REPORT OF AUDREY A. COLE

I am an attorney licensed to practice law in Connecticut, and am also a real estate broker and appraiser with the following qualifications:

Certified General Real Estate Appraiser #RCG0000129
Connecticut Real Estate Broker #REB0130272
Massachusetts Real Estate Broker, #139405
New York Real Estate Broker #10351209264
Former Connecticut Real Estate Commissioner, 1991-95 (appointed by Governor)
Former Valuation Officer, Connecticut Housing Finance Authority, 1993-1996

I have reviewed the 2020 report submitted by SKEO ("SKEO2020") concluding that siting a PCB dump next to the Housatonic River in Lee would have no effect on property values in the surrounding area. Putting aside that this conclusion is completely contrary to common sense, it is also contrary to the conclusion SKEO itself reached in a report it prepared in 2012 entitled "*Cleanup-Up of the Housatonic "Rest of the River" Socioeconomic Impact Study* ("SKEO2012"). The 2012 report concluded that **property values would decline within three miles of an on-site disposal facility.**

The SKEO2020 report is also fundamentally flawed in at least the following respects:

1) The qualifications of SKEO to conduct a property data analysis are not provided in its report, nor the names, education, licenses, or certifications normally required in credible property valuations. Traditionally, property valuation experts must be state licensed and perform to Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Federal Institutions Reform, Recovery and Enforcement Act (FIRREA), whether conducting a mass appraisal or individual fee appraisal or market analyses.

2) SKEO also does not utilize appropriate or accepted methodologies. Appropriate methodologies used to analyze property value loss caused by factors external to the property would be a paired sales analysis or hedonic regression analysis. Paired sales analysis requires comparing a subject property to comparable properties not affected by the same external factor or factors. Hedonic regression (which estimates the influence different factors have on the price/demand of a good) requires a database containing a significant number of sales, not available here. The Federal Reserve Economic Data (FRED), discussed in SKEO2020, while interesting in analyzing general property valuation fluctuations and

market trends in Berkshire County, are not correlated to the question of the impact of the location of the proposed PCB UDF on nearby real estate property values.

3) SKEO2020 focuses on analyzing increases/decreases in property values in Pittsfield, MA and specifically in the Allendale neighborhood of Pittsfield, in which onsite disposal facilities were constructed to contain polychlorinated biphenyls (PCBs) extracted from an earlier phase of the Housatonic River remediation. What this analysis ignores is that the Allendale neighborhood is home not only to these onsite disposal facilities but to the General Electric plant that was not only the source of all the PCBs in the Housatonic, but a property that itself was highly contaminated with PCBs. In other words, the Allendale neighborhood already had the stigma of being located adjacent to the heavily contaminated GE PCB site. SKEO2020 made no attempt to differentiate the stigma of adjoining a major contaminated PCB site and the stigma of being home to onsite PCB disposal facilities. SKEO2020 also claims to draw conclusions from Pittsfield data without substantiating how this analysis relates to property valuations in Lee and Lenox, Massachusetts, and neither defines nor provides supporting data on these communities expected to host the proposed PCB UDF.

4) SKEO2020 also includes a non-quantitative narrative regarding the potential effects of the new landfill in Lee, noting that the location is in an existing industrial zone with two existing landfills south of the proposed UDF. The narrative posits that "the addition of a new landfill in the same general area would not likely result in additional property value impacts," but again offers no substantiating or supporting data for this conclusion. Among other things, the report fails to document the age, materials, content, or hazards that may be present in the existing landfills, the current extent of containment of those landfills, or how those landfills would compare, impact, or interact with the proposed new PCB landfill, which will also be accompanied by a large hydraulic pumping mechanism in the adjoining sections of the river.

I also reviewed the Environmental Protection Agency's Response to Comments, (https://semspub.epa.gov/work/01/650441.pdf), addressing the issues of property devaluation, and point out that they also are not supported by substantiating data:

1) For one thing, EPA acknowledges that SKEO's 2012 report estimates a 3.5% decline in property value due to proximity to on-site disposal sites. More precisely, SKEO2012 asks, "How would the potential on-site landfills affect property values," and concludes the decline caused by the "*hazardous waste price effect is appropriate to use given likely public attitudes towards these disposal facilities*." In its Response to Comments, however, EPA states, "given that UDF will be used for disposal of only low-level PCBs and the other factors mentioned above, there are credible reasons to believe that the property value impact of the UDF would not occur or be less than 3.5%". Again, however, EPA fails to provide any data to support such "belief."

6) In its Response to Comments, EPA opines that, for many of the same reasons "*EPA does not **believe** the UDF will harm property values, EPA also **believes** that the presence of the UDF will not harm or significantly impact tourism.*" This flies in the face of SKEO2012's conclusion: "*while it is not possible to precisely quantify the degree to which Rest of the River cleanup options will impact tourism, it is likely that extensive removal and the moderate removal cleanup options would have some impact on at least those visitors attracted by outdoor recreation*."

Since the February 10, 2020 press conference at which EPA announced its agreement to allow onsite disposal of PCB-contaminated waste, there have been numerous public information and comment sessions about this plan. At these sessions, numerous real estate brokers, agents, and property owners have opined that, if built, the PCB landfill will negatively impact real estate valuations and tourism in their communities. (E.g. attached Statement of Janice Braim). EPA has ignored these well-informed opinions, and instead asked the community to accept a fundamentally flawed, inconsistent, unqualified report by SKEO and its own unsupported "belief" that there will be no negative impacts on property valuations or tourism from the proposed landfill.

Submitted this 5th day of March, 2021:

Audrey A. Cole
Audrey A. Cole, Attorney At Law, LLC
President, Housatonic Environmental Action League
270 West Cornwall Road
West Cornwall, CT 06796

STATEMENT OF JANICE BRAIM

I am a licensed real estate broker, and have been working with buyers and sellers of residential properties in Berkshire County for over 40 years. The Town of Lee is where I grew up and where I do most of my business.

Based on my professional training, and my experience with real estate in Berkshire County, it is my professional opinion that the building of a PCB dump along the Housatonic River in Lee will significantly depress real estate prices in Lee, particularly close to the dump site. In fact, although construction of the dump has not yet even begun, the prospect of the dump is already affecting the real estate market in Lee:

- The family of one long-time resident is planning to move out of Lee if the dump is built, out of concern for having their children too close to it
- Another couple that recently moved to Lee told me that they are afraid to remain, and are looking to move
- Others who were thinking of moving to Lee are now looking elsewhere instead.

If construction of the dump begins, the effect on the real estate market in Lee will only get worse.

Signed this 4th day of March, 2021.

Janice Braim
Janice Castegnaro Braim