

From: [Meredith Griffin](#)
To: [Peggy Fry](#)
Subject: FW: High Voltage Power Lines
Date: Tuesday, January 29, 2013 8:56:35 AM
Attachments: [pastedGraphic.tiff](#)
[High Voltage.doc](#)
[David Grounds.vcf](#)

From: Incardine, Joseph [mailto:jincardi@blm.gov]
Sent: Tuesday, January 29, 2013 7:40 AM
To: Greg Brown; Schelle Davis; Eichman, Henry -FS; Delilah Jaworski
Cc: Kathleen Depukat; Ellen Carr; Meredith Griffin; Godfrey, Dennis C
Subject: Fwd: High Voltage Power Lines

Hello, guys. This individual from Dorn Homes is making substantive comment relative to social and economic values. Greg and Schelle, please work with Henry and Delilah on the analysis needed for the EIS. Thanks...Joe

----- Forwarded message -----

From: **david grounds** <davegrounds@me.com>
Date: Mon, Jan 28, 2013 at 10:01 PM
Subject: High Voltage Power Lines
To: "jincardi@blm.gov" <jincardi@blm.gov>

David Grounds
President & CEO
Dorn Homes, Inc.
520-975-8467

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Joe Incardine
National Project Manager

Stationed in Salt Lake City

Off: 801-539-4118

Cell: 801-560-7135



January 29, 2013

Joe Incardine
National Project Manager
Bureau of Land Management
jincardi@blm.gov

SunValley-Morgan@blm.gov

Re: Sun Valley to Morgan 500/230kV Transmission Line

Dear Mr. Incardine,

I am a residential developer building homes throughout the state of Arizona and in the midwestern part of the U.S. My company is Dorn Homes. (dornhomes.com). We have been successfully developing residential communities and serving our customers for over 40 years. During this time we have built thousands of residential units.

I am writing to contest the Bureau of Land Management's position that high voltage transmission lines do not have a severe negative impact on the marketability and value of residential home sites. Additionally, I am challenging the Bureau's willingness to honestly assess the negative cost implications to land owners with close proximity to high voltage power lines. I have 40 years of empirical evidence to ground my assessment.

EXHIBIT 1: Lots 93, 94, 95: Lakeside Community
Prescott Lakes Master Planned Community.
Prescott Arizona.



The above lot 94 and its neighbors lot 93 and lot 95 has been for sale for over 20 months from Dorn Homes. We have established a premium of ZERO and will offer a large discount off the home if anyone will buy it. No one has to this point. Prior to Dorn Homes attempting to market these three lots, Suncor Corporation tried to sell these lots for over 2 years, unsuccessfully. **THERE IS NO DEMAND FOR THESE LOTS, AND EVEN OFFERING A PRICE REDUCTION OF BETWEEN \$26,500 AND \$39,500 FROM THE LOTS DIRECTLY ACROSS THE STREET, NO ONE HAS SHOWN ANY INTEREST.**

I can't emphasize this point enough: lots that aren't adjacent or viewing the power lines have \$26,500 to \$39,500 more value than the power line lots. This is at least a 65% devaluation on land values due to power lines. For over 4 years the lack of interest and value have proven this point.

EXHIBIT 2. Lot 101 Lakeside.



The above power line is visible from lot 101. It has been for sale for 20 months. Prior to that Suncor attempted to sell it, unsuccessfully. Lots across the street have values \$26,500 to \$39,500 higher, - and they sell.

EXHIBIT 3: Lots 10 and 11. Lakeside Community



The above power line is visible from lots 10 and 11. Still unsold. Suncor attempted to sell these lots for 2 years prior to Dorn Homes trying to sell them for 20 months.

EXHIBIT 4: Remaining inventory in Lakeside, and pricing.

**Prescott Lakes Lakeside & Brookside Pricing -
December 17, 2012**

Lot #	Lot Premium	Comments
10	5000	
11	4500	
93	0	
94	0	
95	0	
101	4000	
103	26500	
104	26500	
106	24500	
117	34500	**
118	33500	**
120	39500	**

The price list above is our remaining inventory for Lakeside in Prescott Arizona. (within the master planned community of Prescott Lakes).

Lot 10 and 11 back up to power lines. Unsold.

Lots 93-95 back up to power lines. Unsold.

Lot 101 backs up to power lines. Unsold.

In all cases, the sales agents know they can give away the lot premium to make a sale. Buyers are not interested. Meanwhile, 85% of the balance of the subdivision is SOLD OUT.

EXHIBIT 5: Attached Final City of Prescott Plats.

Please refer to the attachments. 1A Lakeside and 1B Lakeside. You will find the above-mentioned lots on these plats. You will also note a 125' electric easement on the plat that is adjacent to the lots. The photos I have provided demonstrate the power line running through this easement.

Additional Costs:

In addition to massive discounts and land devaluation caused by high voltage electric lines, there are the carrying costs to developers. If the Bureau will take the time to assess the cost of capital to carry lots, it is staggering. Costs include real estate taxes, HOA dues, maintenance, use of capital, etc. The totals are in the thousands of additional dollars of losses per lot.

The Logical Facts

If a homebuyer has a choice to live near a high voltage transmission line, or away from one, and all other factors are the same, the buyer will NEVER chose to live near said power line. Our company has been serving homebuyers making these decisions for over 40 years, and I consider myself an absolute expert in this matter. In all of the years I have been working with buyers, I have NEVER met one that chooses to live near a high voltage power line unless the discounts and incentives are so massive that a buyer finally submits to the choice. I would welcome ANYONE at the Bureau of Land Management to prove my statement erroneous. With a straight face, we all know that no one wants to live near or under a high voltage power line if they, for the same price, can live away from one.

We are opposed to Alternative 2 and Alternative 3 as they go through private land rezoned for Residential Subdivisions within Master Plans. We support the Proposed Action, which the ACC approved and is generally consistent with BLM's Preferred Alternative.

The Dept. of Interior is stating (and citing studies) that there is no lot price differential or home price differential between residential subdivision lots adjacent to high voltage transmission lines and those that are not. However, the fact that the difficult to sell lots are absorbed by the overall project and the full cost differential between the impacted and non-impacted lots is not reflected in the sales price.

Other Considerations when dealing with High Voltage Power Lines:

1. Larger lots need to be created to accommodate greater on-lot setbacks and increase the distance between home and unattractive element.
Large lots next to transmission lines are often sold for the same price as small lots.

2. More master developer and homebuilder marketing expenses are required to favorably position lots in less desirable locations within the subdivision.
3. Reductions in lot premiums and bonus or discounts in home upgrades to incentivize sale of challenging lots.
4. Carrying costs, interest expense on portion of debt associated with lots which do not move quickly, where there is slow absorption or velocity; lots next to unsightly areas sell last in the project and there is an associated interest expense with holding these lots until they sell.
5. Delay in construction and occupancy of these homes and associated delay in development fees and sales and property taxes which are realized when the lots are sold, homes are constructed and occupied. Homes not adjacent or in proximity to undesirable, intrusive or unsightly land uses sell more quickly. Delay in coming on-line has an associated cost.

I welcome to opportunity to tour the Bureau through our projects that contend with High Voltage Power Lines. The costs associated with trying to mitigate them are staggering. I am happy to prove this in person.

If you have any further questions, or wish to schedule a tour, please contact me.

Sincerely,

David W. Grounds
President and CEO
Dorn Homes, Inc.
520-975-8467