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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JESSAMINE-SOUTH ELKHORN)
WATER DISTRICT FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO)
CONSTRUCT AND FINANCE A WATERWORKS) CASE NO 2012- 00470
IMPROVEMENTS PROJECT PURSUANT TO KRS)
278.020 AND 278.300)

**JESSAMINE-SOUTH ELKHORN WATER DISTRICT’S SUPPLEMENTAL RESPONSE
TO THE KENTUCKY PUBLIC SERVICE COMMISSION’S FIRST SET OF
REQUESTS FOR INFORMATION – REQUEST NO. 9**

Comes the Jessamine-South Elkhorn Water District (“Water District”), by counsel, and for its Supplemental Response to Request No. 9 of the First Set of Requests for Information from the Kentucky Public Service Commission (“PSC”), answer as follows:

Without waiving its objection to the relevance of the information and the relevance of the issues raised by such information, appended hereto is the *Market Analysis Jessamine/South Elkhorn Water District Proposed Water Tank Site Adjoining Forest Hills Subdivision Jessamine County, Kentucky* prepared by William L. Berkley, Jr. for rebuttal of the anticipated testimony of Intervenors’ witness, E. Clark Toleman.

REQUESTS FOLLOW ON NEXT PAGE

Jessamine-South Elkhorn Water District

Information Request No. 9: Provide all studies, review, and analysis that Jessamine-South Elkhorn District's Board of Commissioners has conducted on possible locations for the proposed water storage tank site.

Amended Answer: See attached.

[Witness: Counsel]

Respectfully submitted,

W. Randall Jones, Esq.
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

and

Bruce E. Smith, Esq.
201 South Main Street
Nicholasville, Kentucky 40356



CO-COUNSEL FOR DISTRICT

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Jessamine-South Elkhorn Water District's Responses to Kentucky Public Service Commission's First Set of Requests for Information No. 9 was served by UPS Overnight on March 12, 2013 and by e-mail, this the 11th day of March, 2013, to:

Robert M. Watt, III, Esq.
Monica H. Braun, Esq.
Stoll Keenon Ogden, PLLC
300 West Vine Street, Ste. 2100
Lexington, KY 40507-1801
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BRUCE E. SMITH

**MARKET ANALYSIS JESSAMINE/SOUTH ELKHORN WATER DISTRICT
PROPOSED WATER TANK SITE
ADJOINING FOREST HILLS SUBDIVISION
JESSAMINE COUNTY, KENTUCKY**

EFFECTIVE DATE

MARCH 4, 2013

PREPARED FOR:

**JESSAMINE-SOUTH ELKHORN WATER DISTRICT
802 SOUTH MAIN STREET
NICHOLASVILLE, KY 40356**

PREPARED BY:

**BERKLEY APPRAISAL COMPANY
366 WALLER AVENUE SUITE 203
LEXINGTON, KY 40504**

BERKLEY APPRAISAL COMPANY

REAL ESTATE APPRAISERS

366 Waller Avenue Suite 203 ~ Lexington, KY 40504

Phone (859) 276-2278

Commercial, Industrial, Multi-Family, Subdivision & Farms Appraisal Services

March 4, 2013

Jessamine-South Elkhorn Water District
802 South Main Street
Nicholasville, Ky 40356

RE: Proposed Water Tank Site
Jessamine South Elkhorn Water District
Adjoining Forest Hills Subdivision
Jessamine County, KY

Dear Gentlemen:

Following your request I have performed a market analysis in order to form opinions as to any diminution in the market value of real property as a result of having proximity to or being within the viewshed of the proposed elevated water storage tank.

The proposed site is located at the termination of Chinkapin Drive which is within the Forest Hills subdivision located off U.S. 68 in Jessamine County. The property was purchased by the Jessamine South Elkhorn Water District in 2004 as the location for a future elevated water storage tank. The adjoining Forest Hills subdivision was subsequently developed in 2006 and is an executive class subdivision. The Forest Hills neighbors have indicated that they were unaware of the proposed water tank until approximately June 2010 when they voiced their concerns at a public meeting of the Jessamine South Elkhorn Water District. The neighbors contend that the proposed siting of the water tank has and will continue to result in the diminution in the market value of their property.

The market analysis which has been performed has relied upon data collected from Jessamine County and specifically the Forest Hills and Harrods Ridge subdivisions as well as a storage tank site in Fayette County. The analysis which is detailed in the following report has resulted in the following conclusions;

- The decline in lot and home values within Forest Hills subdivision since June of 2010 is a result of the real estate cycle and is similar to the trends found in other competing subdivisions.

- There is no market evidence that would indicate that the proximity to or location within the viewshed of a 1.0MG elevated water storage tank would result in the diminution in the market value of property within Forest Hills subdivision.

We are pleased to provide you with our professional appraisal services. If you have any questions please do not hesitate to contact me.

Sincerely,



William L. Berkley, Jr.
Berkley Appraisal Company
Kentucky Certified General Appraiser #721

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PURPOSE OF THE ASSIGNMENT

The purpose of this assignment is to analyze and draw conclusions of the impact that the siting of the proposed Jessamine South Elkhorn Water District 1,000,000 gallon elevated water storage tank would have on the market value of real property located within the adjoining Forest Hills subdivision. The assignment has been carried out through an analysis of market data that has been collected from Jessamine as well as Fayette County, Kentucky.

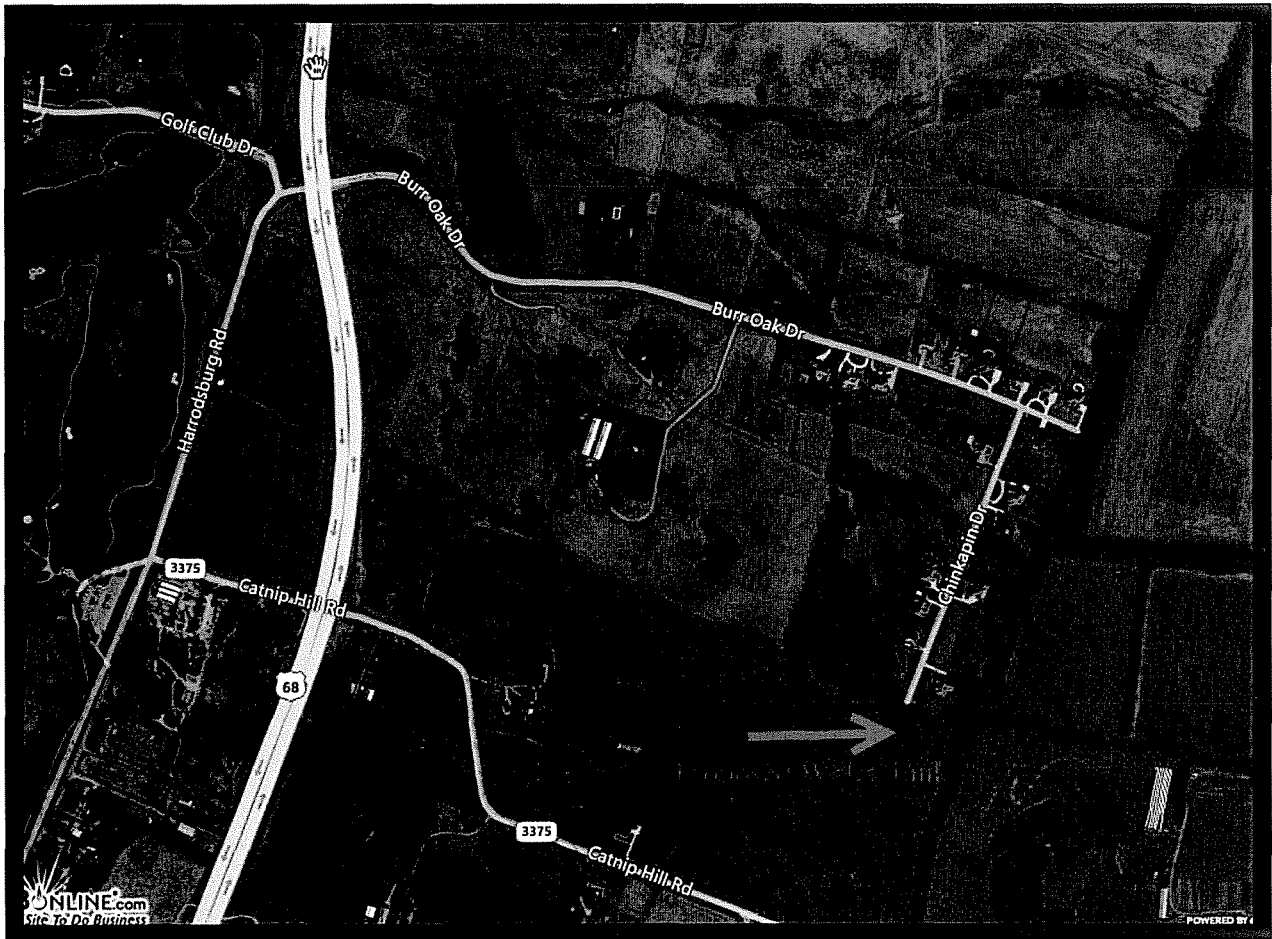
METHODOLOGY

The methodology employed relies on a comparative market analysis of sales of both lots and residential homes in order to measure any changes in market value as a result of proximity to or within the view shed of an elevated water storage tank such as the one proposed for the subject site. Market data has been collected from Forest Hills subdivision of which a portion adjoins the proposed site as well as the competing Harrods Ridge subdivision which is located directly across U.S. 68 from Forest Hills and is the location of an existing 500,000 gallon elevated tank. Additional market data has been collected from Fayette County and specifically the site of the Arboretum water tower located off Alumni Drive. The analysis which has been carried out is based upon a comparison of the market value of both lots and residential homes which are in proximity to or within the viewshed of elevated water storage tank and those which are not.

PROPOSED SITE & STORAGE TANK DESCRIPTION

The proposed site of the 1.0 MG elevated water tank is commonly referred to as the Switzer site. The 1 acre site has been owned by the Jessamine South Elkhorn Water District since May 24, 2004 when it was purchased for the location of a future elevated storage tank. The location is east of U.S. 68 and north of West Catnip Hill Road and being near the southern end of Chinkapin Drive which is within the Forest Hills subdivision and terminates near the subject. Included on the following page is an aerial photo of the proposed site.

PROPOSED LOCATION OF TANK & AERIAL OF FOREST HILLS SUBDIVISION



The proposed metal tank is to have a storage capacity of 1,000,000 gallons and supported by eight legs with a leg height of approximately 110 feet and a total height of approximately 160 feet. The diameter of the tank is to be 70'. Access to the tank site will be from the termination of Chinkapin Drive via an existing 20' easement. There is also an easement from West Catnip Hill Road which will likely be used during the construction process.

Forest Hill subdivision which adjoins the proposed site was developed in 2006 as a residential subdivision under the cluster ordinance. Located at the front of Forest Hills subdivision is an existing 50KG elevated storage tank.



View of Existing 50KG Tank @ Entrance to Forest Hills

The following is a summary of additional facts related to the subdivision.

- 33 Lots Including Residual Tract (32 Buildable Lots) Developed in 2006
- 25 Existing Homes & 2 Under Construction
- Average Home is 8,170 Square Feet & Custom
- The 2013 Average Assessment is \$842,369 For Homes



Typical Home Within Forest Hills

As with most upper end residential subdivisions in this portion of Jessamine County, the housing bubble has had a negative effect on home and lot values within Forest Hills with the average home sale price being \$672,803 in 2012 versus \$720,000 in 2011, \$830,000 in 2010, \$1,058,200 in 2009, \$919,991 in 2008 and \$995,123 in 2007. When the residential lots were originally sold by the developer beginning in 2006 the price was \$170,000. In 2012 there was a total of 7 lots which sold for an average of \$95,635. However, it is noted that four of the lot sales were a result of bank liquidations which also clearly had an effect on the price of the three private sales within the subdivision. This is in comparison to the average lot price in 2009 of \$151,667, the 2007 average of \$177,346 and the 2006 average of \$170,385. It is noted that no lot sales occurred in 2008, 2010 or 2011. The tables on the following pages detail the lots and house sales which have taken place in Forest Hills subdivision and which are considered for analysis.

FOREST HILLS HOME SALES SORTED BY YEAR										
Address	Seller	Buyer	Date of Sale	Price	DB-Pg	SF	BR	BA	1/2 BA	\$/SF
622 Burr Oak Dr	Gale Property Management	Alex & Tanya Krueger	11/20/2012	\$ 718,500	679-191	NA				NA
708 Chinkapin	Gale Property Management	Victor & Susan Hahn English	10/31/2012	\$ 627,105	679-54	NA				NA
			AVERAGE	\$ 672,803						
612 Burr Oak Dr.	Kerley K. Investments	David & Erika Rohde	11/23/2011	\$ 635,000	661-582	3875	4	3	1	\$163.87
709 Chinkapin	Dale & Kim Absher	Vivek & Vidya Rangneker	3/28/2011	\$ 805,000	651-407	5249	6	6	2	\$153.36
			AVERAGE	\$ 720,000						\$158.62
631 Burr Oak Dr	Citizens Commerce National Bank	James & Suzanne Elliott	4/9/2010	\$ 775,000	636-392	4745	4	3	1	\$163.33
635 Burr Oak Dr	McDonald Builders, Inc	ALTAKY, Ilc	2/24/2010	\$ 885,000	635-72	4645	5	5	1	\$190.53
			AVERAGE	\$ 830,000						\$176.93
631 Burr Oak Dr	Perry Real Estate & Appraising, Inc	Citizens Commerce National Bank	12/23/2009	\$ 971,000	633-1	4745	4	3	1	\$204.64
728 Chinkapin	MKM Capital, Ilc	Jeremy Stanley	8/17/2009	\$ 705,000	625-62	4310	5	3	1	\$163.57
604 Burr Oak Dr.	Landsdowne Properties, Inc	Gery & Lisa Tomassoni	7/30/2009	\$ 1,495,000	623-709	5475	4	4	0	\$273.06
639 Burr Oak Dr	Eric & Amy Lancaster	Adel & Manal SFAR	7/30/2009	\$ 855,000	625-77	5298	4	3	1	\$161.38
619 Burr Oak Dr	Billy Clyde Gillispie	Malik Hammad & Nuzhat Naqvi	7/10/2009	\$ 1,265,000	622-605	7787	5	5	0	\$162.45
			AVERAGE	\$ 1,058,200						\$193.02
721 Chinkapin	DLM Business Ventures, Inc	Timothy & Kandy Crabbe	10/3/2008	\$ 810,000	610-37	4367	4	4	1	\$185.48
720 Chinkapin	DLM Business Ventures, Inc	Marlene & George Helm	8/11/2008	\$ 809,243	607-229	4733	3	4	1	\$170.98
709 Chinkapin	Jonathan Isaacs	Dale & Kim Absher	2/27/2008	\$ 1,185,802	598-46	5249	6	6	2	\$225.91
733 Chinkapin	Dale Marshall	Donald & Carol Douglas	2/8/2008	\$ 874,917	597-209	4695	4	3	1	\$186.35
			AVERAGE	\$ 919,991						\$192.18
704 Chinkapin	TL Davis Construction, Ilc	William D. & Patricia A Bates	12/7/2007	\$ 815,000	594-295	4672	4	3	1	\$174.44
604 Burr Oak Dr.	Reach-Trinity, Ilc	Landsdowne Properties, Inc	10/10/2007	\$ 1,260,615	591-224	5475	4	4	0	\$230.25
619 Burr Oak Dr	Jonathan & Kelly Isaacs	Billy Clyde Gillispie	8/9/2007	\$ 1,450,000	588-40	7787	5	5	0	\$186.21
623 Burr Oak Dr	Jonathan Isaacs	Michael McBeath	5/25/2007	\$ 950,000	582-628	5212	5	6	1	\$182.27
627 Burr Oak Dr	George Perry	Christopher & Lisa Rodgers	1/18/2007	\$ 500,000	575-694	4866	4	4	1	\$102.75
			AVERAGE	\$ 995,123						\$175.19
639 Burr Oak Dr	TL Davis Construction, Ilc	David & Debra Brady	10/13/2006	\$ 937,324	571-50	5298	4	3	1	\$176.92

FOREST HILLS LOT SALES BY YEAR					
Address	Seller	Buyer	Date of Sale	Price	DB-Pg
405 Burr Oak	PBI Bank, Inc.	Fred & Lori Rutherford	6/15/2012	\$ 120,000	671-424
622 Burr Oak Dr	PBI Bank, Inc.	Gale Property Management, Ilc	5/16/2012	\$ 84,000	669-274
729 Chinkapin	Bob O'Connell Builders, Ilc	Carolyn Wheeler	5/4/2012	\$ 100,450	668-597
705 Chinkapin	Farmers Bank & Trust Company	Gale Property Management, Ilc	4/9/2012	\$ 92,000	667-221
725 Chinkapin	PBI Bank, Inc.	Eric & Linda Frankl	3/23/2012	\$ 83,000	666-481
708 Chinkapin	Susan English	Gale Property Management, Ilc	3/15/2012	\$ 95,000	666-173
708 Chinkapin	Frank & Susan Entwisle	Susan English	3/5/2012	\$ 95,000	665-542
			AVERAGE	\$ 95,636	
712 Chinkapin	United Bank & Trust	Robert & Sarah Doyle	9/1/2009	\$ 145,000	625-436
713 Chinkapin	Farmers Bank & Trust Company	Robert & Sarah Doyle	8/25/2009	\$ 145,000	625-164
600 Burr Oak Dr	Terry & Donna Seaborn	Gery & Lisa Tomassoni	7/30/2009	\$ 165,000	623-707
			AVERAGE	\$ 151,667	
733 Chinkapin	Forest Hills Of Kentucky	Dale & Michelle Marshall	3/21/2007	\$ 170,000	579-55
631 Burr Oak Dr	McDonald Builders, Inc	Perry Real Estate & Appraising, Inc	3/10/2007	\$ 183,845	578-315
709 Chinkapin	MKM Capital, Ilc	Jonathan & Kelly Isaacs	2/13/2007	\$ 180,900	577-126
724 Chinkapin	Paul Vance Construction, Inc	Distinctive Custom Homes, Ilc	1/16/2007	\$ 175,000	575-550
			AVERAGE	\$ 177,436	
626 Burr Oak Dr	Forest Hills Of Kentucky	TL Davis Construction, Ilc	12/1/2006	\$ 170,000	573-385
724 Chinkapin	Forest Hills Of Kentucky	Paul Vance Construction, Inc	8/10/2006	\$ 170,000	567-289
728 Chinkapin	Forest Hills Of Kentucky	MKM Capital, Ilc	8/4/2006	\$ 170,000	567-73
729 Chinkapin	Forest Hills Of Kentucky	Bob O'Connell Builders, Ilc	5/8/2006	\$ 170,000	561-412
612 Burr Oak Dr	Forest Hills Of Kentucky	Kerley K Investments, Ilc	4/26/2006	\$ 170,000	560-522
619 Burr Oak Dr	Forest Hills Of Kentucky	Jonathan & Kelly Isaacs	4/22/2006	\$ 170,000	560-453
600 Burr Oak Dr	Forest Hills Of Kentucky	Terry & Donna Seaborn	4/18/2006	\$ 175,000	560-241
604 Burr Oak Dr	Forest Hills Of Kentucky	Reach-Trinity, Ilc	4/18/2006	\$ 175,000	560-229
627 Burr Oak Dr	Forest Hills Of Kentucky	George & Patty Perry	4/13/2006	\$ 170,000	560-75
704 Chinkapin	Forest Hills Of Kentucky	TL Davis Construction, Ilc	3/31/2006	\$ 170,000	559-193
639 Burr Oak Dr	Forest Hills Of Kentucky	TL Davis Construction, Ilc	3/15/2006	\$ 170,000	558-140
708 Chinkapin	Forest Hills Of Kentucky	Frank & Susan Entwisle	3/6/2006	\$ 165,000	557-400
623 Burr Oak Dr	Forest Hills Of Kentucky	Jonathan & Kelly Isaacs	2/7/2006	\$ 170,000	556-169
			AVERAGE	\$ 170,385	

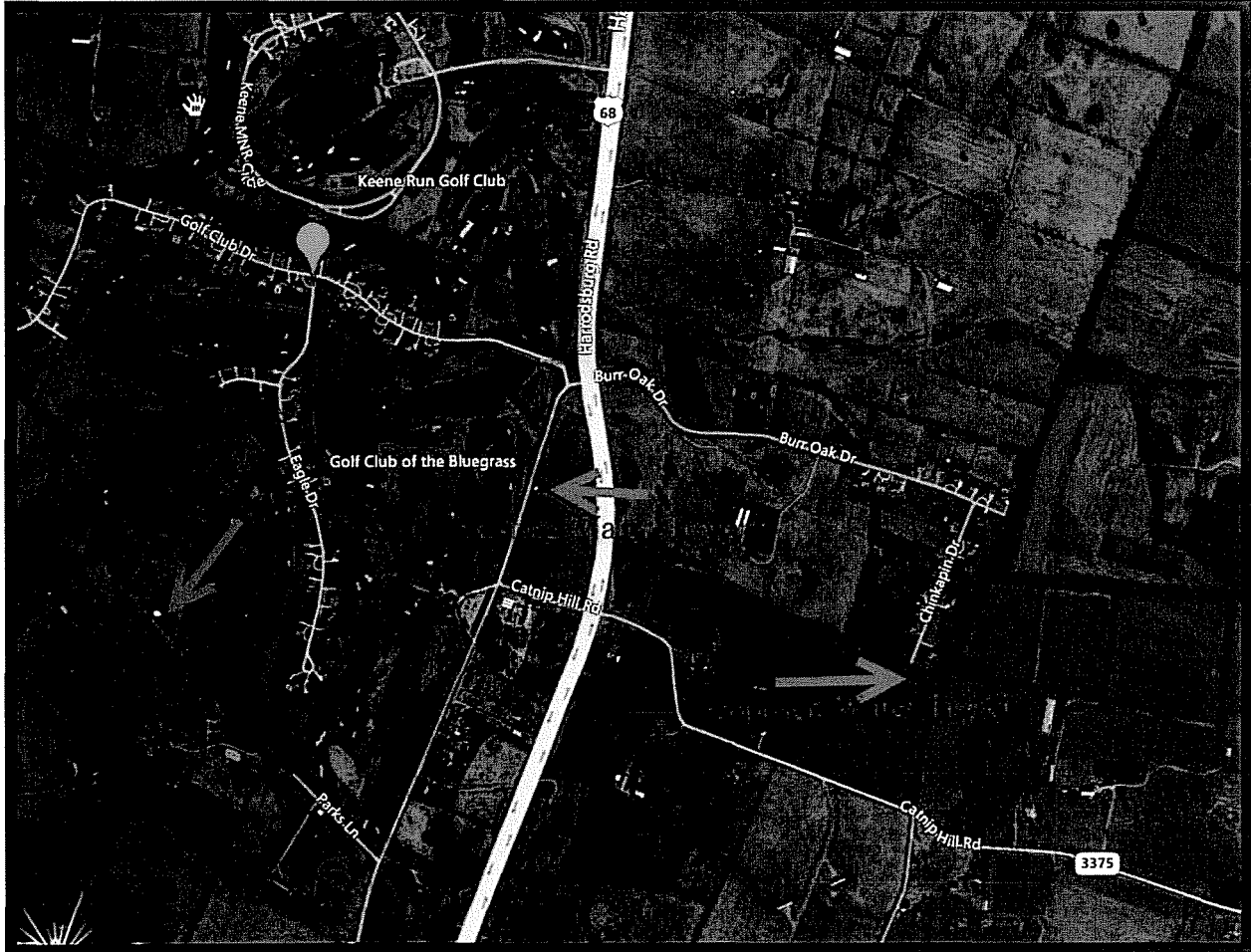
MARKET ANALYSIS – EAGLE DRIVE (HARRODS RIDGE SUBDIVISION)

Located across U.S. 68 from Forest Hills subdivision is a comparable residential subdivision known as Harrods Ridge. Harrods Ridge began developing in 2004 around a public golf course known as Golf Club of the Bluegrass Golf Course. Similar to Forest Ridge Harrods Ridge was also developed under the cluster ordinance. This subdivision is significant for comparison for the reason that it is located across U.S. 68 from Forest Hills, was developing in a similar time frame as Forest Hills, and the lots and homes in the subdivision are of a similar size, quality and value range as Forest Hills. Included on the following page is an aerial photo which shows the proximity of the two subdivisions with Harrods Ridge being west of U.S. 68 and Forest Hills east. Harrods Ridge is also significant to the analysis for the reason that Eagle Drive which was plated in 2005 has proximity to and is within the viewshed of an existing 500,000 gallon elevated water storage tank as well as the existing 50,000 gallon tank that is located in front of Forest Hills.



View of 50KG Tank From Eagle Drive

AERIAL PHOTO HARRODS RIDGE & FOREST HILLS SUBDIVISION



The following is a summary of facts related to Eagle Drive within the Harrods Ridge subdivision.

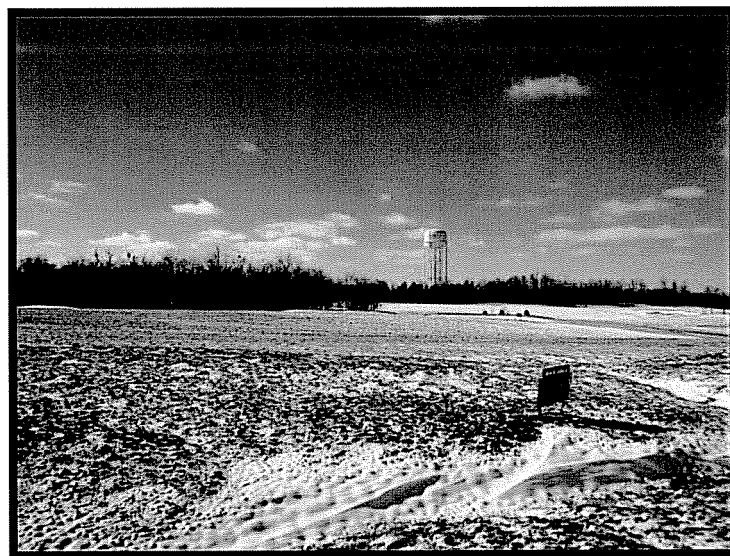
- 24 Lots Developed in 2005
- 17 Existing Homes & 2 Under Construction
- Average Home is 8,342 SF & Custom
- The 2013 average assessment is \$846,980

As indicated by a comparison of the statistics, Harrods Ridge subdivision and specifically Eagle Drive is very comparable to Forest Hills and therefore a reasonable comparable.



TYPICAL HOME ALONG EAGLE DRIVE

Homes which have an even address along Eagle Drive back to an existing 500,000 gallon elevated water storage tank and have visibility of an existing 50,000 gallon tank from the front. Homes with an odd address back to the existing 50,000 gallon elevated storage tank that is located in front of Forest Hills subdivision and are within the viewshed of the 500,000 gallon tank from the front. The following are photographs of the existing 500,000 gallon tank taken at various points along Eagle Drive.



View of 500KG tank from Eagle Drive Cul-De-Sac



View of 500KG tank Behind 302 Eagle Drive



View of 500KG Tank Between 300 & 302 Eagle Drive From Street

Included in the following pages are summary tables of lot and homes sales which have occurred along Eagle Drive as well as lot and homes sales from Golf Club Drive of Harrods Ridge. A comparison of these two streets is significant to this analysis for the reason that a majority of the lots/homes along Golf Club Drive are not within the viewshed of 500KG tank. Some of the lots towards the front of the subdivision are within the viewshed of the 50,000 gallon tank but because many of the lots/homes within Forest Hills are also within the viewshed of the 50,000 gallon tank a comparison can be made.

EAGLE DRIVE LOT SALES HARRODS RIDGE SUBDIVISION BY YEAR					
Address	Seller	Buyer	Date of Sale	Price	DB-Pg
306 Eagle Drive	Mainsource Bank	Collier Custome Homes, Inc.	7/12/2012	\$ 150,000	672-466
301 Eagle Drive	Mainsource Bank	Collier Custome Homes, Inc.	7/12/2012	\$ 150,000	672-466
310 Eagle Drive	Collier Custom Homes, llc	Kota Gopinath & Sirisha Perumandla	6/30/2012	\$ 152,000	671-577
			AVERAGE	\$ 150,667	
313 Eagle Drive	Design Traditions, Inc	R & J Peterson, Inc.	11/22/2010	\$ 225,000	645-347
312 Eagle Drive	Design Traditions, Inc	R & J Peterson, Inc.	11/22/2010	\$ 225,000	645-350
			AVERAGE	\$ 225,000	
308 Eagle Drive	Design Traditions, Inc	Juan & Araceli Cervantes	5/30/2007	\$ 200,000	583-79
			AVERAGE	\$ 200,000	
303 Eagle Drive	Design Traditions, Inc	Collier Custome Homes, Inc.	9/27/2006	\$ 189,000	570-157
302 Eagle Drive	Design Traditions, Inc	Collier Custome Homes, Inc.	3/30/2006	\$ 189,000	559-120
300 Eagle Drive	Design Traditions, Inc	Frederick H. & Kathy L Gorsline	2/21/2006	\$ 189,000	556-600
			AVERAGE	\$ 189,000	
316 Eagle Drive	Design Traditions, Inc	Clyde M. Strassner Revocable Trust	12/30/2005	\$ 219,000	554-24
102 Silver Fox Drive	Design Traditions, Inc	Drew Rice Construction, llc	7/27/2005	\$ 179,000	544-148
203 Eagle Drive	Design Traditions, Inc	James W. Davis	7/5/2005	\$ 179,000	542-501
201 Eagle Drive	Design Traditions, Inc	Collier Custome Homes, Inc.	5/25/2005	\$ 179,000	539-611
205 Eagle Drive	Design Traditions, Inc	Mondelli-Blair Ventures, LLC	4/18/2005	\$ 179,000	537-456
100 Silver Fox Drive	Design Traditions, Inc	Collier Custome Homes, inc.	4/5/2005	\$ 179,000	536-600
			AVERAGE	\$ 185,667	
* Lots Which Back To 50KG Tank					
* Lots Which Do Not Back or Cant See Tank					

Eagle Drive Home Sales Harrods Ridge Subdivision By Year										
Address	Seller	Buyer	Date of Sale	Price	DB-Pg	SF	BR	BA	1/2 BA	\$/SF
304 Eagle Drive	Daniel Adkins Designs, Inc	Rocky Williams	9/20/2012	\$ 699,000	676-41	NA				NA
308 Eagle Drive	Juan & Araceli Cervantes	Jinzhong & Wei Cai Xu	8/22/2012	\$ 720,000	674-647	5658	4	4	0	\$127.25
302 Eagle Drive	Collier Custom Homes, Inc.	George & Kimberly Graham	7/31/2012	\$ 829,000	673-334	5196	4	4	1	\$159.55
106 Silver Fox Drive	Kathy A Bartal	Donald E. & Patrical Keaton	7/30/2012	\$ 753,440	673-308	5402	4	3	1	\$139.47
			AVERAGE	\$ 750,360						NA
203 Eagle Drive	Jason & Stacy A. Broyles	Ayesha Shaikh	2/25/2011	\$ 652,000	649-366	5886	5	8	1	\$110.77
			AVERAGE	\$ 652,000						\$110.77
208 Eagle Drive	Design Traditions, Inc.	Ronald & Michelle Binkauskas	12/2/2010	\$ 850,000	645-710	5026	5	5	1	\$169.12
210 Eagle Drive	Design Traditions, Inc.	Jesse W. Rice Revocable Trust	6/25/2010	\$ 724,843	640-44	4401	4	5	0	\$164.70
300 Eagle Drive	Frederick J. & Kath L Gorslin	Cecil L. & Carol S. Rutherford	1/28/2010	\$ 677,000	633-353	5039	4	5	0	\$134.35
			AVERAGE	\$ 750,614						\$156.06
314 Eagle Drive	Design Traditions, Inc.	Joshua P & Whitney L Steiner	11/21/2007	\$ 1,268,917	593-540	4839	4	5	1	\$262.23
104 Silver Fox Drive	Design Traditions, Inc.	Alexandre V. & Christina Bioko	7/23/2007	\$ 830,000	586-270	5209	4	4	1	\$159.34
203 Eagle Drive	James W. Davis	Jason & Stacy A. Broyles	3/23/2007	\$ 825,000	579-145	5886	5	8	1	\$140.16
			AVERAGE	\$ 974,639						\$187.24
205 Eagle Drive	Mondelli-Blair Ventures, LL	Samuel H & Mary Lou Clymer II	6/30/2006	\$ 1,074,000	564-620	5080	4	4	1	\$211.42
101 Silver Fox Drive	Design Traditions, Inc.	John & Kimberly A. Billings	6/23/2006	\$ 811,700	564-327	4708	5	5	1	\$172.41
100 Silver Fox Drive	Collier Custom Homes, Inc.	Keith A & Jacquelynne S. Tamr	5/3/2006	\$ 889,000	561-239	4987	4	4	1	\$178.26
			AVERAGE	\$ 924,900						\$187.36
201 Eagle Drive	Collier Custom Homes, Inc.	Ryan D & Kanki Smitn-Waddles	12/30/2005	\$ 728,320	554-82	4317	4	3	2	\$168.71
			AVERAGE	\$ 728,320						\$168.71
* Houses Which Back to 500KG Tank										
* Houses Which Do Not Back or Cant See Tank										

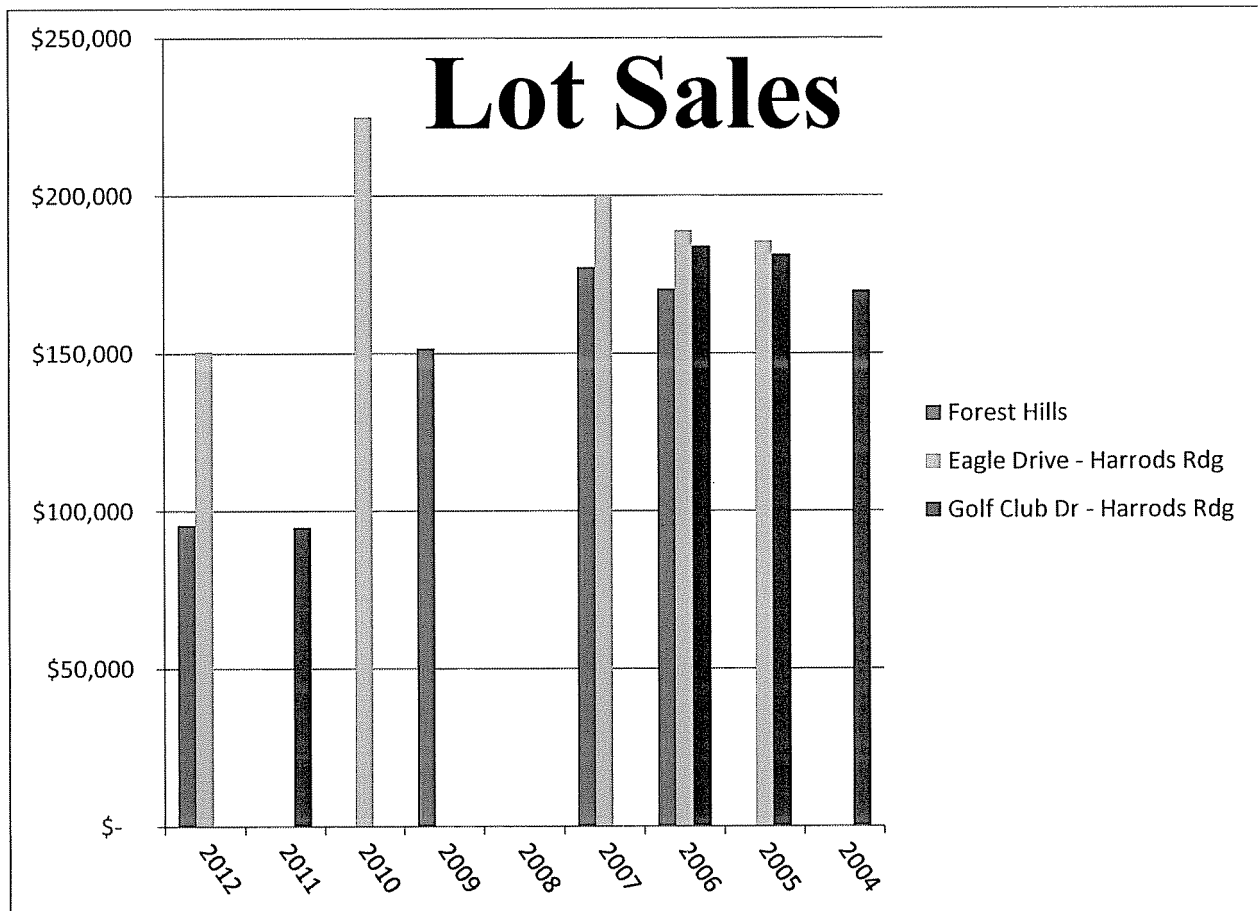
LOT SALES GOLF CLUB DRIVE HARRODS RIDGE SUBDIVISION					
Address	Seller	Buyer	Date of Sale	Price	DB-Pg
210 Golf Club Drive	Mainsource Bank	Joseph Whitney & Jean Ann Wallingford, II	10/6/2011	\$ 95,000	659-137
			AVERAGE	\$ 95,000	
211 Golf Club Drive	Collier Custom Homes, Inc	Design Traditions, Inc.	9/1/2006	\$ 189,000	568-501
210 Golf Club Drive	Design Traditions, Inc.	Sherman W. & Wanda J. Davis	7/22/2006	\$ 179,000	566-171
			AVERAGE	\$ 184,000	
111 Golf Club Drive	Kentucky Classic Homes, Inc.	Design Traditions, Inc.	11/2/2005	\$ 179,800	550-342
208 Golf Club Drive	Design Traditions, Inc.	Drew Rice Construction, llc	10/28/2005	\$ 189,000	550-120
214 Golf Club Drive	Design Traditions, Inc.	Jerrico Builders, llc	9/30/2005	\$ 189,000	548-220
211 Golf Club Drive	Design Traditions, Inc.	Collier Custom Homes, Inc	9/13/2005	\$ 189,000	547-86
209 Golf Club Drive	Design Traditions, Inc.	Jerrico Builders, llc	8/19/2005	\$ 189,000	545-657
206 Golf Club Drive	David H & Judy W. Crouse, Jr.	Design Traditions, Inc.	7/22/2005	\$ 177,773	543-625
201 Golf Club Drive	Design Traditions, Inc.	James W. Davis	7/5/2005	\$ 179,000	542-504
105 Golf Club Drive	Design Traditions, Inc.	Jesse W. & Patricia A. Rice	6/2/2005	\$ 169,900	540-143
204 Golf Club Drive	Design Traditions, Inc.	John T. & Rosemarie Syvertsen	1/25/2005	\$ 169,900	532-353
			AVERAGE	\$ 181,375	
205 Golf Club Drive	Design Traditions, Inc.	Jonathan & Kelly Isaacs	11/22/2004	\$ 169,900	528-688
101 Golf Club Drive	Design Traditions, Inc.	James Daniel & Gilda B Adkins	11/17/2004	\$ 170,000	528-501
109 Golf Club Drive	Design Traditions, Inc.	Drew Rice Construction, llc	11/15/2004	\$ 169,900	528-275
203 Golf Club Drive	Design Traditions, Inc.	Drew Rice Construction, llc	11/15/2004	\$ 169,900	528-277
104 Golf Club Drive	Design Traditions, Inc.	Jonathan & Kelly Isaacs	11/2/2004	\$ 169,900	528-691
200 Golf Club Drive	Design Traditions, Inc.	Anthony Collier	11/1/2004	\$ 169,900	527-371
106 Golf Club Drive	Design Traditions, Inc.	Mondelli Homes, Inc	10/25/2004	\$ 169,900	527-131
110 Golf Club Drive	Design Traditions, Inc.	Manuel & Esperanza Hernandez	10/25/2004	\$ 169,900	527-122
			AVERAGE	\$ 169,913	

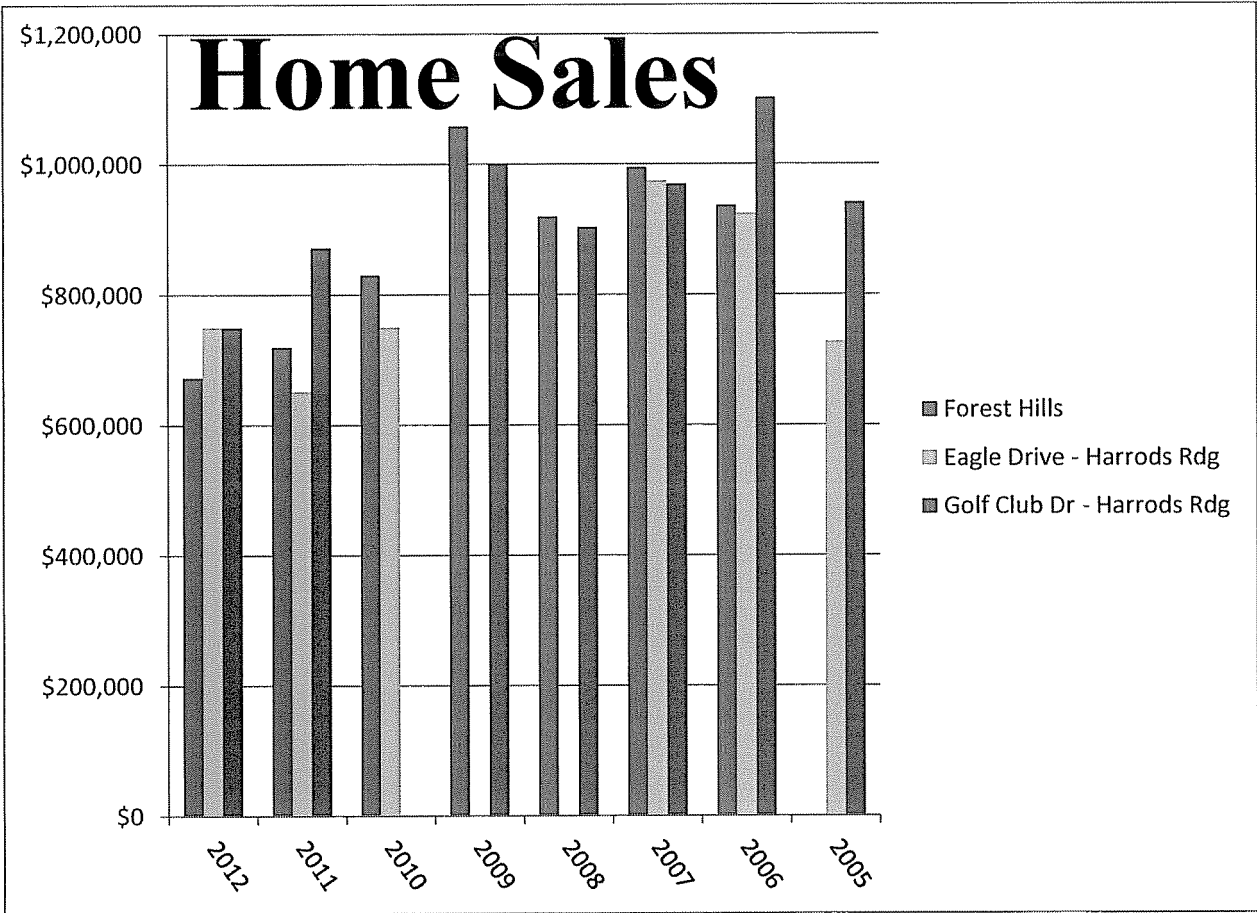
HARRODS RIDGE - GOLF CLUB DRIVE HOUSE SALES										
Address	Seller	Buyer	Date of Sale	Price	DB-Pg	SF	BR	BA	1/2 BA	\$/SF
204 Golf Club Drive	Community Trust Bank, Inc.	Mitchell K. & Jennifer E. Skaggs	8/21/2012	\$ 750,000	674-547	4943	4	4	2	\$151.73
			AVERAGE	\$ 750,000						
209 Golf Club Drive	Community Trust Bank, Inc.	Hina Naz	10/21/2011	\$ 790,000	660-630	5983	4	3	1	\$132.04
216 Golf Club Drive	Community Trust Bank, Inc.	Vincent E. & Tonya R. Gabbert	6/2/2011	\$ 760,000	653-463	5011	4	4	1	\$151.67
218 Golf Club Drive	Bill & Probel Jennifer Waits	Robert & Ellen Compton	3/23/2011	\$ 773,000	650-540	5770	4	4	1	\$133.97
110 Golf Club Drive	Manuel & Esperanza Hernandez	JB & SB Homestead, LLC	9/6/2011	\$ 1,165,000	657-614	5970	6	8	0	\$195.14
			AVERAGE	\$ 872,000						\$139.23
101 Golf Club Drive	James Daniel & Gilda B Adkins	Aslam & Shireen Ahmad	10/2/2009	\$ 1,000,000	627-309	6835	4	4	1	\$146.31
			AVERAGE	\$ 1,000,000						\$146.31
213 Golf Club Drive	Design Traditions, Inc	Jawad J. & Rihab Rayyan	10/20/2008	\$ 800,000	610-587	4751	4	3	1	\$168.39
214 Golf Club Drive	Jerrico Builders, Ilc	Michael S. & Glenda Kay Graff	9/29/2008	\$ 1,000,000	CD18-282	6770	4	3	2	\$147.71
217 Golf Club Drive	Design Traditions, Inc	Umar & Asma H. Murad	8/29/2008	\$ 980,000	608-303	6349	4	3	1	\$154.36
211 Golf Club Drive	Design Traditions, Inc	Yuming & Hong Shao Zhang	7/13/2008	\$ 980,000	606-645	4798	4	4	1	\$204.25
205 Golf Club Drive	Seven MS, Ilc	Ryan & Crystal McCauley	7/10/2008	\$ 858,298	605-561	4899	4	4	0	\$175.20
216 Golf Club Drive	Jonathan & Kelly Isaacs	Community Trust Bank, Inc.	5/23/2008	\$ 986,017	602-707	5011	4	4	1	\$196.77
111 Golf Club Drive	Design Traditions, Inc	Leonard & Joann D. Daniels-Smith	5/5/2008	\$ 975,000	602-153	4544	5	6	1	\$214.57
201 Golf Club Drive	Bank of New York Trustee	Amjad Abuhanieh	4/15/2008	\$ 834,000	601-139	4325	4	3	1	\$192.83
109 Golf Club Drive	Community Trust Bank, Inc.	Gary Michael & Amy Ditty Huff	3/20/2008	\$ 775,000	599-313	3973	6	5	1	\$195.07
208 Golf Club Drive	First Independence Bank	E. Tyler & Susan C Wilson	3/14/2008	\$ 720,000	599-87	4147	4	3	0	\$173.62
218 Golf Club Drive	Design Traditions, Inc	Bill & Probel Jennifer Waits	3/4/2008	\$ 1,030,000	598-378	5770	4	4	1	\$178.51
			AVERAGE	\$ 903,483						\$181.93
205 Golf Club Drive	Wellings Properties, Ilc	Seven MS, Ilc	11/20/2007	\$ 858,298	593-467	4899	4	4	0	\$175.20
202 Golf Club Drive	Kentucky Classic Homes, Inc	John M. & Garilynn Rossi	10/3/2007	\$ 750,000	591-31	5237	5	5	0	\$143.21
205 Golf Club Drive	Ryan & Crystal McCauley	Wellings Properties, Ilc	8/14/2007	\$ 858,298	588-199	4899	4	4	0	\$175.20
219 Golf Club Drive	Design Traditions, Inc	Ann F. & David G. Vezina	7/18/2007	\$ 1,294,670	586-117	5003	4	4	1	\$258.78
106 Golf Club Drive	Charles W. Mondelli & Robert McQueary	Matthew D. & Connie R. Clift	3/23/2007	\$ 1,145,000	579-142	5683	4	5	1	\$201.48
206 Golf Club Drive	Design Traditions, Inc	Donna Covington	2/28/2007	\$ 912,000	577-605	5725	4	4	1	\$159.30
			AVERAGE	\$ 969,711						\$185.53
215 Golf Club Drive	Design Traditions, Inc	Stephen A. & Lisa D. Schantz	12/15/2006	\$ 1,381,757	574-262	5854	4	3	1	\$236.04
205 Golf Club Drive	Jonathan & Kelly Isaacs	Ryan & Crystal McCauley	11/15/2006	\$ 1,049,000	572-650	4899	4	4	0	\$214.13
108 Golf Club Drive	Davie H. & Judy W. Crouse, Jr.	Jeffrey B. & Lora Kay Carter	9/26/2006	\$ 965,000	570-141	3397	4	4	0	\$284.07
102 Golf Club Drive	Design Traditions, Inc	Douglas S & Terri L Vyverberg	7/21/2006	\$ 915,000	566-119	5161	4	4	0	\$177.29
100 Golf Club Drive	Design Traditions, Inc	Duane T. & Celaine Rolando	6/30/2006	\$ 1,222,962	564-616	5410	5	3	1	\$226.06
207 Golf Club Drive	Design Traditions, Inc	James W. & Judy Diane Kelley	6/12/2006	\$ 980,000	563-571	5672	4	4	1	\$172.78
104 Golf Club Drive	Jonathan & Kelly Isaacs	Richard H & Mary F Ord	5/16/2006	\$ 1,200,000	562-109	6201	5	5	1	\$193.52
			AVERAGE	\$ 1,101,960						\$214.84
203 Golf Club Drive	Drew Rice Construction, Ilc	Kenneth J. & Clarinda K Francke	12/2/2005	\$ 899,000	552-151	4342	4	4	1	\$207.05
107 Golf Club Drive	Design Traditions, Inc	Stephen & Michele Angelo Jr	10/19/2005	\$ 1,060,000	549-353	6107	5	5	1	\$173.57
103 Golf Club Drive	Design Traditions, Inc	Gino & Karen Guarneri	9/19/2005	\$ 865,000	547-429	4828	4	3	1	\$179.16
			AVERAGE	\$ 941,333						\$186.59

The following table shows a summary of the average sale prices for lot and homes within Forest Hills, the location of the proposed tank, Eagle Drive in Harrods Ridge subdivision which is within the viewshed of a 500KG tank and a 50KG tank and Golf Club Drive in Harrods Ridge subdivision.

SUMMARY OF SALE DATA									
Lot Sales Avg.	2012	2011	2010	2009	2008	2007	2006	2005	2004
Forest Hills	\$ 95,636	\$0	\$0	\$151,667	\$0	\$177,346	\$170,385	\$0	
Annual Change in Value	-12.31%			-7.24%		4.09%			
Eagle Drive - Harrods Rdg	\$150,667	\$0	\$225,000	\$0	\$0	\$200,000	\$189,000	\$185,667	
Annual Change in Value	-16.52%		4.17%			5.82%	1.80%		
Golf Club Dr - Harrods Rdg		\$95,000					\$184,000	\$181,375	\$169,913
Annual Change in Value		-9.67%					1.45%	6.75%	

Homes Sale Avg.	2012	2011	2010	2009	2008	2007	2006	2005
Forest Hills	\$672,803	\$720,000	\$830,000	\$1,058,200	\$919,991	\$995,123	\$937,324	
Annual Change in Value	-6.56%	-13.25%	-21.56%	15.02%	-7.55%	6.17%		
Eagle Drive - Harrods Rdg	\$750,360	\$652,000	\$750,614	\$0	\$0	\$974,639	\$924,900	\$728,320
Annual Change in Value	15.09%	-13.14%	-7.66%			5.38%	26.99%	
Golf Club Dr - Harrods Rdg	\$750,000	\$872,000	\$0	\$1,000,000	\$903,483	\$969,711	\$1,101,960	\$941,333
Annual Change in Value	-13.99%	-6.40%		10.68%	-6.83%	-12.00%	17.06%	

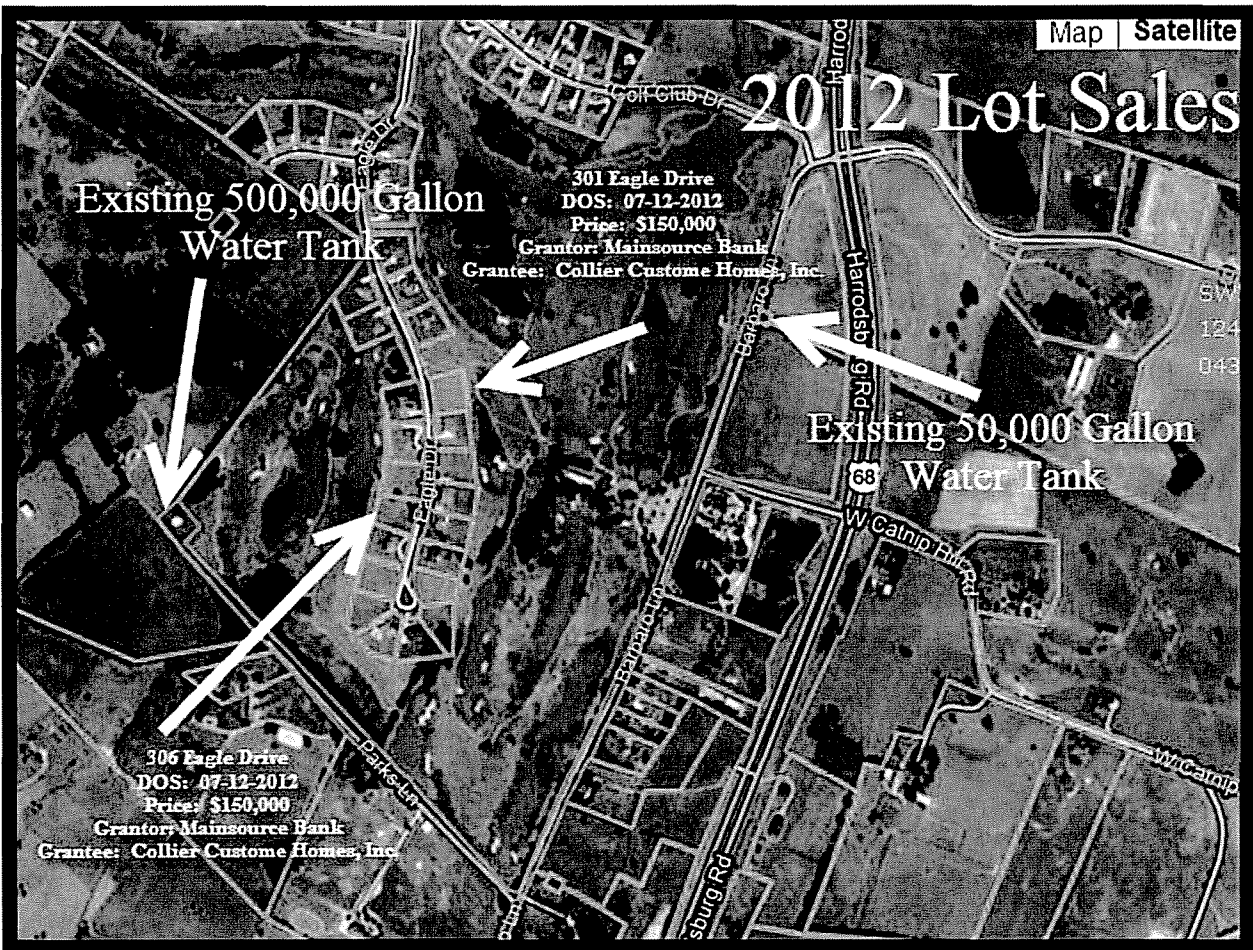


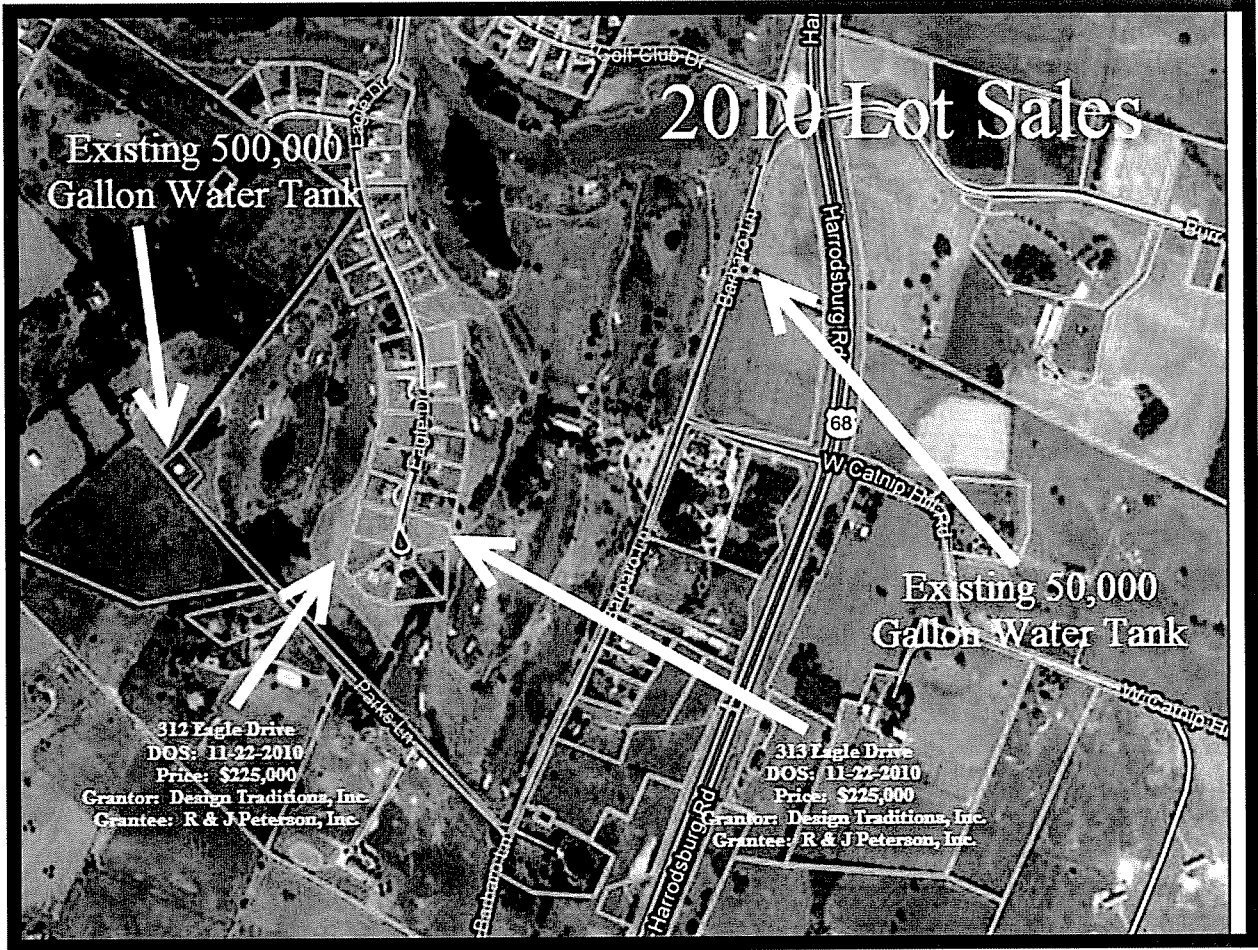


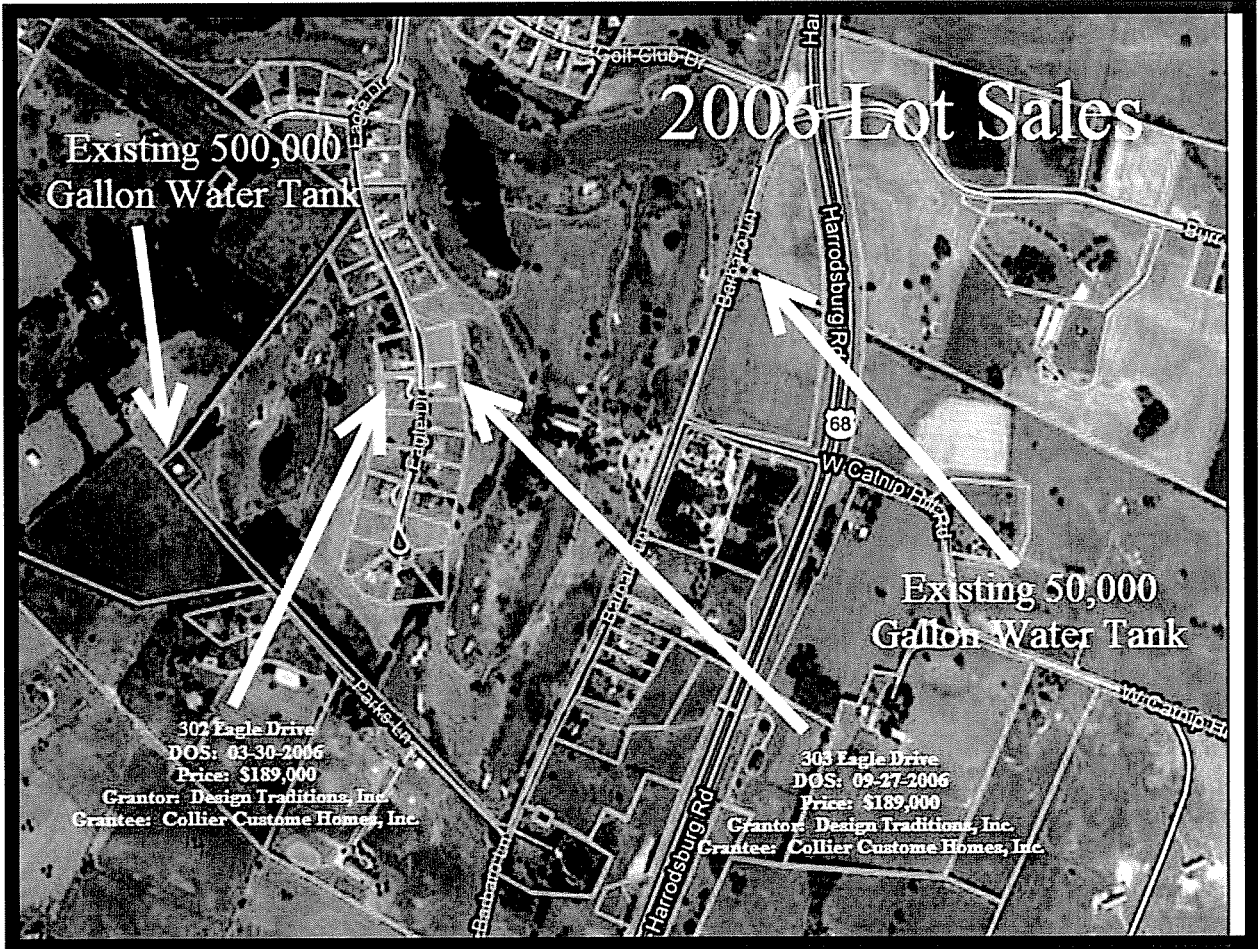
An analysis of this data indicates that Forest Hills, Eagle Drive and Golf Club Drive within Harrods Ridge have all experienced a decline in both lot and homes values which began between 2007 and 2009 for lots and between 2009 and 2010 for improved homes. Although some variance does exist from year to year between the three study groups, the trend is very similar which indicates that the decline in values is related to the real estate cycle versus the knowledge of the proposed storage tank by the Forest Hills neighbors at the JSEWD meeting on June 9, 2010.

For the reason that several of the years have limited data which can skew average values and in consideration that the homes within Forest Hills and Harrods Ridge are custom and prices can vary significantly as a result of different levels of quality, finish, design and square footage, the better comparison for isolating any change in value as a result of proximity to or being within the viewshed of a large elevated water storage tank is realized from a comparison of lot sales. The following is an analysis of those sales;

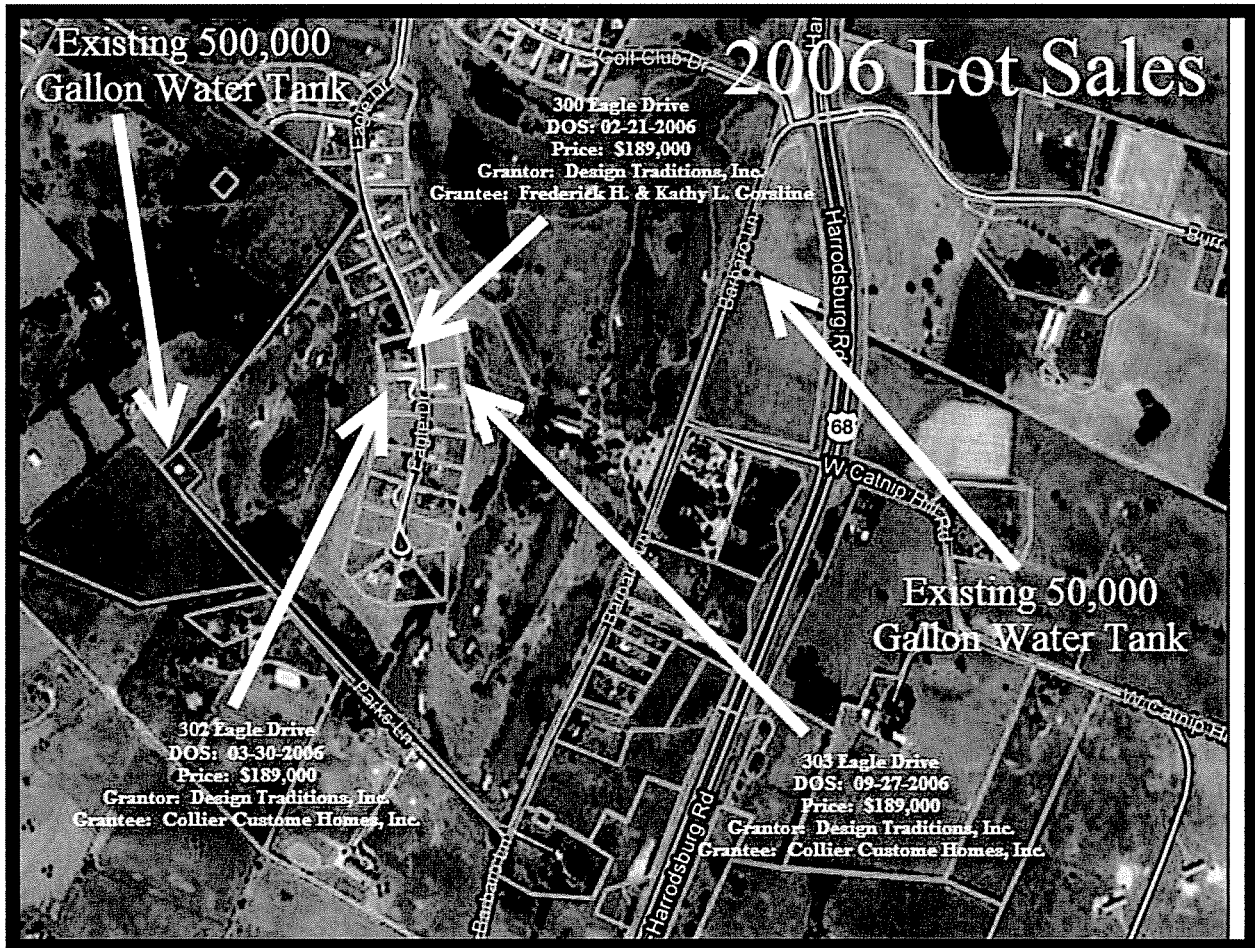
- The 2012 Lot sales involving 301 Eagle Drive (\$150,000) which does not back to the larger 500KG tank sold to the same buyer and for the same price as 306 Eagle Drive (\$150,000) which backs to the larger 500KG tank. The same was true for the 2010 sale involving 312 & 313 Eagle Drive and the 2006 sale of 302 & 303 Eagle Drive. This would indicate that there is no difference in value as a result of backing to the large elevated water storage tank.







- The 2006 sale of 300 Eagle Drive (\$189,000) which backs to the 500KG tank sold for the same price as 303 Eagle Drive (\$189,000) which is across the street with different buyers. This would indicate that there is no difference in value as a result of backing to the large elevated water storage tank.



- The 2005 sale of 100 Silver Fox Drive (\$179,000) which is located on the corner of Eagle Drive but where its viewshed of the tank is blocked by the house at 101 Silver Fox Drive demands the same price as 102 Silver Fox (\$179,000), 201, 203, and 205 Eagle Drive (\$179,000) all of which are in the viewshed from the front of the house. This would indicate that there is no difference in value as a result of being within the viewshed of a large elevated water storage tank.

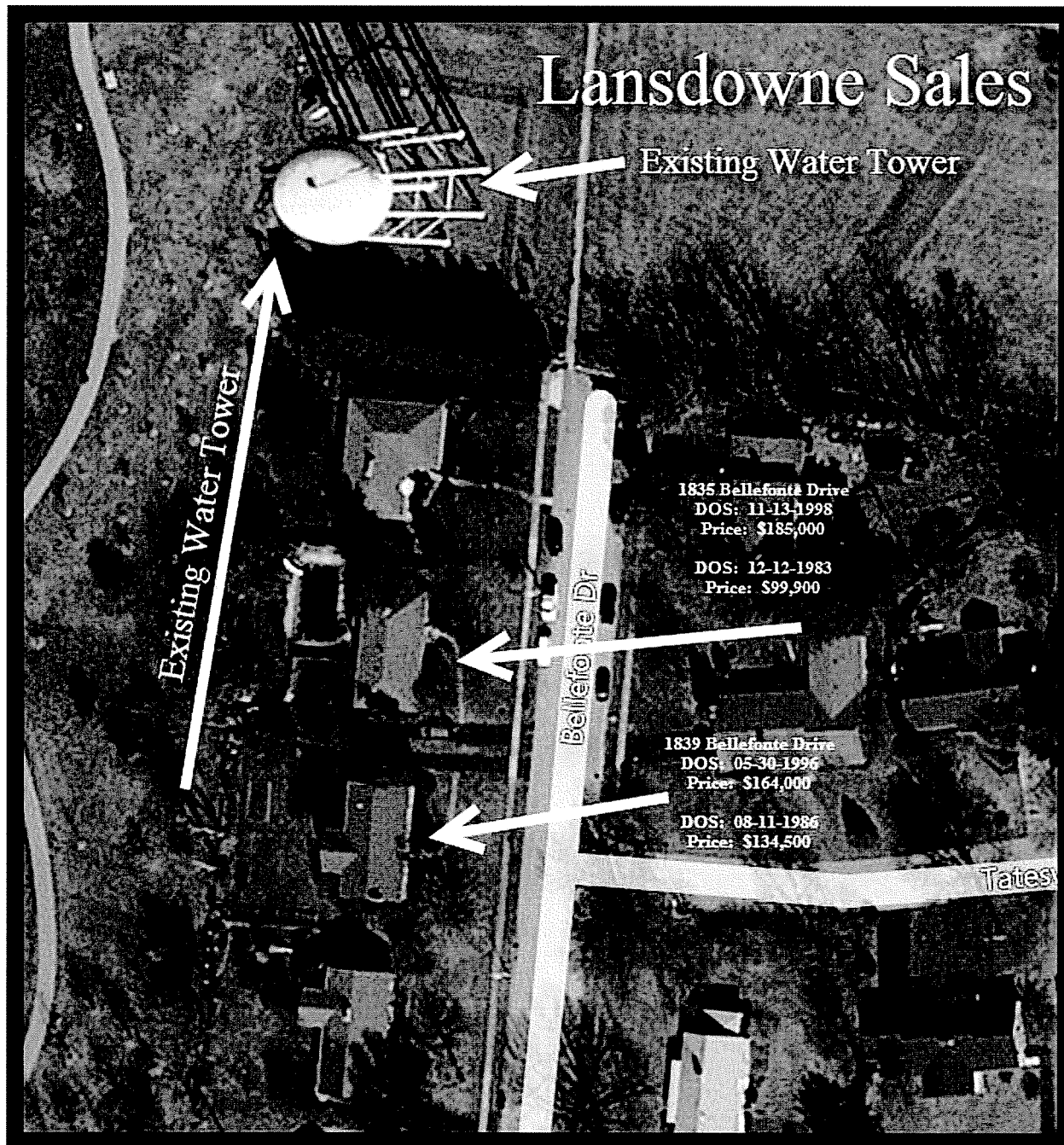


- The 2006 sales at 300,302 and 303 Eagle Drive (\$189,000) demanded similar prices to the properties at 211 and 210 Golf Club Drive (\$179,000 & \$189,000), neither of which are within the viewshed of either tank. This would indicate that there is no difference in value as a result of being within the viewshed of a large elevated water storage tank.



MARKET ANALYSIS – ARBORETUM WATER TANK SITE FAYETTE COUNTY

Located within the Arboretum on the University of Kentucky Campus and lying next to Lansdowne Shadeland neighborhood is a 500KG elevated water storage tank which has a high water elevation of 1185 feet which is slightly higher than the proposed subject at 1172 feet. The analysis has focused on two historical sales of residencies which are in close proximity to the described elevated water tank and the termination of Bellefonte Drive.



Property	Sale Price	Sale Date	Prior Sale Price	Prior Sale Date	Annual % Change	Neighborhood Annual % Change
1839 Bellefonte Drive	\$164,000	5/30/1996	\$134,500	8/11/1986	2.00%	2.38%
1835 Bellefonte Drive	\$185,000	11/13/1998	\$99,900	12/12/1983	4.19%	3.66%

The analysis has relied on the back to back sales of each property as well as a comparison to the overall average change in values within the larger subdivision during each of the time periods covered. The data is significant to the question of the effects of proximity to a large elevated water storage tank in that both sales show a substantial increase in relative value between each of their respective sale dates. In comparison to the larger subdivision it was found that the property at 1839 Bellefonte slightly lagged the larger subdivision in terms of the average annual rate of appreciation while the sale at 1835 Bellefonte exceeded the annual average increase found in the larger neighborhood. As such, the data indicates that proximity to a large elevated water storage tank does not support a diminution in value.

CONCLUSIONS

The analysis of the data provides the following conclusions;

- Forest Hills, Eagle Drive and Golf Club Drive within Harrods Ridge have all experienced a decline in both lot and homes values which began between 2007 and 2009 for lots and between 2009 and 2010 for improved homes. This trend has continued through 2012 where the market appears to have stabilized given the number of transactions which have occurred in 2012.
- Although some variance does exist from year to year between the three Jessamine County study groups, the trend is very similar which indicates that the decline in value is related to the real estate cycle versus the knowledge of the proposed storage tank by the Forest Hills neighbors at the JSEWD meeting on June 9, 2010.
- The lots within Harrods Ridge along Eagle Drive which are within the viewshed of the 500KG and 50KG tank have consistently sold at or above those lots along Golf Club Drive which are not within the viewshed. This indicates that there is no market evidence of any diminution in value as a result of being within the viewshed of a large elevated water storage tank.
- Lot prices along Eagle Drive have consistently been higher than those within Forest Hills even though Eagle Drive is within the viewshed of a 500KG elevated storage tank and a 50KG elevated storage tank.
- No variation in lot prices was indicated for those which are within the viewshed of the existing 50KG tank versus the 500KG tank. As such, the fact that the proposed tank has a capacity of 1MG is not anticipated to result in a different conclusion.
- Close proximity to an elevated water storage tank does not result in a diminution in market value.