



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:

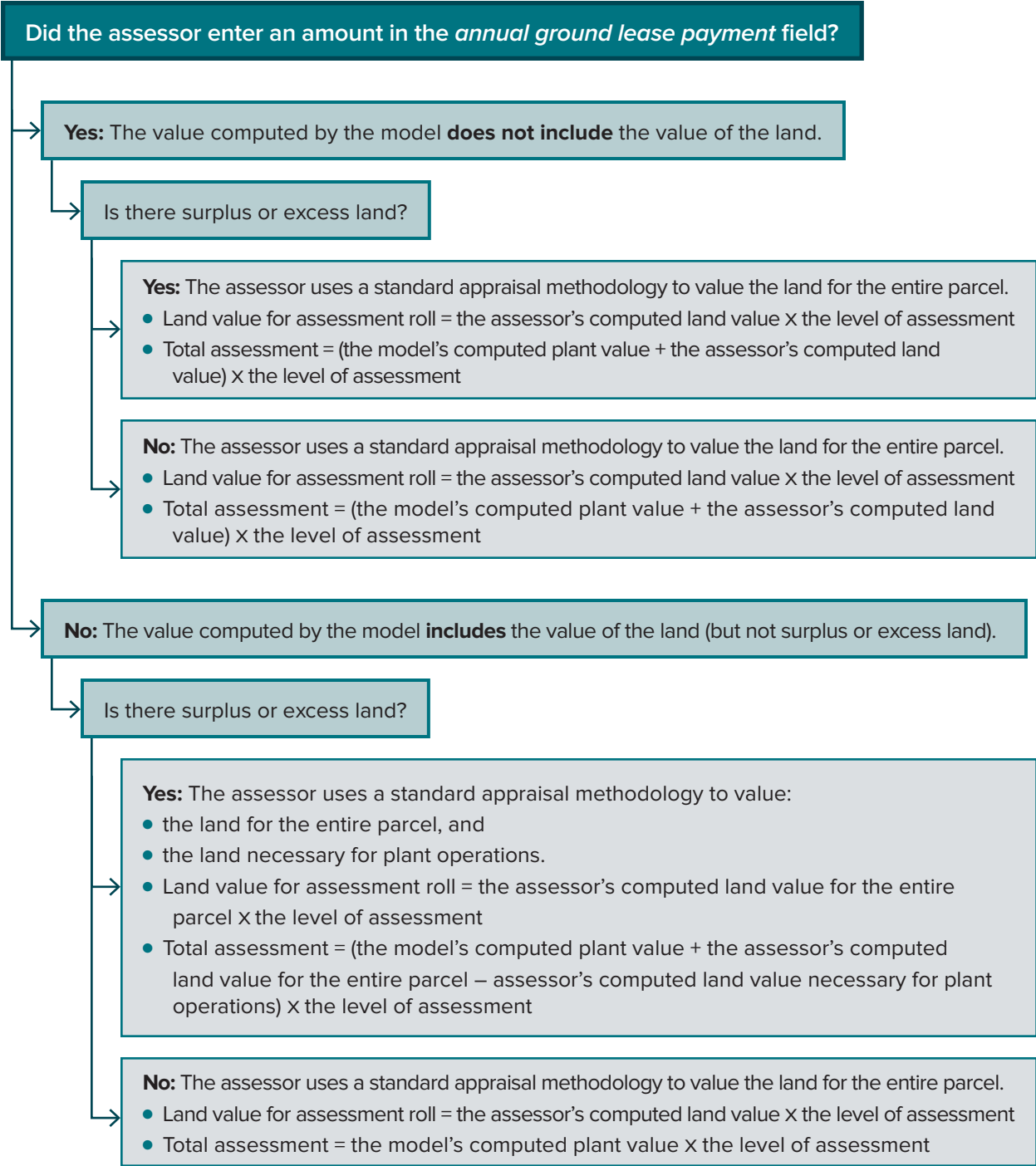
Present value of cash flow: \$3,300,000
+ Value of land for entire parcel: \$1,000,000
– (minus) Value of land necessary for plant operations+ \$300,000
= \$4,000,000

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.

Decision Tree



Questions?

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