Land Valuation and the Solar and Wind Appraisal Model

This information supplements the Instructions and Questions and Answers: Land Value associated with the Solar and Wind Appraisal Methodology.

When using the Solar and Wind Appraisal Model to value a plant, you have the option to enter the annual ground lease payment into the model.

If you enter a dollar amount in the annual ground lease payment field, the model will not value the land. It will value the improvements only (the plant itself). However, the amount you enter will impact the value (present value of cash flow) of the plant computed by the model.

If you don't enter a dollar amount in the annual ground lease payment field, the model output will include the value of the land necessary for the project.

**Scenarios**

**Note:** The scenarios below assume municipal-wide assessments are 100% of market value.

**Scenario 1: Lease**

The assessor enters $12,000 in the annual ground lease payment field.

The model computes a value of $2,000,000 (present value of cash flow on the Model tab). The value does not include the value of the land.

The assessor uses a standard appraisal methodology to value the land at $100,000.

The assessor enters the following on the assessment roll:

- Land assessment: $100,000
- Total assessment: $2,100,000

**Scenario 2: No Lease (or lease not known)**

The assessor does not enter a dollar amount in the annual ground lease payment field. (The default is $0.)
The model computes a value of $3,300,000 (present value of cash flow on the Model tab). The value includes the value of the land that is necessary for plant operations.

The assessor uses a standard appraisal methodology to value the land at $300,000.

The assessor enters the following on the assessment roll:
- Land assessment: $300,000
- Total assessment: $3,300,000

**Scenario 3: Lease + Surplus or Excess Land***

The assessor enters $12,000 in the annual ground lease payment field.

The model computes a value of $2,000,000 (present value of cash flow on the Model tab). The value does not include the value of the land.

The assessor uses a standard appraisal methodology to value the land for the entire parcel at $1,000,000.

The assessor enters the following on the assessment roll:
- Land assessment: $1,000,000
- Total assessment: $3,000,000 (present value of cash flow + land)

**Scenario 4: No Lease (or lease not known) + Surplus or Excess Land***

The assessor does not enter a dollar amount in the annual ground lease payment field. (The default is $0.)

The model computes a plant value of $3,300,000 (present value of cash flow on the Model tab). The plant value includes the value of the land that is necessary for plant operations. The value does not include the value of the surplus or excess land.

The assessor uses a standard appraisal methodology to value the following:
- the land for the entire parcel (including the land necessary for plant operations): $1,000,000.
- the land necessary for plant operations: $300,000.

To calculate the total assessment:

\[
\text{Present value of cash flow: } 3,300,000 \\
+ \text{Value of land for entire parcel: } 1,000,000 \\
- \text{(minus) Value of land necessary for plant operations: } 300,000 \\
= 4,000,000
\]

The assessor enters the following on the assessment roll:
- Land assessment: $1,000,000
- Total assessment: $4,000,000

*Surplus or excess land is additional land that is not needed to support the plant.
Did the assessor enter an amount in the annual ground lease payment field?

Yes: The value computed by the model does not include the value of the land.

Is there surplus or excess land?

Yes: The assessor uses a standard appraisal methodology to value the land for the entire parcel.
- Land value for assessment roll = the assessor’s computed land value \( \times \) the level of assessment
- Total assessment = (the model’s computed plant value + the assessor’s computed land value) \( \times \) the level of assessment

No: The assessor uses a standard appraisal methodology to value the land for the entire parcel.
- Land value for assessment roll = the assessor’s computed land value \( \times \) the level of assessment
- Total assessment = (the model’s computed plant value + the assessor’s computed land value) \( \times \) the level of assessment

No: The value computed by the model includes the value of the land (but not surplus or excess land).

Is there surplus or excess land?

Yes: The assessor uses a standard appraisal methodology to value:
- the land for the entire parcel, and
- the land necessary for plant operations.
- Land value for assessment roll = the assessor’s computed land value for the entire parcel \( \times \) the level of assessment
- Total assessment = (the model’s computed plant value + the assessor’s computed land value for the entire parcel – assessor’s computed land value necessary for plant operations) \( \times \) the level of assessment

No: The assessor uses a standard appraisal methodology to value the land for the entire parcel.
- Land value for assessment roll = the assessor’s computed land value \( \times \) the level of assessment
- Total assessment = the model’s computed plant value \( \times \) the level of assessment

Questions?

- Contact your ORPTS Customer Service Team
- Email: renewables.model.questions@tax.ny.gov