

Reid

Demographic and Population Analysis of property affected by the proposed Aquila peaking power plant.

#### Property values and neighborhood analysis.

An analysis was conducted of the area encompassing a 2 mile radius with the epicenter being the proposed peaking power plant. This includes properties from 227<sup>th</sup> Street on the North to 261<sup>st</sup> Street on the South and Hunter Road on the West to Cowger Road on the East. In order to come up with a meaningful figure for property values for in area, Cass County appraisals were obtained from Heartland MLS. A general rule of thumb is that the county appraisals are approximately 2/3 of the market value of a given property. A sample of 4 properties indicates the market value as \$1,007,400 and the county appraised value of \$655,910 or 65%. These figures also do not take into account new housing in the area so may be considered conservative.

In the affected area there are 469 separate properties. These have a total value of \$79,812,362 with a tax of \$664,505. Of these properties 635 were appraised as residential only (77.83%). An additional 90 were appraised as residential and agricultural (19.19%). 9 are appraised as agricultural only (1.92%), 3 as commercial (0.64%), and 2 were unclassified (0.43%). With over 75% of the properties being classified as residential only there is no doubt that this is truly a residential area.

#### Property forecasts.

Information on property forecasts was provided by the Mid-American Regional Council (MARC). Information is based on the 1990 Census Tract 610. This area ranges from 203<sup>rd</sup> Street on the North to 251<sup>st</sup> Street on the South and from Wheeler Road on the East to Mullen Road on the West. These forecast indicates a projected population growth for this area from 8,858 in 2000 to 13,154 in 2030, or an increase of 4,296 people. Households are expected to increase from 3,131 to 5,106 or 1.975 households.

According to the Missouri Office of Administration in a 2003 report, "the ten fastest-growing counties in percentage terms were Lincoln (13.5)%, Christian (13.4)%, Pulaski (9.9)%, St. Charles (9.7)%, Warren (9.5)%, Cass (8.2)%, Platte (7.6)%, Mississippi (7.1)%, Webster (6.7)%, and Clinton (6.1)%".

#### Summation

In a study of a proposed gas peaker plant in Illinois, Dr. George Tolley, Professor of the Economics at the University of Chicago used the Blomquist analysis of property values and reached the following conclusions:

From 0 to .5 mile = 7.875% property value loss  
From .5 to 1 mile = 5.625% property value loss  
From 1 to 1.5 mile = 3.375% property value loss  
From 1.50 to 2 mile = 1.124% property value loss  
At 2 miles = No effect on property values

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Using the total property value in the 2 mile radius of \$79,812,362, at the lowest loss expectation of 1.124%, the resultant loss in property values would be \$870,091. If we use an average of 3.375%, this figure increases to \$2,693,667. With an expected increase of 63% in households in this area by 2030 the expected loss in property values would reach \$4,390,667. The visual impact would undoubtedly slow the growth of the area as well.

It is apparent that the introduction of a power peaking plant in this locale would have a significant and lasting economic impact on this residential area. It appears that if Aquila's need for this plant is legitimate it should proceed in another area; one that is rural and not residential.

Bill Yates  
Licensed Real Estate Broker/Salesperson  
State of Missouri License # 2003028925)

Harrisonville  
Public Hearing

Exhibit No. 8

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