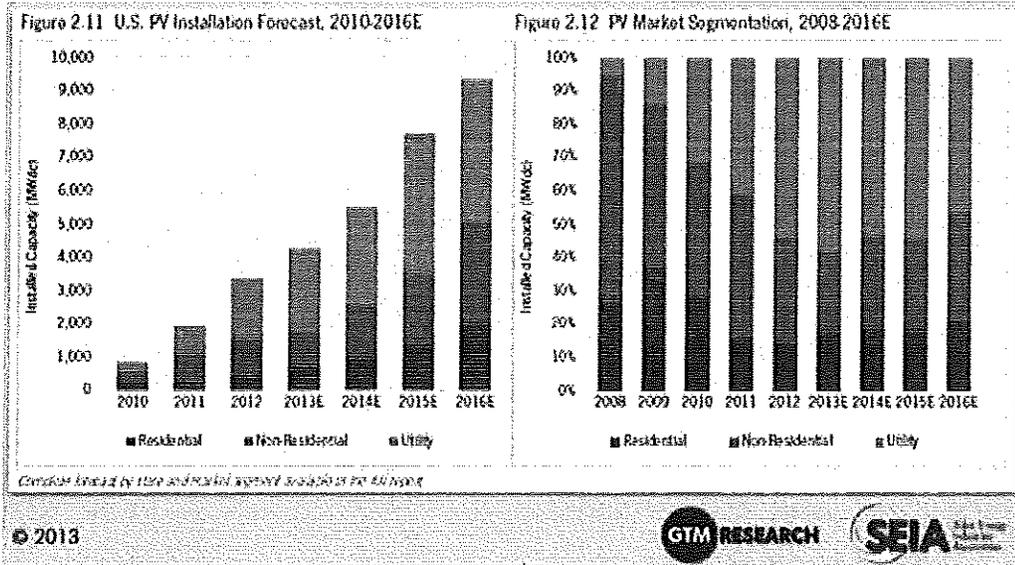
*Church included in residential total as they are typically found on residential land

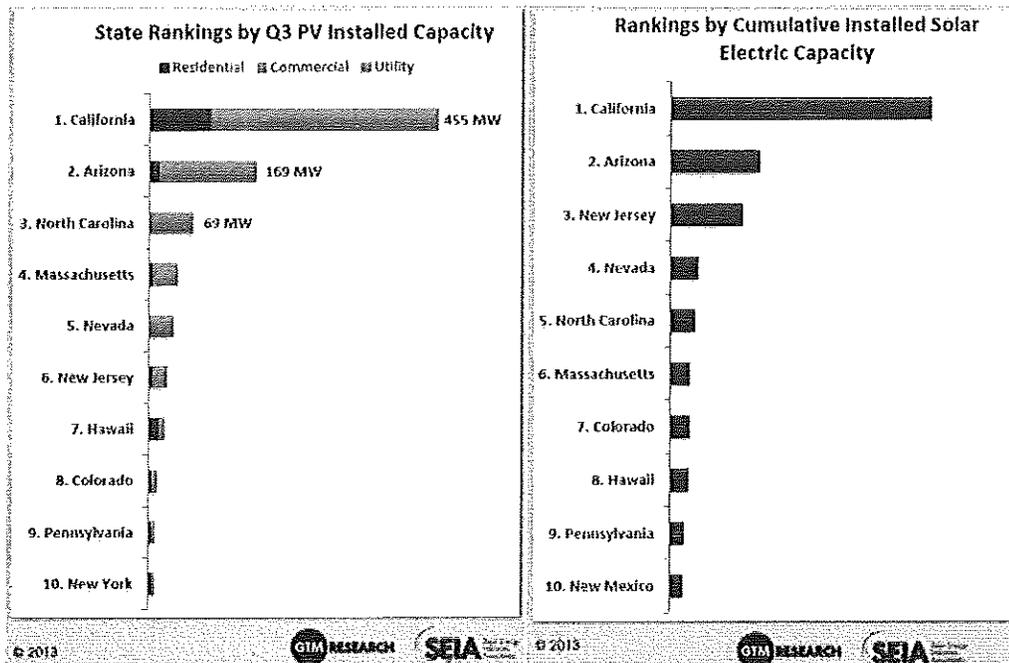
Surrounding Uses

#	MAP ID	Owner	GIS Data		% Adjoining	% Adjoining
			Acre	Present Use	Acre	Parcels
1	14054044D	Roberts & Wellons	13.431	Industrial	6.59%	11.11%
2	14054044A	Calvary	0.840	Church	0.41%	11.11%
3	14054044	Beard	19.200	Industrial	9.41%	11.11%
4	14054025	Magellan	27.840	Industrial	13.65%	11.11%
5	14054024A	Buffalo	7.910	Industrial	3.88%	11.11%
6	14054027	Kinder	20.040	Industrial	9.83%	11.11%
7	14054046	Transmontaigne	16.700	Industrial	8.19%	11.11%
8	14054039C	NCDOT	38.000	Industrial	18.63%	11.11%
9	14L09003	Roberts & Wellons	60.000	Residential	29.42%	11.11%
Total			203.961		100.00%	100.00%

Overview of Solar Farms Development in North Carolina

Across the nation the number of solar installations has dramatically increased over the last few years as changes in technology and the economy made these solar farms more feasible. The charts below show how this market has grown and is expected to continue to grow from 2010 to 2016. The U.S. Solar Market Insight Reports for 2010 and 2011 which is put out by the Solar Energy Industries Association note that 2010 was a “breakout” year for solar energy. The continued boom of solar power is shown in the steady growth. North Carolina was ranked as having the 3rd most active photovoltaic installed capacity in 2013.





As shown in the charts above, North Carolina ranked third in installed solar energy in the third quarter of 2013. North Carolina ranked fifth in installed solar energy in the United States.

I. Market Analysis of the Impact on Value from Solar Farms

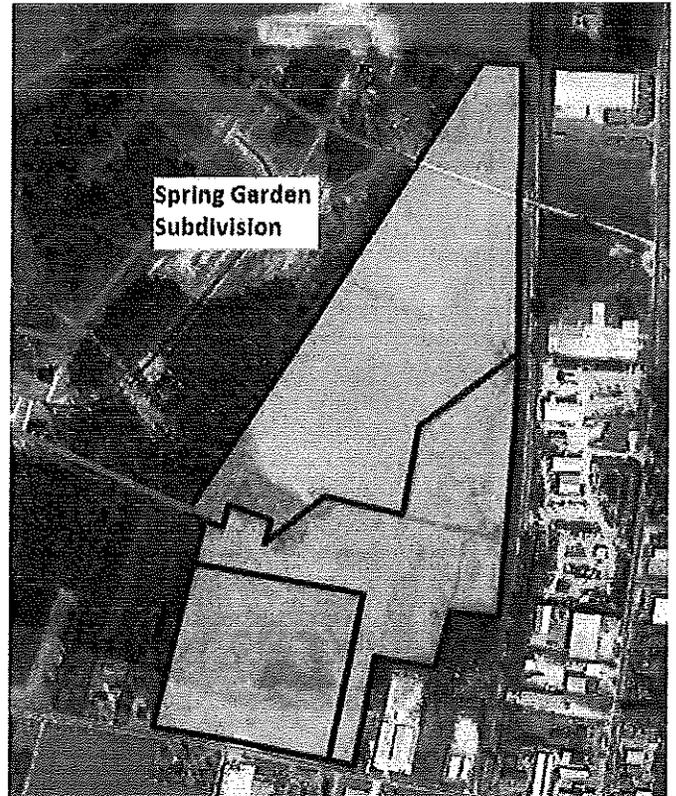
I have researched a number of solar farms in North Carolina to determine the impact of these facilities on the value of adjoining property. I have provided a breakdown of the adjoining uses to show what adjoining uses are typical for solar farms and what uses would likely be considered consistent with a solar farm use. This breakdown is included in the Harmony of Use section of this report.

I also conducted a series of matched pair analyses. A matched pair analysis considers two similar properties with only one difference of note to determine whether or not that difference has any impact on value. Within the appraisal profession, matched pair analysis is a well-recognized method of measuring impact on value. In this case, I have considered residential properties adjoining a solar farm versus similar residential properties that do not adjoin a solar farm. I have also considered matched pairs of vacant residential and agricultural land.

As outlined in the discussion of each matched pair, I concluded from the data and my analysis that there has been no impact on sale price for residential, agricultural, or vacant residential land that adjoins the existing solar farms included in my study.

1. Matched Pair A – AM Best Solar Farm, Goldsboro, NC

This solar farm adjoins Spring Garden Subdivision which had new homes and lots available for new construction during the approval and construction of the solar farm. The recent home sales have ranged from \$200,000 to \$250,000. This subdivision sold out the last homes in late 2014. 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 homes.



Homes backing up to the solar farm are selling at the same price for the same floor plan as the homes that do not back up to the solar farm in this subdivision. According to the builder, the solar farm has been a complete non-factor. Not only do the sales show no difference in the price paid for the various homes adjoining the solar farm versus not adjoining the solar farm, but there are actually more recent sales along the solar farm than not. There is no impact on the sellout rate, or time to sell for the homes adjoining the solar farm.

I spoke with a number of owners who adjoin the solar farm and none of them expressed any concern over the solar farm impacting their property value.

The data presented on the following page shows multiple homes that have sold in 2013 and 2014 adjoining the solar farm at prices similar to those not along the solar farm. These series of sales indicate that the solar farm has no impact on the adjoining residential use.

The homes that were marketed at Spring Garden are shown below.



Americana
Sqft: 3,194
Bed / Bath:
3 / 3.5

Price: \$237,900

[View Now »](#)



Washington
Sqft: 3,292
Bed / Bath:
4 / 3.5

Price: \$244,900

[View Now »](#)



Presidential
Sqft: 3,400
Bed / Bath:
5 / 3.5

Price: \$247,900

[View Now »](#)



Kennedy
Sqft: 3,494
Bed / Bath:
5 / 3

Price: \$249,900

[View Now »](#)



Virginia
Sqft: 3,449
Bed / Bath:
5 / 3

Price: \$259,900

[View Now »](#)

AM Best Solar Farm, Goldsboro, NC

Matched Pairs

As of Date: 9/3/2014

Adjoining Sales After Solar Farm Completed

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
3600195570	Helm	0.76	Sep-13	\$250,000	2013	3,292	\$75.94	2 Story
3600195361	Leak	1.49	Sep-13	\$260,000	2013	3,652	\$71.19	2 Story
3600199891	McBrayer	2.24	Jul-14	\$250,000	2014	3,292	\$75.94	2 Story
3600198632	Foresman	1.13	Aug-14	\$253,000	2014	3,400	\$74.41	2 Story
3600196656	Hinson	0.75	Dec-13	\$255,000	2013	3,453	\$73.85	2 Story
	Average	1.27		\$253,600	2013.4	3,418	\$74.27	
	Median	1.13		\$253,000	2013	3,400	\$74.41	

Adjoining Sales After Solar Farm Announced

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
0	Feddersen	1.56	Feb-13	\$247,000	2012	3,427	\$72.07	Ranch
0	Gentry	1.42	Apr-13	\$245,000	2013	3,400	\$72.06	2 Story
	Average	1.49		\$246,000	2012.5	3,414	\$72.07	
	Median	1.49		\$246,000	2012.5	3,414	\$72.07	

Adjoining Sales Before Solar Farm Announced

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
3600183905	Carter	1.57	Dec-12	\$240,000	2012	3,347	\$71.71	1.5 Story
3600193097	Kelly	1.61	Sep-12	\$198,000	2012	2,532	\$78.20	2 Story
3600194189	Hadwan	1.55	Nov-12	\$240,000	2012	3,433	\$69.91	1.5 Story
	Average	1.59		\$219,000	2012	2,940	\$74.95	
	Median	1.59		\$219,000	2012	2,940	\$74.95	

Nearby Sales After Solar Farm Completed

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
3600193710	Barnes	1.12	Oct-13	\$248,000	2013	3,400	\$72.94	2 Story
3601105180	Nackley	0.95	Dec-13	\$253,000	2013	3,400	\$74.41	2 Story
3600192528	Mattheis	1.12	Oct-13	\$238,000	2013	3,194	\$74.51	2 Story
3600198928	Beckman	0.93	Mar-14	\$250,000	2014	3,292	\$75.94	2 Story
3600196965	Hough	0.81	Jun-14	\$224,000	2014	2,434	\$92.03	2 Story
3600193914	Preskitt	0.67	Jun-14	\$242,000	2014	2,825	\$85.66	2 Story
3600194813	Bordner	0.91	Apr-14	\$258,000	2014	3,511	\$73.48	2 Story
3601104147	Shaffer	0.73	Apr-14	\$255,000	2014	3,453	\$73.85	2 Story
	Average	0.91		\$246,000	2013.625	3,189	\$77.85	
	Median	0.92		\$249,000	2014	3,346	\$74.46	

Nearby Sales Before Solar Farm Announced

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
3600191437	Thomas	1.12	Sep-12	\$225,000	2012	3,276	\$68.68	2 Story
3600087968	Lilley	1.15	Jan-13	\$238,000	2012	3,421	\$69.57	1.5 Story
3600087654	Burke	1.26	Sep-12	\$240,000	2012	3,543	\$67.74	2 Story
3600088796	Hobbs	0.73	Sep-12	\$228,000	2012	3,254	\$70.07	2 Story
	Average	1.07		\$232,750	2012	3,374	\$69.01	
	Median	1.14		\$233,000	2012	3,349	\$69.13	

Matched Pair Summary

	Adjoins Solar Farm		Nearby Solar Farm	
	Average	Median	Average	Median
Sales Price	\$253,600	\$253,000	\$246,000	\$249,000
Year Built	2013	2013	2014	2014
Size	3,418	3,400	3,189	3,346
Price/SF	\$74.27	\$74.41	\$77.85	\$74.46

Percentage Differences

Median Price	-2%
Median Size	-2%
Median Price/SF	0%

The Median Price is the best indicator to follow in any analysis as it avoids outlying samples that would otherwise skew the results. The median sizes and median prices are all consistent throughout the sales both before and after the solar farm whether you look at sites adjoining or nearby to the solar farm. The average for the homes nearby the solar farm shows a smaller building size and a higher price per square foot. This reflects a common occurrence in real estate where the price per square foot goes up as the size goes down. This is similar to the discount you see in any market where there is a discount for buying larger volumes. So when you buy a 2 liter coke you pay less per ounce than if you buy a 16 oz. coke. So even comparing averages the indication is for no impact, but I rely on the median rates as the most reliable indication for any such analysis.

AM Best Solar Farm, Goldsboro, NC



View of home in Spring Garden with solar farm located through the trees and panels visible.



View from vacant lot at Spring Garden with solar farm panels visible through trees.

2. Matched Pair B – White Cross Solar Farm, Chapel Hill, NC

A new solar farm was built at 2159 White Cross Road in Chapel Hill, Orange County in 2013. After construction, the owner of the underlying land sold the balance of the tract not encumbered by the solar farm in July 2013 for \$265,000 for 47.20 acres, or \$5,606 per acre. This land adjoins the solar farm to the south and was clear cut of timber around 10 years ago. I compared this purchase to a nearby transfer of 59.09 acres of timber land just south along White Cross Road that sold in November 2010 for \$361,000, or \$6,109 per acre. After purchase, this land was divided into three mini farm tracts of 12 to 20 acres each. These rates are very similar and the difference in price per acre is attributed to the timber value and not any impact of the solar farm.

Type	TAX ID	Owner	Acres	Date	Price	\$/Acre	Notes	Conf By
Adjoins Solar	9748336770	Haggerty	47.20	Jul-13	\$265,000	\$5,614	Clear cut	Betty Cross, broker
Not Near Solar	9747184527	Purcell	59.09	Nov-10	\$361,000	\$6,109	Wooded	Dickie Andrews, broker

The difference in price is attributed to the trees on the older sale.

No impact noted for the adjacency to a solar farm according to the broker.

I looked at a number of other nearby land sales without proximity to a solar farm for this matched pair, but this land sale required the least allowance for differences in size, utility and location.

Matched Pair Summary

	Adjoins Solar Farm		Nearby Solar Farm	
	Average	Median	Average	Median
Sales Price	\$5,614	\$5,614	\$6,109	\$6,109
Adjustment for Timber	\$500	\$500		
Adjusted	\$6,114	\$6,114	\$6,109	\$6,109
Tract Size	47.20	47.20	59.09	59.09

Percentage Differences

Median Price Per Acre	0%
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This matched pair again supports the conclusion that adjacency to a solar farm has no impact on adjoining residential/agricultural land.

3. Matched Pair C – Wagstaff Farm, Roxboro, NC

This solar farm is located at the northeast corner of a 594-acre farm with approximately 30 acres of solar farm area. This solar farm was approved and constructed in 2013.

After approval, 18.82 acres were sold out of the parent tract to an adjoining owner to the south. This sale was at a similar price to nearby land to the east that sold in the same time from for the same price per acre as shown below.

Type	TAX ID	Owner	Acres	Present Use	Date Sold	Price	\$/AC
Adjoins Solar	0918-17-11-7960	Piedmont	18.82	Agricultural	8/19/2013	\$164,000	\$8,714
Not Near Solar	0918-00-75-9812 et al	Blackwell	14.88	Agricultural	12/27/2013	\$130,000	\$8,739

Matched Pair Summary

	Adjoins Solar Farm		Nearby Solar Farm	
	Average	Median	Average	Median
Sales Price	\$8,714	\$8,714	\$8,739	\$8,739
Tract Size	18.82	18.82	14.88	14.88

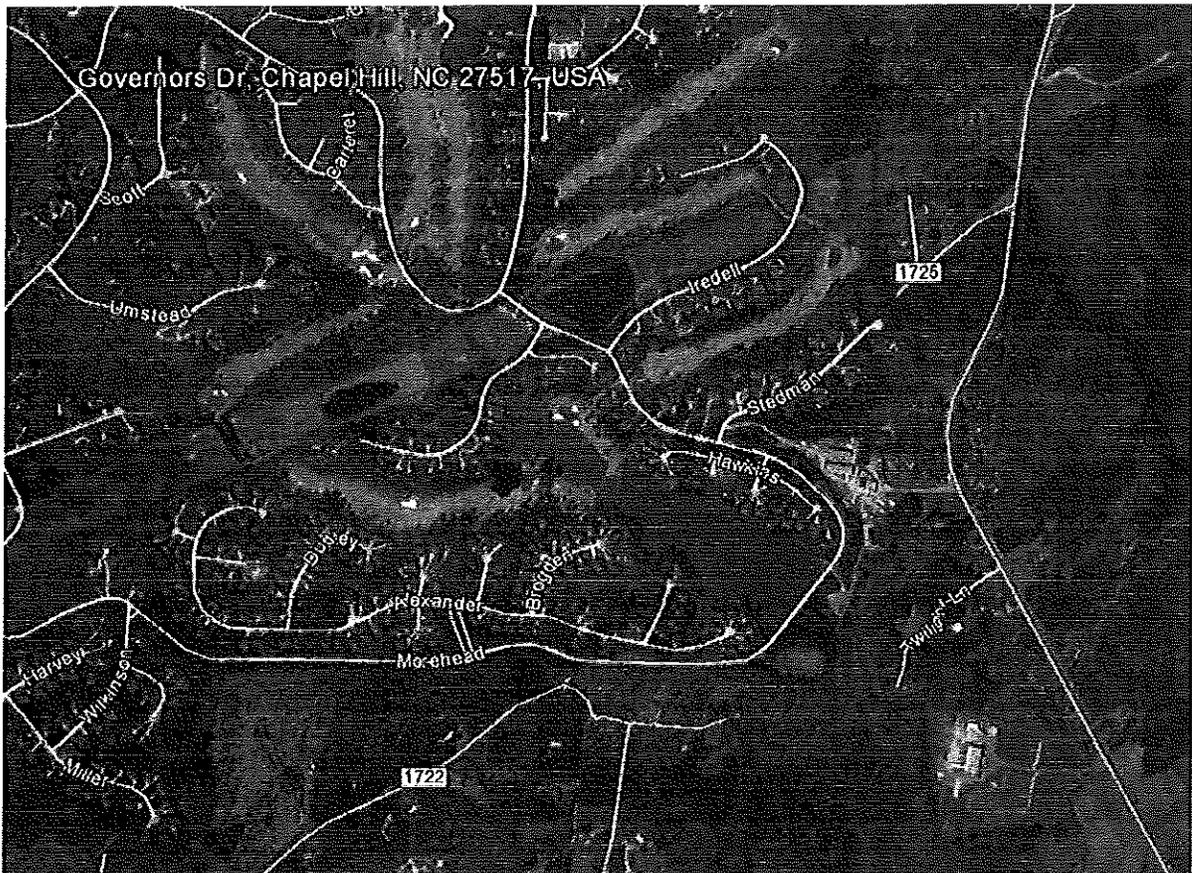
Percentage Differences

Median Price Per Acre	0%
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This matched pair again supports the conclusion that adjacency to a solar farm has no impact on adjoining residential/agricultural land.

Harmony of Use/Compatibility of Use

I have visited over 40 solar farms and sites on which solar farms are proposed in North Carolina to determine what uses are compatible with a solar farm. The data I have collected and provide in this report strongly supports the compatibility of solar farms with adjoining agricultural and residential uses. While I have focused on adjoining uses, I note that there are many examples of solar farms being located within a quarter mile of residential developments, including such notable developments as Governor’s Club in Chapel Hill, which has a solar farm within a quarter mile as you can see on the following aerial map. Governor’s Club is a gated golf community with homes selling for \$300,000 to over \$2 million.



The subdivisions included in the matched pair analysis also show an acceptance of residential uses adjoining solar farms as a harmonious use.

Beyond these anecdotal references, I have quantified the adjoining uses for a number of solar farm comparables to derive a breakdown of the adjoining uses for each solar farm. The chart below shows the breakdown of adjoining uses by total acreage.

Percentage By Adjoining Acreage									All Res	All Comm
	Res	Ag	Res/AG	Park	Sub	Comm	Ind		Uses	Uses
1	Goldsboro	35%	23%	0%	0%	3%	2%	37%	61%	39%
2	Willow Springs	8%	26%	66%	0%	0%	0%	0%	100%	0%
3	Kings Mtn	3%	12%	4%	0%	0%	0%	82%	18%	82%
4	White Cross	5%	51%	44%	0%	0%	0%	0%	100%	0%
5	Two Lines	3%	87%	8%	0%	3%	0%	0%	100%	0%
6	Strata	0%	0%	0%	100%	0%	0%	0%	100%	0%
7	Avery	13%	40%	47%	0%	0%	0%	0%	100%	0%
8	Mayberry	24%	51%	0%	0%	0%	4%	20%	76%	24%
9	Progress I	0%	45%	4%	0%	0%	0%	50%	50%	50%
10	Progress II	1%	99%	0%	0%	0%	0%	0%	100%	0%
11	Sandy Cross	0%	0%	100%	0%	0%	0%	0%	100%	0%
12	Baldenboro	18%	59%	22%	0%	0%	0%	0%	100%	0%
13	Dement	33%	40%	27%	0%	0%	0%	0%	100%	0%
14	Vale Farm	1%	13%	86%	0%	0%	0%	0%	100%	0%
15	Eastover	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Wagstaff	7%	89%	4%	0%	0%	0%	0%	100%	0%
17	Roxboro	1%	93%	5%	0%	0%	0%	1%	99%	1%
18	McCallum	5%	93%	1%	0%	0%	0%	0%	100%	0%
19	Vickers	21%	58%	13%	0%	0%	2%	6%	92%	8%
20	Stout	52%	38%	0%	0%	0%	0%	10%	90%	10%
21	Mile	0%	36%	45%	0%	0%	0%	18%	82%	18%
22	Sun Fish	19%	57%	23%	0%	0%	0%	0%	100%	0%
23	Freemont	0%	100%	0%	0%	0%	0%	0%	100%	0%
24	Yadkin 601	4%	45%	51%	0%	0%	0%	0%	100%	0%
25	Battleboro	2%	75%	23%	0%	0%	0%	0%	100%	0%
26	Greenville 2	1%	98%	0%	0%	1%	0%	0%	100%	0%
27	Parmele Farm	2%	86%	12%	0%	0%	0%	0%	100%	0%
28	Erwin	63%	9%	0%	0%	22%	2%	3%	94%	6%
29	Star Solar	6%	94%	0%	0%	0%	0%	0%	100%	0%
30	Morgans Corner N	29%	70%	0%	0%	1%	0%	0%	100%	0%
31	Morgans Corner S	16%	84%	0%	0%	0%	0%	0%	100%	0%
32	Whitakers	2%	94%	4%	0%	0%	0%	0%	100%	0%
33	Blinks	15%	78%	6%	0%	0%	0%	0%	100%	0%
Average										
		12%	56%	18%	3%	1%	0%	7%	90%	7%
Median										
		5%	57%	4%	0%	0%	0%	0%	100%	0%
High										
		63%	100%	100%	100%	22%	4%	82%	100%	82%
Low										
		0%	0%	0%	0%	0%	0%	0%	0%	0%

Res = Residential, Ag = Agriculture, Sub = Substation, Com = Commercial, Ind = Industrial.

I have also included a breakdown of each solar farm by number of adjoining parcels rather than acreage. Using both factors provides a more complete picture of the neighboring properties.

Percentage By Number of Parcels Adjoining								All Res	All Comm	
	Res	Ag	Res/AG	Park	Sub	Comm	Ind	Uses	Uses	
1	Goldsboro	47%	3%	0%	0%	3%	3%	43%	53%	47%
2	Willow Springs	42%	37%	21%	0%	0%	0%	0%	100%	0%
3	Kings Mtn	40%	30%	10%	0%	0%	0%	20%	80%	20%
4	White Cross	33%	20%	40%	0%	7%	0%	0%	100%	0%
5	Two Lines	38%	46%	8%	0%	8%	0%	0%	100%	0%
6	Strata	71%	0%	14%	14%	0%	0%	0%	100%	0%
7	Avery	50%	38%	13%	0%	0%	0%	0%	100%	0%
8	Mayberry	42%	8%	0%	0%	0%	25%	25%	50%	50%
9	Progress I	0%	50%	25%	0%	0%	0%	25%	75%	25%
10	Progress II	20%	80%	0%	0%	0%	0%	0%	100%	0%
11	Sandy Cross	17%	0%	83%	0%	0%	0%	0%	100%	0%
12	Bladenboro	62%	28%	7%	0%	3%	0%	0%	100%	0%
13	Dement	83%	6%	11%	0%	0%	0%	0%	100%	0%
14	Vale Farm	10%	20%	70%	0%	0%	0%	0%	100%	0%
15	Eastover	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Wagstaff	65%	30%	3%	0%	0%	0%	3%	98%	3%
17	Roxboro	33%	50%	8%	0%	0%	0%	8%	92%	8%
18	McCallum	77%	15%	4%	0%	0%	0%	4%	96%	4%
19	Vickers	47%	32%	5%	0%	0%	5%	11%	84%	16%
20	Stout	78%	6%	0%	0%	0%	0%	17%	83%	17%
21	Mile	0%	36%	45%	0%	0%	0%	18%	82%	18%
22	Sun Fish	78%	4%	17%	0%	0%	0%	0%	100%	0%
23	Freemont	14%	86%	0%	0%	0%	0%	0%	100%	0%
24	Yadkin 601	44%	28%	28%	0%	0%	0%	0%	100%	0%
25	Battleboro	53%	33%	7%	0%	7%	0%	0%	100%	0%
26	Greenville 2	38%	50%	0%	0%	13%	0%	0%	100%	0%
27	Parmele Farm	21%	68%	5%	0%	5%	0%	0%	100%	0%
28	Erwin	67%	5%	0%	0%	5%	19%	5%	76%	24%
29	Star Solar	38%	63%	0%	0%	0%	0%	0%	100%	0%
30	Morgans Corner N	71%	19%	0%	0%	5%	0%	5%	95%	5%
31	Morgans Corner S	69%	31%	0%	0%	0%	0%	0%	100%	0%
32	Whitakers	71%	24%	6%	0%	0%	0%	0%	100%	0%
33	Binks	90%	5%	5%	0%	0%	0%	0%	100%	0%
Average										
		46%	29%	13%	0%	2%	2%	6%	90%	7%
Median										
		44%	28%	6%	0%	0%	0%	0%	100%	0%
High										
		90%	86%	83%	14%	13%	25%	43%	100%	50%
Low										
		0%	0%	0%	0%	0%	0%	0%	0%	0%

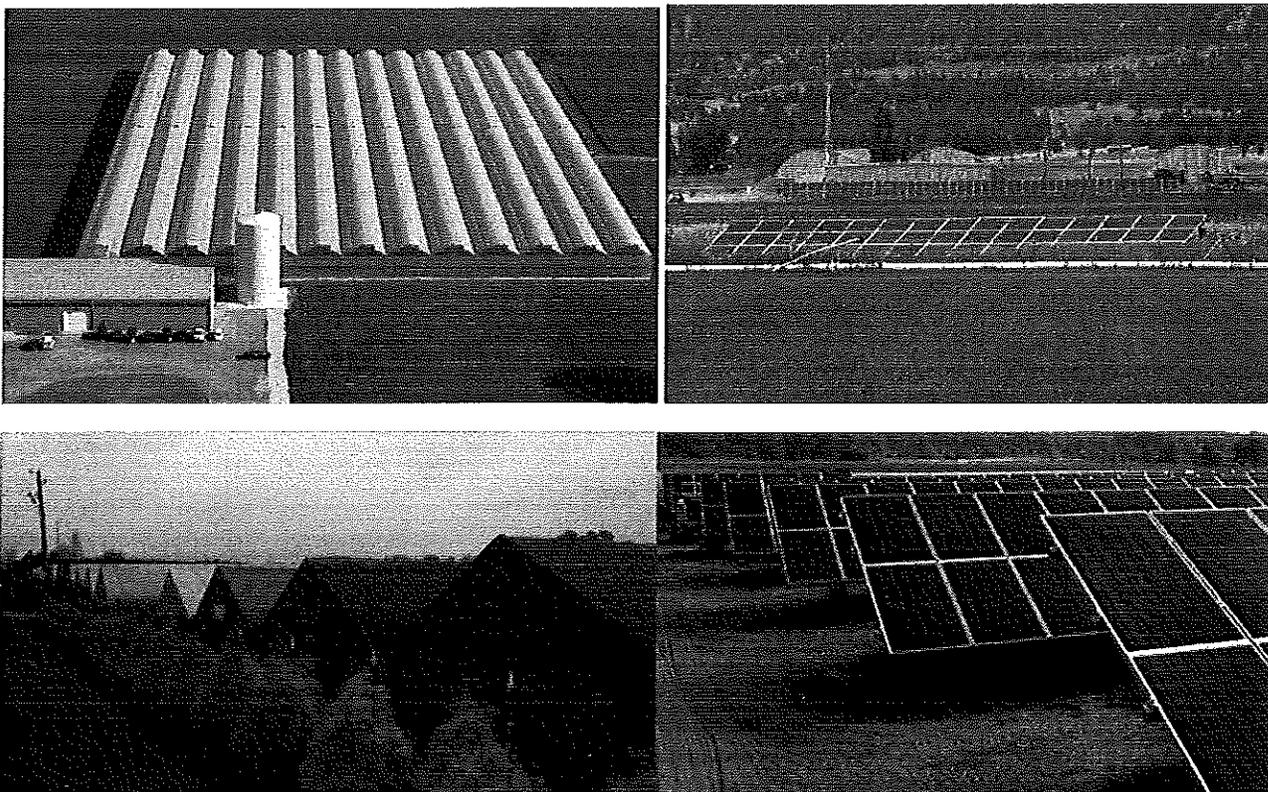
Res = Residential, Ag = Agriculture, Sub = Substation, Com = Commercial, Ind = Industrial.

Both of the above charts show a marked residential and agricultural adjoining use for most solar farms. Every single solar farm considered included an adjoining residential use except for Progress I, which included an adjoining residential/agricultural use. These comparable solar farms clearly support a compatibility with adjoining residential uses along with agricultural uses.

II. Specific Factors on Harmony of Use

1. Appearance

Solar farm panels have no associated stigma at this time and in smaller collections are found in yards and roofs in many residential communities. Larger solar farms using fixed panels are a passive use of the land that is considered in keeping with a rural/residential area. As shown below, solar farms are comparable to larger greenhouses. This is not surprising given that a greenhouse is essentially another method for collecting passive solar energy. The greenhouse use is well received in residential/rural areas and has a similar visual impact as a solar farm.



The fixed solar panels are all less than 12 feet high, which means that the visual impact of the solar panels will be similar in height to a typical greenhouse or lower than a single story residential dwelling. This property could be developed with single family housing that would have a much greater visual impact on the surrounding area given that a two-story home with attic could be four times as high as these proposed panels. The panels will be located behind a chain link fence.

2. Noise

The proposed solar panels will track to follow the sun with adjustments made around 6 times per day with a staggered approach so all of the panels will not track at the same time. The motors kick on for about 15 seconds for each adjustment. Obviously, these panels will not track at all during night time hours when the solar farm should generate no noise. The transformers have a slight hum that can only be heard in close proximity to this transformers and the buffers on the property are sufficient to make this hum inaudible from the adjoining properties.

The noise proposed to be generated by this tracking system is minimal and not considered a nuisance for adjoining property owners.

The various solar farms that I have inspected were inaudible from the roadways. I heard nothing on any of these sites associated with the solar farm or the inverters.

3. Odor

The solar panels give off no odor of which I am aware.

The various solar farms that I have inspected and identified in the addenda produced no noticeable odor off site.

4. Traffic

The solar farm will have no onsite employee's or staff. Maintenance of the site is minimal and relative to other potential uses of the site, such as a residential subdivision. The additional traffic on this site is insignificant.

5. Hazardous material

The solar farm presents no potential hazardous waste byproduct as part of normal operation. Any fertilizer, weed control, vehicular traffic, or construction will be significantly less than typically applied in a residential development or even most agricultural uses.

The various solar farms that I have inspected and identified in the addenda have no known pending environmental impacts associated with the development and operation.

6. Conclusion

On the basis of the factors described above, it is my professional opinion that the proposed solar farm will be in harmony with the area in which it is to be developed.

III. Market Commentary

I have surveyed a number of builders, developers and investors regarding solar farms over the last year. I have received favorable feedback from a variety of sources; below are excerpts from my conversations with different clients or other real estate professionals.

I spoke with Betty Cross with Keller Williams Realty in Chapel Hill, who sold the tract of land adjoining the White Cross Road solar farm. She indicated that the solar farm was not considered a negative factor in marketing the property and that it had no impact on the final price paid for the land.

I spoke with Lynn Hayes a broker with Berkshire Hathaway who sold a home at the entrance to Pickards Mountain where the home exits onto the Pickard Mountain Eco Institute's small solar farm. This property is located in rural Orange County west of Chapel Hill. This home closed in January 2014 for \$735,000. According to Ms. Hayes the buyer was excited to be living near the Eco Institute and considered the solar farm to be a positive sign for the area. There are currently a number of 10 acre plus lots in Pickards Meadow behind this house with lots on the market for \$200,000 to \$250,000.

A new solar farm was built on Zion Church Road, Hickory at the Two Lines Solar Farm on the Punch property. After construction of the solar farm in 2013, an adjoining tract of land with 88.18 acres sold for \$250,000, or \$2,835 per acre. This was a highly irregular tract of land with significant tree cover between it and the solar farm. I have compared this to a current listing of 20.39 acres of land that is located southeast just a little ways from this solar farm. This land is on the market for \$69,000, or \$3,428 per acre. Generally, a smaller tract of land would be listed for more per acre. Considering a size adjustment of 5%

per doubling in size, and a 10% discount for the likely drop in the closed price off of the asking price, I derive an indicated value per acre of the smaller tract of \$2,777 per acre. This is very similar to the recently closed sale adjoining the solar farm, which further supports the matched pair analysis earlier in this report.

Rex Vick with Windjam Developers has a subdivision in Chatham County off Mt. Gilead Church Road known as The Hamptons. Home prices in The Hamptons start at \$600,000 with homes over \$1,000,000. Mr. Vick expressed interest in the possibility of including a solar farm section to the development as a possible additional marketing tool for the project.

Mr. Eddie Bacon, out of Apex North Carolina, has inherited a sizeable amount of family and agricultural land, and he has expressed interest in using a solar farm as a method of preserving the land for his children and grandchildren while still deriving a useful income from the property. He believes that solar panels would not in any way diminish the value for this adjoining land.

I spoke with Carolyn Craig, a Realtor in Kinston, North Carolina who is familiar with the Strata Solar Farms in the area. She noted that a solar farm in the area would be positive: "A solar farm is color coordinated and looks nice." "A solar farm is better than a turkey farm," which is allowed in that area. She would not expect a solar farm will have any impact on adjoining home prices in the area.

Mr. Michael Edwards, a broker and developer in Raleigh, indicated that a passive solar farm would be a great enhancement to adjoining property: "You never know what might be put on that land next door. There is no noise with a solar farm like there is with a new subdivision."

These are just excerpts I've noted in my conversations with different clients or other real estate participants that provided other thoughts on the subject that seemed applicable.

IV. Conclusion

The matched pair analysis shows no impact in home values due to the adjacency to the solar farm as well as no impact to adjacent vacant residential or agricultural land. The solar farm at Pickards Mountain Eco Institute shows no impact on lot and home marketing nearby. The criteria for making downward adjustments on property values such as appearance, noise, odor, and traffic all indicate that a solar farm is a compatible use for a rural/residential transition area.

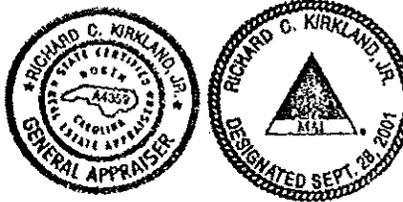
Similar solar farms have been approved adjoining agricultural uses and residential developments. The adjoining residential uses have included single family homes up to \$260,000 on lots as small as 0.74 acres. The solar farm at the Pickards Mountain Eco Institute adjoins a home that sold in January 2014 for \$735,000 and in proximity to lots being sold for \$200,000 to \$250,000 for homes over a million dollars. A recent sale in Chapel Hill adjoining a solar farm shows no impact. Clearly, adjoining agricultural uses are consistent with a solar farm.

Based on the data and analysis in this report, it is my professional opinion that the solar farm proposed at the subject property will not substantially injure the value of adjoining or abutting property and that the proposed use is in harmony with the surrounding area.

Sincerely,



Richard C. Kirkland, Jr., MAI
State Certified General Appraiser



Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

- ❖ The basic limitation of this and any appraisal is that the appraisal is an opinion of value, and is, therefore, not a guarantee that the property would sell at exactly the appraised value. The market price may differ from the market value, depending upon the motivation and knowledge of the buyer and/or seller, and may, therefore, be higher or lower than the market value. The market value, as defined herein, is an opinion of the probable price that is obtainable in a market free of abnormal influences.
- ❖ I do not assume any responsibility for the legal description provided or for matters pertaining to legal or title considerations. I assume that the title to the property is good and marketable unless otherwise stated.
- ❖ I am appraising the property as though free and clear of any and all liens or encumbrances unless otherwise stated.
- ❖ I assume that the property is under responsible ownership and competent property management.
- ❖ I believe the information furnished by others is reliable, but I give no warranty for its accuracy.
- ❖ I have made no survey or engineering study of the property and assume no responsibility for such matters. All engineering studies prepared by others are assumed to be correct. The plot plans, surveys, sketches and any other illustrative material in this report are included only to help the reader visualize the property. The illustrative material should not be considered to be scaled accurately for size.
- ❖ I assume that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. I take no responsibility for such conditions or for obtaining the engineering studies that may be required to discover them.
- ❖ I assume that the property is in full compliance with all applicable federal, state, and local laws, including environmental regulations, unless the lack of compliance is stated, described, and considered in this appraisal report.
- ❖ I assume that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in this appraisal report.
- ❖ I assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- ❖ I assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
- ❖ I am not qualified to detect the presence of floodplain or wetlands. Any information presented in this report related to these characteristics is for this analysis only. The presence of floodplain or wetlands may affect the value of the property. If the presence of floodplain or wetlands is suspected the property owner would be advised to seek professional engineering assistance.
- ❖ For this appraisal, I assume that no hazardous substances or conditions are present in or on the property. Such substances or conditions could include but are not limited to asbestos, urea-formaldehyde foam insulation, polychlorinated biphenyls (PCBs), petroleum leakage or underground storage tanks, electromagnetic fields, or agricultural chemicals. I have no knowledge of any such materials or conditions unless otherwise stated. I make no claim of technical knowledge with regard to testing for or identifying such hazardous materials or conditions. The presence of such materials, substances or conditions could affect the value of the property. However, the values estimated in this report are predicated on the assumption that there are no such materials or conditions in, on or in close enough proximity to the property to cause a loss in value. The client is urged to retain an expert in this field, if desired.
- ❖ Unless otherwise stated in this report the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the

Americans with Disabilities Act (effective 1/26/92). The presence of architectural and/or communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

- ❖ Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- ❖ Possession of this report, or a copy thereof, does not carry with it the right of publication.
- ❖ I have no obligation, by reason of this appraisal, to give further consultation or testimony or to be in attendance in court with reference to the property in question unless further arrangements have been made regarding compensation to Kirkland Appraisals, LLC.
- ❖ Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of Kirkland Appraisals, LLC, and then only with proper qualifications.
- ❖ Any value estimates provided in this report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
- ❖ Any income and expenses estimated in this report are for the purposes of this analysis only and should not be considered predictions of future operating results.
- ❖ This report is not intended to include an estimate of any personal property contained in or on the property, unless otherwise state.
- ❖ This report is subject to the Code of Professional Ethics of the Appraisal Institute and complies with the requirements of the State of North Carolina for State Certified General Appraisers. This report is subject to the certification, definitions, and assumptions and limiting conditions set forth herein.
- ❖ The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- ❖ This is a Real Property Appraisal Consulting Assignment.

Certification – Richard C. Kirkland, Jr., MAI

I certify that, to the best of my knowledge and belief:

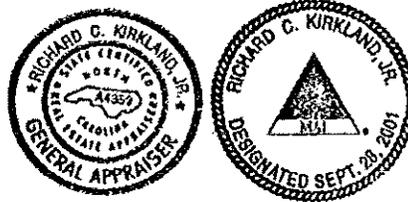
1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions;
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal;
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
8. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
10. I have made a personal inspection of the property that is the subject of this report, and;
11. No one provided significant real property appraisal assistance to the person signing this certification.
12. As of the date of this report I have completed the requirements of the continuing education program of the Appraisal Institute;
13. I have not appraised this property within the last three years.

Disclosure of the contents of this appraisal report is governed by the bylaws and regulations of the Appraisal Institute and the National Association of Realtors.

Neither all nor any part of the contents of this appraisal report shall be disseminated to the public through advertising media, public relations media, news media, or any other public means of communications without the prior written consent and approval of the undersigned.



Richard C. Kirkland, Jr., MAI
State Certified General Appraiser





Kirkland Appraisals, LLC

Richard C. Kirkland, Jr., MAI
9408 Northfield Court
Raleigh, North Carolina 27603
Mobile (919) 414-8142
rkirkland2@gmail.com
www.kirklandappraisals.com

PROFESSIONAL EXPERIENCE

Kirkland Appraisals, LLC , Raleigh, N.C. Commercial appraiser	2003 – Present
Hester & Company , Raleigh, N.C. Commercial appraiser	1996 – 2003

PROFESSIONAL AFFILIATIONS

MAI (Member, Appraisal Institute) designation #11796	2001
NC State Certified General Appraiser # A4359	1999

EDUCATION

Bachelor of Arts in English , University of North Carolina, Chapel Hill	1993
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CONTINUING EDUCATION:

Business Practices and Ethics	2014
Online Subdivision Valuation	2014
Uniform Standards of Professional Appraisal Practice Update	2014
Introduction to Vineyard and Winery Valuation	2013
Appraising Rural Residential Properties	2012
Uniform Standards of Professional Appraisal Practice Update Supervisors/Trainees	2012
Rates and Ratios: Making sense of GIMs, OARs, and DCFs	2011
Advanced Internet Search Strategies	2011
Analyzing Distressed Real Estate	2011
Uniform Standards of Professional Appraisal Practice Update Business Practices and Ethics	2011
Appraisal Curriculum Overview (2 Days – General)	2009
Appraisal Review - General	2009
Uniform Standards of Professional Appraisal Practice Update Subdivision Valuation: A Comprehensive Guide	2008
Office Building Valuation: A Contemporary Perspective	2008
Valuation of Detrimental Conditions in Real Estate	2007
The Appraisal of Small Subdivisions	2007
Uniform Standards of Professional Appraisal Practice Update Evaluating Commercial Construction	2006
Conservation Easements	2005
Uniform Standards of Professional Appraisal Practice Update Condemnation Appraising	2004
Land Valuation Adjustment Procedures	2004
Supporting Capitalization Rates	2004
Uniform Standards of Professional Appraisal Practice, C Wells and Septic Systems and Wastewater Irrigation Systems Appraisals 2002	2002
Analyzing Commercial Lease Clauses	2002
Conservation Easements	2000
Preparation for Litigation	2000
Appraisal of Nonconforming Uses	2000
Advanced Applications	2000
Highest and Best Use and Market Analysis	1999
Advanced Sales Comparison and Cost Approaches	1999
Advanced Income Capitalization	1998
Valuation of Detrimental Conditions in Real Estate	1999
Report Writing and Valuation Analysis	1999
Property Tax Values and Appeals	1997
Uniform Standards of Professional Appraisal Practice, A & B Basic Income Capitalization	1996



Red Toad, Inc.

Decommissioning Plan

Decommission Plan for Red Toad Phase 2 Buffalo Road. LLC

Date: April 22, 2015

Prepared and Submitted by Red Toad Phase 2 Buffalo Road. LLC

As requested required by the Town of Selma NC as a condition of the Special Use Permit, Red Toad Phase 2 Buffalo Road, LLC presents the decommissioning plan.

Decommissioning will occur as a result of any of the following conditions:

1. The land lease ends
2. The system does not produce power for 12 months
3. The system is damaged and will not be repaired or replaced

The operator of the facility will do the following as a minimum to decommission the project.

1. Remove all non-utility owned equipment, conduits, structures, and foundations to a depth of at least three feet below grade.
2. Remove all graveled areas, access roads and fencing unless the owner of the leased real estate requests in writing for it to stay in place.
3. Restore the land to its condition before the solar farm development.

All said removal and decommissioning shall occur within 12 months of the facility ceasing to produce power for sale.

The operator of the farm, currently Red Toad Phase 2 Buffalo Road, LLC, is responsible for this decommissioning. The land lease shall run for 15 years beginning at the system commercial operation date with three optional 5 year extensions.

This plan may be modified from time to time with Town/County planning staff approval. Any updates will be submitted to the Town of Selma NC by the party responsible for decommissioning.

Signature: _____

Date: April 22, 2015

For: Reynaldo Rodriguez

Title: Managing Member



Letter of Intent to Lease Land (Amendment)

We are pleased to submit this Amendment to the Letter of Intent to you in connection with the lease of certain land located at 4451 Buffalo Rd., Selma, N.C. 27576 owned by Roberts & Wellons.

We are interested in installing an approximately 2 megawatt AC ("MW") solar energy system and we would insure and maintain such system with no cost or liability to you. The terms contained herein are not comprehensive and we expect that additional terms, including insurance coverage, reasonable warranties and representations, will be incorporated into a formal ground lease agreement (the "Formal Agreement"). The basic terms are as follows:

1. Lessee: The Lessee shall be Red Toad 4451 Buffalo Road, LLC, which installs and operates photovoltaic ("PV") generating facilities.
2. Lessor: The Lessors shall be Roberts & Wellons, see owners above.
3. Premises. The premises which is the subject of this Letter of Intent is the 15 acres towards the rear of the property, as delineated in Exhibit 1, NCPIN 262100-45-3005.
4. Use of Premises. The Lessor hereby acknowledges and agrees that the Lessee intends to install and operate a ground mount photovoltaic generating facility at the property. Lessor acknowledges and agrees Lessee will install an 8' perimeter fence around the lease area to secure the improvements and the Lessor will be able to utilize the remaining land not used by the Lessee's facility. Lessee shall notify Lessor of the specific area of the property that shall be utilized for placement of the solar system on or before December 30, 2014.
5. Rent. During the term of the Lease, the Lessee shall pay to the Lessor annual rent in the amount of \$750 per utilized acre, with rent commencing at the start of construction on site. The rent shall be subject to a 1.5% escalator every 3 years. Any additional real estate taxes incurred that are solely related to the solar system shall be paid by Lessee. Any roll-back taxes shall be paid by Lessee capped at \$3,000.
6. Term. The term of this lease shall be for a period of fifteen (15) years beginning on the Operational Date of the solar system. Each such term may be extended, at the option of the Lessee, for up to three five year extension terms.
7. Condition Precedent. The obligation of the Lessee to enter into the Ground will be subject to the approval of the final agreement of project details between Lessee and Lessor, the Town, County of Johnston, owners being vested with marketable fee simple title sufficient to grant to Lessee the easements and leasehold rights described herein without encumbrance and approval by Duke Progress Energy of the solar application and associated interconnection studies. Within thirty (30) business days from the Lessee's receipt of notification of application the Lessee and the Lessor shall work towards executing the Ground Lease and Easement Agreement.
8. Binding Obligation. It is intended that this Letter of Intent shall be subject to the condition

precedent set forth in Paragraph 7 above, constitute a binding obligation between the Lessor and the Lessee. At such time as the condition precedent set forth in Paragraph 7 above has been satisfied, Lessor and Lessee shall complete the Ground Lease.

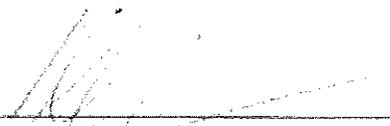
9. Confidentiality: All negotiations regarding the Ground Lease will be confidential and will not be disclosed to anyone other than respective advisors and internal staff of the parties. No press or other publicity release will be issued to the general public concerning the proposed Lease Agreement.

10 Exclusive Opportunity. Following the execution of this Letter of Intent, the Lessor will not offer the Premises for lease or sale to any other party until the time herein provided for the execution and/or settlement of the formal Ground Lease has expired.

11. Acceptance: If you are agreeable to the foregoing terms, please sign and return a duplicate copy of this Letter of Intent (which may be executed in counterparts, each of which shall be deemed an original) by no later than August 15, 2014. This LOI shall expire on August 15, 2015, unless otherwise extended and agreed upon by both parties in writing. The LOI may be further extended upon mutual agreement.

Sincerely,

AGREED AND ACCEPTED:



By: Alan Wellons

Printed Name:

Date: 11/11/2014



Printed Name: Reynaldo Rodriguez

Date: 11/11/2014

Attorney Kirkland Odom:

Good evening, Once again my name is Kirkland Odom. I first would like to thank you all for allowing me to be here on behalf of my client, Red Toad, Inc. My client is applying for three special use permits for the operation of three solar farms located here in Selma. I am honored to be here for projects such as this. Projects that produce clean energy without having adverse impacts on the area in which they exist. Solar energy is a well-established technology that has been tried and tested for decades. Solar is globally recognized as one of the most important and successful energy generating technologies available. The government has recognized it as such, and is active to promote solar energy generation across the country. It is low impact, great for local wildlife, has a very limited impact on local communities, and performs well in the North Carolina climate. The generation of electricity from PV solar panels is safe and effective. Because PV systems do not burn fossil fuels, they do not produce the toxic air or greenhouse gas emissions associated with conventional fossil fuels fire generation technologies. In fact according to the U.S. Department of Energy, few power generating technologies has as little environmental impact as PV solar panels. The solar panels themselves are made of silicon (sand). The solar panels have no moving parts and create no omissions at all, toxic or otherwise. Solar panels do not emit energy radiation; therefore, does not interfere with equipment such as mobile phone, heart monitors, pace makers, hearing aids or television reception. Our solar panels are designed to absorb light opposed to reflecting light; thus, eliminating reflectivity to the point that the FAA has approved similar solar sites adjacent to an airports flight path. Are there any issues with bird collisions on the solar panels? Not with PV solar panels. The issues that many people have heard about bird deaths were with what are called utility scale solar thermal farms that use mirrors to concentrate the sun's rays on the large towers. Those issues are not a concern with our type of solar project, which is known as a standard field installed PV Solar Array. In fact as far as wildlife if concerned, the solar farm is essentially a nature reserve that is left largely untouched for 15 or more years. Solar farms have proven to be a true asset by giving declining wildlife like bees and birds a home. What effect will solar farms have on the surrounding property owners in the area in which the farms are located? Pursuant to three impact studies performed for the proposed solar farms and based on information obtained in those studies, the analyst concluded that has been no impact on sale prices for residential, agricultural, or vacant residential land that adjoins the existing solar farms included in the study. In fact, the impact studies state that the compatibility of solar farms adjoining agricultural and residential uses is strongly supported. Solar farms have been placed in many types of areas including within a quarter mile from Governor's Club in Chapel Hill, where properties continue to sell from \$300,000 to over \$2 million. Several real estate professionals were consulted in the study, and the conclusion arrived at was that a solar farm was actually an attracting

point for customers as opposed to a negative factor. Developers have even expressed interest in adding a solar farm project as a marketing tool for their development project. What about after the solar farm lease expires? The great thing about solar farms is that after the project is decommissioned, the entire leased area would be returned to its original state. It will be returned to that state with no ecological or environmental damage caused by the solar farm. The projects for which we are applying for the special use permits and modification of a special use permit are 4451 Buffalo Road, 5840 Buffalo Road, and 7807 Buffalo Road, and are currently owned by Roberts & Wellons. The project sites are approximately 15 acres, and the proposed use for each site is a 1.99 megawatt solar farm. The applicant in addition to satisfying the requirements of the local Planning Board and Town Council, also must register with the North Carolina Utility Commission and satisfy their requirements. Furthermore, it has to register with the Federal Government for Federal energy renewable credit.

At this point, I'm going to state how the applicant is complying with the specific conditions required by the solar farm ordinance for the Town of Selma. I've submitted four exhibits into evidence for this site.

Property Located at 4451 Buffalo Road, Selma, N.C.

Currently seeking modification of the special use permit. In regards to the specific conditions required by the Town of Selma Ordinance, the applicant states the following: As indicated on the Solar Impact Study, Exhibit A, the panels that are installed on the mounting system would not exceed 20 feet in height with the actual height being closer to 12 feet. As shown on the site plan, Exhibit B, you can see the location of the solar panels, inverter pad, and the 25 foot solar farm access roads. The panels are back 40 feet from the lease line of the property with a 15 foot planting buffer in which five small evergreen trees and 5 small evergreen bushes would be planted for every 100 linear feet. A six foot chain-linked fence would exist inside the 15 foot planting buffer and the solar panels would be set back 25 additional feet from the fence. Also, all buildings and structures would be removed from the leased area of the property prior to the beginning of construction of the solar farm. The only parking required for the site is for the cleaning of the panels, which would occur about once every six months, or occasional maintenance of the panels. The 25 foot access easement would provide more than enough parking for semi-annual cleaning and any required maintenance. As far as solar access easements, at this time the applicant does not see the necessity for any. As shown of the site plan , Exhibit B, the interconnection point with Duke Energy is located directly across Buffalo Road from the main entrance to the property, which is where the disconnect switch would be located. The only additional structure that would be constructed would be the required housing for the two inverters and the mounted transformer, which will be

located in the middle of the facility. The area of impervious surfaces is only 400 square feet, which is composed of two 20' x 10' slabs that would hold the required housing for the inverters and mounted transformer. As I mentioned before the site plan (Exhibit B), the solar farm would be fully screened from adjoining property with an evergreen buffer capable of reaching a height of ten feet within three years of planting, and with at least 75% opacity at the time of planting. There is no outdoor lighting proposed for the solar farm. All wiring for the system would be underground with the exception of the interconnection point. The panels would be mounted on racks according to manufacturer's specifications, and the mounting structure, which is a thick structure, would be comprised of materials approved by the manufacturer that would fully support the system and withstand adverse weather conditions. The mounting structures would be spaced apart at a distance recommended by the manufacturer to ensure safety and maximum efficiency. The solar panels would only be mounted on these racks and not on any other structure. The applicant would comply with restrictions on signage at the solar farm. In regards to removal plan (Exhibit C), decommissioning would occur if of the following conditions occur: the land lease ends, the system does not produce power for 12 months, or the system is damaged and would not be repaired or replaced. If any of these conditions occur, the applicant would remove all non-utility owned equipment to a depth of at least three feet below grade; remove all graveled areas, access roads, and fencing unless the owner of the leased property requests it in writing for it to stay in place; and restore the land to the condition it was in before the solar farm development project. A copy of the proposed letter of intent to lease between the applicant and owner of the property has been submitted into evidence as Exhibit D. The applicant has applied for, but has not yet obtained conditional approval from Duke Energy. We are currently in the study process and expect to have approval within the next 60 days. The farm and components would meet all requirements of the North Carolina state building code in addition to complying with the current edition of National Electric Code, UL Listed, will be NEC compliant, and designed with an anti-reflective coating. As I stated earlier, the electrical disconnect switch would be at the proposed interconnection point shown on the site plan (Exhibit B), which is where the utility meter would be located. The inverter noise level measured at the property line would not exceed 40 dBA, and in actuality be practically silent at the property line as indicated in the Solar Impact Study.

In regards to the requirement that the access roads or entrance and exit drive are or will be sufficient in size and properly located to ensure automotive and pedestrian safety and convenience, traffic flow, and control and access in case of fire or other emergency; the applicant states, "The access roads will conform to all applicable regulations to ensure minimum impact and traffic conditions, and easy emergency inbound and

outbound traffic. The proposed access roads in the facility are shown on the site plan (Exhibit B), and with the exception of the construction period will only be used for the occasional cleaning and maintenance of the solar panels. As indicated in the Solar Impact Study (Exhibit A), the farm will have no onsite employees or staff. The additional traffic incurred as a result of this project is insignificant.”

In regards to whether the necessary public and private facilities and services will be adequate to handle the proposed use, the applicant states “That with the exception of the interconnection point that will be provided by the utility company, the necessary public and private facilities that are required to adequately handle the needs of the solar farm facility are already in place. In fact with the exception of the utility company interconnection, the only services that are required will be the supply of the small amount of water for usage in cleaning the solar panels twice a year as well as any possible irrigation of the planting buffer required to be installed by the applicant.”

In regard to whether the location and arrangement of the use on the site, screening, buffering, landscaping and pedestrian ways will not impair the integrity or character of adjoining properties and the general area and minimize adverse impacts to public health, safety, and general welfare. The applicant states the following, “Landscaped property will be regularly maintained as shown on the comparison of the three matched pairs in the Solar Impact Study (Exhibit A), the facility has no impact on the integrity of adjacent properties. Also as indicated in Exhibit A in the section regarding harmony and compatibility of use, the proposed use is compatible with the area’s mostly agricultural zoning, as it preserves green space from more aggressive forms of development. In addition, the proposed use is even compatible with the residential environment. As shown on the Solar Impact Study, solar farms are often considered a plus for the residential development community, and in no way does it diminish the value and attractiveness of residential development. Furthermore, the land could be returned to its original use with no need for ecological cleaning once the lease is up. The facility is fenced and would pose no risk to public health, safety and general welfare.”

In regards to whether the use or development conforms to general plans for the physical development of the Towns planning jurisdiction as embodied in this chapter, the Town’s land use plan, or other development policies as adopted by the Town Council. The applicant states as follows, “The proposed use is permitted and regulated by Town’s ordinances and it is not at odds with its land use plan. The site is located in an existing industrial/agricultural area which is centered almost entirely on energy production and distribution.”

As the applicant has shown the hearing body, all conditions for approval of the special use permit, or modification of this special use permit have been or will be satisfied. The applicant requests the hearing body approve the modification of the special use permit for the proposed solar farm.

Attorney Odom introduced Mr. Reynaldo Rodriguez, CEO of Red Toad, Inc.

Mr. Rodriguez, please confirm that all the information that I have provided to the Town Council is accurate.

Reynaldo Rodriguez, 215 New Gate Loop, Lake Mary, FL:

Absolutely. First of all, I want to thank you very much for the opportunity to come and present another site, three more sites being in Selma. I am here today to answer any questions or concerns you might have or anyone from the community might have at this point.

Councilmember William Overby:

What is your backup plan if it doesn't get approved?

Reynaldo Rodriguez:

Do you mean from Duke Energy? If it doesn't get approved, then basically we would not proceed with construction. We can't do it.

Mayor Cheryl Oliver:

It was mentioned that during the decommissioning process at the end, anything that is three feet below grade would be removed. Is there anything associated with the solar farm that goes beyond three feet that we need to be aware of?

Reynaldo Rodriguez:

Yes. The poles, the pylons go into the ground ten feet underground, but the pylons would be removed completely. In addition to that, no.

Mayor Pro-Tem Jackie Lacy:

Is water available for the cleaning of the panels?

Reynaldo Rodriguez:

If there is water available on site from the utility company, we would obviously use that. If not, we would bring it in by trucks.

Mayor Pro-Tem Jackie Lacy:

Do you have local employees to work there?

Reynaldo Rodriguez:

The entire construction, we try to hire as many local employees as possible, which is a three to four month base. But then after that, the maintenance aspect is the best project to have local. We would do as much as we can to have people from the Town working with us.

Attorney Hewett swore in property owner Attorney Allen Wellons.

Attorney Allen Wellons, 609 Hancock Street, Smithfield, N.C.:

We had talked about in the final plan was there is going to be a buffer on the front where the old building is. The old building would be torn down. There would be a 100 foot buffer from Buffalo Road on the front portion. The rest will all be behind that, which will be adjoining the oil terminals, and that front parcel will stay the same, which should be at the same depth as the adjoining church.

Councilmember William Overby:

If there is an issue here with this, can our power people get in?

Attorney Allen Wellons:

Yes, they can get in both ways.

Mr. Sonny Howard was sworn in, but left the meeting.

Mr. Rick Safer, 301 North Brevard Street, Selma, N.C.:

I'm glad this came up for a re-discussion. I was not available for the original March discussion for the special use permit. Now my understanding for the quasi-judicial I can only enter testimony, not any opinions. I'm not going to comment on things that were discussed earlier, how this doesn't provide any jobs, doesn't provide any value for Selma. Regarding the specifics of the special use permit, I'm most concerned with how the solar farm site may impair the integrity or character of the adjoining properties in a general area and impact the public health, safety, and general welfare. As you may be aware, the North Carolina Mountains to Sea Trails, a set of trails, greenways, and state roads that runs more than 1,100 miles from the Great Smoky Mountains all the way out to the Outer Banks. Here in Johnston County, we are lucky enough to have a portion of that right here in our back yard. Specifically segment 13, which runs along Buffalo Road, for approximately Wilsons Mills all the way down to Smithfield. As such, this trail in its proximity to the Neuse River is obviously a great important recreational asset that could greatly benefit our Town. The Neuse River greenway currently runs from Wake County all the way to Clayton and includes a non-contiguous Buffalo Creek greenway in Smithfield. The segment 13, which runs along Buffalo Road is the way that would then be connected. The applicant several times mentioned pedestrian access, but I'm curious as to what allowances if any would be made for hiking, biking along the portions of that MST trail that abuts property along Buffalo Road.

Would road shoulders be increased? Will there be additional setbacks? Will sidewalks be installed along the property? As an example, the Johnston County Comprehensive Transportation Plan (CTP) pedestrian map already recommends sidewalks along Buffalo Road all the way from Selma down to Smithfield. Anyone who has ever tried to walk or bike this section of the Mountain to Sea Trail that runs along Buffalo Road, as I have done, knows this would be a welcome improvement. Furthermore, the Johnston County Mountain to Sea Trail Master Plan has identified an opportunity to connect Selma directly to the MST trail via a spur trail. In the master plan, Selma is included as part of the lower/middle section of the trail, and in Buffalo Road side path, which was identified in the plan as opportunity #41, has been proposed to extend along Buffalo Road to approximately Live Oak Church Road all the way down to River Road, and then continue directly into uptown Selma. This represents a great opportunity for Selma to become a true recreational destination. Personally, my fiancé and I have to travel to Clayton to access Sam's Branch Greenway Trail, which then connects Clayton to the rest of the MST and allows us to travel all the way up Falls Lake. We're excited about the future possibility of possibly connecting Selma as well, and for our Town to become another trail head on the MST trail. To summarize my concerns, if the special use permits are approved and the applicant mentioned that all three, so I don't know if all three are being discussed now or just this is the only time to discuss the addition or resubmission of the initial one. I'm just concerned that if these special use permits are approved, how will the solar farms impact the Town's ability to follow through with these recreational plans. Plans that would certainly enhance the general welfare of the Town. Mr. Safer thanked Council for the opportunity to address them.

Planning Director Julie Maybee:

Staff recommendation based on the information that was presented into evidence, and the Planning Board's recommendation that it's demonstrated the findings of fact have been addressed as referenced in Chapter 17, Article XI, Section 17-122. Staff recommends that prior to deciding whether to approve, deny, or conditionally approve this request that the findings of fact be made. At the Planning Board meeting, they incorporated the applicant's findings of fact as their own. When you look at the provisions for a solar farm, the application and the exhibits have demonstrated compliance with the special use permit requirements for a solar farm. Those findings of fact are included in your agenda packet, as far as in the Planning Board minutes (Exhibit #2), and also in the application, where the finding has been stated. Staff recommended those findings, and the condition that the ground be maintained, that a gate be installed at the rear of the property for access to adjacent properties, that they obtain a permit from NCDOT, that the buffering be maintained, and a site plan showing the specific buffer around the entire perimeter be forwarded. There may be some existing vegetation that might be encompassed in that buffer area. I need to know when I go

back out to do a site inspection what I'm looking at. Just so that it demonstrates compliance with the ordinance provisions, and that the buffering be in place before system becomes operational.

Mayor Pro-Tem Jackie Lacy:

Ms. Maybee, in getting the solar farm, the lease is for X number of years and it is reusable once they are through with it?

Planning Director Julie Maybee:

Yes. They have submitted a decommissioning plan. The grounds are returned back to the state they were in. All the devices are removed, and it is specified under what conditions the site would be decommissioned. Of course, this being contingent upon them getting approval from the utility company to connect.

Mayor Cheryl Oliver:

Ms. Maybee, as our Planning Director, do you have any comments to offer in regards to Mr. Safer's comments specific to the this modification of the special use permit for 4451 Buffalo Road?

Planning Director Julie Maybee:

It's my understanding, I serve on one of the committees, at looking at this that as far as the transportation plan that is in the works of being finalized, but it is not there yet.

Attorney Allen Wellons:

That is the other thing about setting off that 100 feet that allows that if the Town wants to do that. Also, the plan is to have it run along the River on the backside of this property, that will come up again.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to close the public hearing. Motion carried unanimously. 7:09 p.m.

Councilmember Sellers stated that they were just expanding the footprint of the solar farm that they had already approved.

Councilmember Overby stated that he wanted to make sure that we keep our Fire Department open so that they can get in.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve moving forward with the modifications as presented by Red Toad for the solar farm located at 4451 Buffalo Road along with the conditions accepted by the Planning Board. Motion carried unanimously.

Attorney Chip Hewett stated that Council needed to review the findings of fact and approve or disapprove each one individually. He said that at the end, they would do a consistency statement.

Planning Director Julie Maybee reviewed the following findings of fact with Council:

1. All applicable specific conditions pertaining to the proposed use have been or will be satisfied;

All local, state, and federal conditions/regulations have been or will be satisfied.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to approve. Motion carried unanimously.

2. Access roads or entrance and exit drives are or will be sufficient in size and properly located to ensure automotive and pedestrian safety and convenience, traffic flow, and control and access in case of fire or other emergency.

Access roads will conform to all applicable regulations to ensure minimum impact on traffic conditions and easy emergency inbound and outbound traffic.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve. Motion carried unanimously;

3. All necessary public and private facilities and services will be adequate to handle the proposed use;

All necessary public and private facilities and services will comply with all applicable regulations to appropriately handle the needs of a solar farm facility.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to approve. Motion carried unanimously.

4. The location and arrangement of the use on the site, screening, buffering, landscaping, and pedestrian ways will not impair the integrity or character of adjoining properties and the general area and minimize adverse impacts to public health, safety, and general welfare.

Landscape will be regularly maintained and facility will not impair the integrity of adjacent properties. Proposed use is compatible with the

area's mostly agricultural zoning, as it preserves green space from more aggressive forms of development. Land can be returned to its original use with no need for ecological cleaning once the lease is up. Facility will pose no risk to public health, safety, and general welfare.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to approve. Motion carried unanimously.

5. The use of development conforms to general plans for the physical development of the Town's planning jurisdiction as embodied in this chapter, the Town's land use plan, or other development policies as adopted by the Town Council.

Proposed use is permitted and regulated by the Town's ordinances and it isn't at odds with its land use plan.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to approve. Motion carried unanimously.

Planning Director Julie Maybee stated that number 5 of the findings of fact addressed the consistency statement. Ms. Maybee asked if Council was incorporating the conditions of approval as recommended by staff.

Mayor Oliver stated that was correct.

Attorney Hewett advised that staff would not have to re-read the findings of fact for the next two public hearing since it was already an exhibit, but asked that it be recognize by its number for voting purposes.