

CONNECTICUT SITING COUNCIL

IN RE:

THE UNITED ILLUMINATING COMPANY (UI)	:	
APPLICATION FOR A CERTIFICATE OF	:	
ENVIRONMENTAL COMPATIBILITY AND PUBLIC	:	DOCKET NO. 516
NEED FOR THE FAIRFIELD TO CONGRESS	:	
RAILROAD TRANSMISSION LINE 115-KV	:	
REBUILD PROJECT THAT CONSISTS OF THE	:	
RELOCATION AND REBUILD OF ITS EXISTING	:	
115-KILOVOLT (KV) ELECTRIC TRANSMISSION	:	
LINES FROM THE RAILROAD CATENARY	:	
STRUCTURES TO NEW STEEL MONOPOLE	:	
STRUCTURES AND RELATED MODIFICATIONS	:	
ALONG APPROXIMATELY 7.3 MILES OF THE	:	
CONNECTICUT DEPARTMENT OF	:	
TRANSPORTATION'S METRO-NORTH RAILROAD	:	
CORRIDOR BETWEEN STRUCTURE B648S	:	
LOCATED EAST OF SASCO CREEK IN FAIRFIELD	:	
AND UI'S CONGRESS STREET SUBSTATION IN	:	
BRIDGEPORT, AND THE REBUILD OF TWO	:	
EXISTING 115-KV TRANSMISSION LINES ALONG	:	
0.23 MILES OF EXISTING UI RIGHT-OF-WAY TO	:	
FACILITATE INTERCONNECTION OF THE	:	
REBUILT 115-KV ELECTRIC TRANSMISSION	:	
LINES AT UI'S EXISTING ASH CREEK, RESCO,	:	
PEQUONNOCK AND CONGRESS STREET	:	
SUBSTATIONS TRAVERSING THE	:	
MUNICIPALITIES OF BRIDGEPORT AND	:	
FAIRFIELD, CONNECTICUT	:	NOVEMBER 2, 2023

PRE-FILED TESTIMONY OF PETER VIMINI, MAI

Q. Please state your name and business address.

A. Peter A. Vimini of Vimini Valuation Services LLC, 1057 Broad Street, Bridgeport, CT 06604.

Q. Which party to these proceedings are you providing professional services for?

A. The Town of Fairfield.

Q. What is the purpose of your testimony in these proceedings?

A. To offer my professional opinion with respect to the application filed by United Illuminating Company's ("UI") and more specifically UI's estimated costs for acquiring new permanent easements on properties adjacent to the proposed project and the effect the application will have on the Town's real estate market.

Q. What is your area of professional expertise?

A. Real property valuation.

Q. Could you please describe your education and experience in the field of real estate valuation?

A. I have been a real estate appraiser in the State of Connecticut since 1978 and I have been licensed since the inception of licensing in 1989. I have been employed by Vimini Associates/Vimini Valuation Services LLC since 1978. I earned my Member of the Appraisal Institute ("MAI") Designation in 1991 and I recently served as a National Director of the Appraisal Institute for 5 years. I received a Bachelor of Science in business administration from Bryant College in 1978. Since then I have completed numerous course offered by the Appraisal Institute, including without limitation Condemnation Appraising – Advanced Theory. I also taught appraisal principles and procedures at Housatonic Community College from 2003 to 2008 and I have presented several seminars over the years concerning various topics in the field of real estate valuation. A copy of my CV is attached hereto as Exhibit A.

Q. Have you ever been qualified as an expert in the field of real estate valuation by any court?

A. Yes – the United States District Court for the District of Connecticut Bankrupt Court, Federal Courts in Bridgeport, New Haven and Hartford, the Connecticut Superior Court, and the Connecticut Housing Court.

Q. Are you familiar with the real estate market in Fairfield?

A. Yes. I am intimately familiar with the real estate market in Fairfield. I have been appraising properties located in Fairfield for my entire professional career and since 2021 I have served as the expert appraiser for the Town of Fairfield in tax appeals. I am also a licensed broker and I have been involved in the sale of multiple properties located in Fairfield over the years.

Q. Are you familiar with the application that is the subject of these proceedings?

A. Yes.

Q. What is your understanding of the application?

A. I understand, from my review of the application and the public docket for these proceedings, that UI is proposing to rebuild its existing single-circuit 115-kilovolt overhead transmission line that are currently situated on UI-owned infrastructure on top of railroad catenary structures that span the Metro-North Railroad (“MNR”) tracks in the Town of Fairfield (“Town”) and the City of Bridgeport (“City”), which UI refers to as the Fairfield to Congress Railroad Transmission Line 115-kv Rebuild Project (the “Project”). I further understand that UI proposes to remove the existing infrastructure that is located on Connecticut Department of Transportation (“CTDOT”) owned railroad catenary structures and rebuild the transmission line on new double or single circuit self-supporting steel monopoles. I also understand that the Project includes the rebuild of

lines along UI's right-of-way that extends from the CTDOT corridor to UI's Ash Creek Substation and will connect the rebuilt lines to UI's Ask Creek, Resco, Pequonnock and Congress Street substations. I further understand that UI contends that it has attempted to align the placement of these new poles within the CTDOT corridor and/or its own right-of-way, but because of site-specific constraints, UI claims that it cannot install and operate the rebuilt line entirely within that space. Consequently, as part of the application, UI is proposing to acquire new permanent easements for public use on certain properties adjacent to the Property. Specifically, UI is proposing to acquire an estimated 19.25 acres of new permanent easements from the owners of properties adjacent to or near the CTDOT railroad corridor and/or UI's right of way. UI anticipates utilizing its standard permanent easement form with respect to all of the new permanent easements it seeks to acquire. I believe that 325 properties in Fairfield abut the Project; 289 of which are privately owned.

Q. What work did you perform with respect to this assignment?

A. I reviewed the application and related filings on the Siting Council's docket. I also reviewed UI's standard easement form and analyzed market data for the Town of Fairfield.

Q. Can you please summarize your findings and conclusions?

A. I came to several conclusions.

First, it is my professional opinion that to a reasonable degree of appraisal certainty, UI has not substantiated what it will cost it to acquire new permanent easements. From my review and analysis of UI's application and the public docket for this application, UI is estimating that it will cost approximately \$30 million to acquire all

of the necessary new permanent easements over the 19.25 acres spanning 325 properties adjacent to the Project. UI has not substantiated how it came to the \$30 million dollar estimate with any type of analysis whatsoever and therefore it is impossible to determine if this estimate is reasonable. UI has not supported its application with any appraisal reports and UI has not offered any statements, reports or testimony from an appraiser. Instead, UI has simply stated in response to questioning that its estimate is based on “high-level estimate per acre.” It is also unclear from the application if UI’s estimated amount is only for compensation to the property owners or if it includes UI’s soft costs such as fees for legal and appraisal services. If the amount does not include soft costs, then UI’s estimate is inaccurate and should be increased.

Q. How does one go about measuring the cost to acquire a permanent easement for public use?

A. When a portion of a property is taken by an easement for public use, as is the case here, the ordinary measure of damages is to determine the difference between the market value of the whole property as it lay before the taking or imposition of the easement and the market value of what remains of the property after the taking or the imposition of the easement. In making this determination, one has to take into account any changes or future uses contemplated of the property and how the easement may or may not affect such use or uses. Here, I have reviewed UI’s standard form easement and the terms therein extremely restrict the property owner’s ability to use the area of land subject to the easement. One must also consider to what impact the easement holder’s use of the property subject to the easement may have on the market value of the property as a whole. Finally, one must take into account whether the presence of

the easement will stigmatize the property by causing the owner or prospective owners to fear that the property has an unknown element of risk attached to it by virtue of the easement. Here the easement allows UI to construct and maintain its equipment. Generally, the public negatively perceives utility equipment and work and therefore the properties subject to the new permanent easements are likely to be stigmatized going forward.

In its application, UI has not provided its analysis as to how it has valued its acquisition costs for its proposed new permanent easements other than to say that it has engaged in a “high-level estimate per acre.” Estimating the cost to acquire the new permanent easements simply on a cost per acre, which in this case would be approximately \$1,558,442 (rounded), is woefully deficient. This methodology is not a property-by-property analysis and fails to account for the factors I have just testified about.

Q. What other conclusions did you come to?

A. Second, based on my experience appraising properties in Fairfield, it is my professional opinion that to a reasonable degree of appraisal certainty, since COVID-19, all sectors of Fairfield’s real estate market, except perhaps office space, have thrived. In terms of the residential market, Fairfield home prices are not only among the most expensive in Connecticut, but also consistently ranks among the most expensive in the country. Since 2020, homes in Fairfield having been selling quickly and at premium pricing. The average price of a single-family home in 2023 is approximately \$1,117,139, an increase of 8.2% from last year and are typically sold within 60 days of being listed. The average price increases to \$1,848,070 for sales that occur in

Southport, to date an increase of 12.3% over last year. With respect to industrial properties, industrial rents in Fairfield have run considerably above the metro area average and this section of the market is thriving. For commercial properties, which saw \$82 million in retail transactions last year and a relatively healthy investment market over the years. Attached here as Exhibit B is a copy of overall market data that I review and analyzed for this assignment. Given the strong performance of the real estate market in Fairfield, I do not believe to a reasonable degree of appraisal certainty that UI will be able to obtain permanent easements at a cost of approximately \$30 million.

Q. Do you have any other opinions with respect to the application?

A. Yes. Finally, I do not believe that UI has adequately addressed the potential negative effects the Project will have on the surrounding real estate market. 325 properties in Fairfield abut the Project. 289 of those properties are privately owned. UI's application will negatively impact these properties and the surrounding real estate market in the following ways. First, as previously discussed, the new permanent easements will encumber multiple private properties thereby having a negative impact on their valuation. Second, the Project will result in a negative visual impact on the surrounding area. The view from a property is one of the material physical characteristics of a parcel of land that an appraiser must consider when appraising property and a negative impact on that view can result in a negative impact to that property's overall valuation. Finally, the presence of utility equipment is often negatively perceived by the public and therefore properties within the surrounding area will be stigmatized.

Q. Are there any project alternatives or mitigation measures that would mitigate the adverse effects of UI's proposed project on property values?

A. Yes, rebuilding the transmission line on the existing railroad catenary structures would preserve or closely maintain the status quo and therefore would not result in new permanent easements, a drastic visual change to the community or result in a new stigma. Placing the transmission line underground would also mitigate and/or eliminate these negative impacts.

Q. Does that conclude your testimony?

A. Yes.

EXHIBIT A

Qualifications of the Appraiser



QUALIFICATIONS OF PETER A. VIMINI, MAI

Education:

Bryant College, Smithfield, R.I. 02917

Date of Graduation – May, 1978

Degree: Bachelor of Science in Business Administration

Major: Accounting

The Appraisal Institute

Course Attendance and Completion:

Uniform Appraisal Standards for Federal Land Acquisition

Condemnation Appraising – Advanced Theory

Litigation – Expert Testimony

FHA and the Appraisal Process

Measuring Locational Obsolescence

Case Studies in Residential Highest and Best Use

Case Studies in Commercial Highest and Best Use

Automated Valuation Models

Evolving with the Capital Markets

Uniform Standards of Professional Practice

The Valuation of REITs, Real Estate Operating and Management Companies

Experience:

Appraisal

Residential, Commercial and Industrial Appraisals

Vimini Associates. Since 1978

Experience:

Practical

Licensed Real Estate Broker. (CT. License No. REB.0789831)

Certified Real Estate Appraiser. (CT. License No. RCG.0000605)

Certified To perform Municipal revaluation functions for assessment purposes for:

Land/Residential/Commercial/Industrial Supervisor (Certificate No. 764)

Certified Revaluation Company (Vimini Valuation Services LLC)–Real Property Valuation– Connecticut

Certificate No. 111

Qualified Expert Witness:

U.S. District Court (Federal Bankruptcy Court)

Connecticut Superior Court

Connecticut Housing Court

Municipal testimony before local land use boards

Professional Affiliations:

Member of the Appraisal Institute - MAI Designation No. 9586
Past President of the Connecticut Chapter of the Appraisal Institute
Currently serving as a National Director of the Appraisal Institute
Greater Bridgeport Board of REALTORS
Connecticut Association of REALTORS
National Association of REALTORS

Teaching:

Instructor: Appraisal Procedures – Housatonic Community College - 2003-2008
Instructor: Appraisal Principles – Greater Bridgeport Board of Realtors - 2003-Present
Instructor: Appraisal Procedures - Greater Bridgeport Board of Realtors – 2003-Present

Seminars:

Speaker: April 28, 1999: Bridgeport Bar Association- “Valuation for Estate and Gift Tax Purposes”
Speaker: March 3, 2010: Connecticut Bar Association- “Real Estate Valuation Basics”
Speaker: May 12, 2010: Fairfield County Bar Association- “Real Estate Valuation and Property Tax Assessment Appeals”
Author & Instructor: July 22, 2014 Connecticut Chapter of International Association of Assessing Officers IAAO- “Sales Comparison Approach Review”
Author & Instructor: August 18, 2014 Connecticut Chapter of International Association of Assessing Officers IAAO- “Basic Income Capitalization Review”
Co-Authored & Instructor: August 16, 2016 Connecticut Chapter of the International Association of Assessing Officers IAAO - “Real Property Assessment vs Fee Appraisal, “Differences in Approach”
Co-Authored & Instructor: May23, 2017 International Association of Assessing Officers -NRAAO Conference- “Creating Value”

EXHIBIT B

NEIGHBORHOOD DATA

TOWN OF FAIRFIELD NEIGHBORHOODS

In the Town of Fairfield is a coastal community in Fairfield County with approximately 62,000 residents and has a variety of different neighborhood



Source: jenniferlockwoodhomes.com

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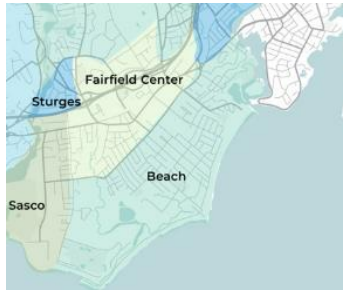
Fairfield is a larger medium-sized coastal town (i.e. on the ocean, a bay, or inlet) located in the state of Connecticut. With a population of 61,512 people and 16 constituent neighborhoods, Fairfield is the 11th largest community in Connecticut.

Fairfield home prices are not only among the most expensive in Connecticut, but Fairfield real estate also consistently ranks among the most expensive in America.

Fairfield is a decidedly white-collar town, with fully 93.07% of the workforce employed in white-collar jobs, well above the national average. Overall, Fairfield is a town of professionals, managers, and sales and office workers. There are especially a lot of people living in Fairfield who work in management occupations (18.08%), sales jobs (13.10%), and business and financial occupations (10.96%).

NEIGHBORHOOD DATA (continued)

FAIRFIELD BEACH NEIGHBORHOOD



The Fairfield Beach neighborhood is located along the coastline from the Post Road and Old Post Road heading south. This area lends itself to the convenience and walkability to the beach, Town Hall, as well as to the retail stores and dining haven of downtown Fairfield. This is a highly desirable place to live where families can walk or bike through the area to enjoy the beaches, parks, and surrounding neighborhoods. The high-value homes in this area range from the original beach bungalows to charming capes and colonials to new construction luxury properties on smaller lots. Much of the new construction is built in the Craftsman or Nantucket style by the top builders in the area.

The Fairfield Beach neighborhood has 3 public beaches, Jennings and Penfield Beach being the largest and most frequented. The Jennings Beach area, largest of the two beaches with 27 acres, includes a concession stand, bathroom facilities, volleyball poles, sailboat racks, and offers swimming lessons. Jennings Beach is home to Fairfield's 4th of July fireworks, which are displayed over the water and can be seen from all of Fairfield public beaches. In addition, Jennings Beach hosts the Sand Jam Family Fun Dance and Family Movie Nights hosted 4 times a year by the Recreation Department. Not to be missed is the experience of having your own bonfire on the beach during the summer months. Make reservations early as this popular activity books quickly. Located next to Jennings Beach is the Henry Rowland Memorial Playground, home of the Sandcastle Playground, Skate Park and walking trails. Jennings Beach is also located near South Benson Marina. The marina accommodates 600 boats, has a boat launch ramp, bathroom facilities, picnic tables, bait shack and a fishing pier.

Residents of the neighborhood are represented by several active neighborhood organizations, including the Fairfield Beach Residents Association, which includes the entire beach area, and the Fair Acres Association, which includes residents residing within the blocks between Rowland Road and Penfield Road. These associations help maintain the beauty and safety of the area.

Located in the beach neighborhood is the private Fairfield Beach Club nestled between Penfield and Jennings Beach offering beach service, dining, and tennis. At the corner of Fairfield Beach and Reef Rd, you will find The Inn at Fairfield Beach.

South Pine Creek Beach is the third and smallest of all the beaches. There are bathroom facilities, a small parking lot and a lifeguard on duty. Veterans Park is located on Reef Road and offers a softball field, playground, horseshoe courts, picnic tables and tennis courts. Another wonderful amenity of the beach area is the Par 3 public town golf course. The Par 3 is a delightful place for golfers of all abilities and is located on South Pine Creek Road.

MARKET DATA-FAIRFIELD, CT

Thus far in 2023 there are approximately 79 active home listings in Fairfield, Connecticut with approximately 46 pending, 21 off-market, and 46 home listings that expired/price reduced. Town of Fairfield homes are selling for an average price of \$1,117,139 thus far in 2023. Fairfield homes on average sell between 0-30 days. Compared to last year (2022), there were 730 homes sold in Fairfield with an average sales price of approximately \$1,038,368 with 90 expired listings and 2 off market sales.

In Southport thus far this year there are approximately 36 home sales (compared to 75 homes sales in 2022) with approximately 54 new home listings thus far in 2023 (compared to 81 new home listings in Southport in 2022).

Fairfield Overview

Active Homes Thus Far 2023	New Listings Thus Far 2023	Sold Homes Thus Far 2023	Expired/Price Reduction Thus Far 2023	Off Market Sales Thus far 2023
79	625	477	46	21

Fairfield County, Town of Fairfield, Southport Comparison- (Single Family/Traditional Sale) *Single Family Residential*



Source: CT MLS

Compared to Fairfield County (which is trending similar), the Town of Fairfield homes (Single-Family/Traditional Sale) are selling for approximately \$1,117,139 thus far in 2023 with the Southport Neighborhood average closing price of approximately \$1,848,070. All three respective regions saw a stable increase in sales prices from 2020 with the number of days to market decreasing in each area except for the Southport Neighborhood where homes are spending approximately 58 days on market and trending upward. Single family homes (Traditional Sale) availability is on the decline and only a handful of new single family home development in the Town of Fairfield, the price of homes could see an increase from list price to close price percentage. A lot of new developments for residential living is being seen in the condo/townhouse real estate markets. Additionally, with more home availability in surrounding towns buyers may be looking to towns surrounding Fairfield.

MARKET DATA-FAIRFIELD, CT (continued)

Fairfield County, Town of Fairfield, and Southport Neighborhood-(Single Family/Traditional Sale)

Average Days on Market Thus Far 2023



Source: CT MLS

Percentage of List Price to Close Price Thus Far 2023



Source: CT MLS

MARKET DATA-FAIRFIELD, CT (continued)

Fairfield County, Town of Fairfield, and Southport Neighborhood-(Single Family/Traditional Sale)

The average percentage of list price of single-family homes (Traditional Sale) in Fairfield County is 102.4% thus far in 2023 with Town of Fairfield at approximately 102.3% and Southport Neighborhood at approximately 102.2%. The percentage of list price has been above 100% for all markets since Q4 of 2021. So far, we are seeing closings stable or above the listed price as the amount of home availability decreases and the relocation of out of state home buyers is peaking.

Months Supply of Homes Thus Far 2023



Capital Markets Overview

Fairfield Retail

Asset Value

\$1.1B

12 Mo Sales Volume

\$19.4M

Market Cap Rate

6.6%

Mkt Sale Price/SF Chg (YOY)

-2.5%

12 MO SALES VOLUME	Total	Lowest	Highest
Transactions	11	-	-
Sales Volume	\$19.4M	\$925K	\$9.4M
Properties Sold	11	-	-
Transacted SF	127.7K	2.8K	63.3K
Average SF	11.6K	2.8K	63.3K

12 MO SALES PRICE	Average	Lowest	Highest	Market
Cap Rate	11.6%	11.6%	11.6%	6.6%
Sale Price/SF	\$335	\$216	\$436	\$303
Sale Price	\$2.4M	\$925K	\$9.4M	-
Sale vs Asking Price	-10.0%	-12.5%	-7.7%	-
% Leased at Sale	83.3%	0%	100%	-

KEY PERFORMANCE INDICATORS



SUMMARY

Fairfield has had a relatively healthy investment market over the years, and buyers have exhibited a steady interest in the area. The historical interest in Fairfield carried through the past 12 months, as well, and the number of trades largely kept pace with the five-year average. Annual sales volume has averaged \$28.0 million over the past five years, including a 12-month high of \$82.0 million over that stretch. The recorded transaction volume here reached \$18.3 million in the past year. The general retail sector drove that volume.

Market pricing, which is based on the price movement of all properties in the submarket, sat at \$303/SF during the fourth quarter of 2023. That market price is up compared to the fourth quarter from last year, but the price itself still has some catching up to do to reach the overall average for Stamford. The market cap rate has contracted over the past year to 6.6%, which is pretty similar to the metro.