

REAL ESTATE APPRAISAL & CONSULTING SERVICES

September 18, 2023

Northwestern University
C/o Katie C. Jahnke Dale
DLA Piper LLP (US)
444 West Lake Street
Suite 900
Chicago, IL 60606-0089

Re: Proposed Ryan Field Stadium Redevelopment
Northwestern University
Evanston, Illinois

Ladies and Gentlemen,

Northwestern University is proposing to replace its existing football stadium, Ryan Field (“Ryan”), with a smaller state-of-the art facility. As part of this project, it also seeks to host up to six public concerts per year. This plan will require certain zoning relief including: (1) a Special Use that would permit this redevelopment and (2) a Text Amendment that would permit these concerts (in addition to other activities). Among the standards that must be met for these changes to be approved is that they will not have an adverse effect on or interfere with the values of surrounding properties. This is the standard I am addressing in this report.

The Most Livable City Association, a local citizens’ group, has obtained a Property Value Impact Study (dated August 14, 2023) from CohnReznick (“Report”) which concludes that adding 10 concerts to the activities at Ryan could reduce surrounding property values by three to five percent. At your request, I have reviewed this Report and provided the following comments.

In my opinion, the Report has structured its analysis in such a way that it fails to address the question at hand, which is the impact on surrounding homes of adding concerts to the activities at an existing stadium. Instead, the analysis considers whether the presence of a stadium itself negatively impacts the surrounding homes. As a result, I do not believe this Report has any relevance to the decision-making regarding the redevelopment of Ryan, the proposal to hold concerts there or the approval standards applicable to either of the forgoing.

BACKGROUND INFORMATION

The Report draws conclusions regarding Ryan based on an analysis of homes near a stadium in the Forest Hills neighborhood of Queens, New York - 820 miles east of Evanston.

The Forest Hills Stadium (“Forest Hills”) was constructed in 1923 and has a seating capacity of 13,000 (as reported on its website). It was the longtime home of the U.S. Open tennis tournament until 1978. It is in a fully developed residential neighborhood where homes date from the 1920s and frequently sell in the range of \$2,000,000. No one acquiring a home near Forest Hills (or Ryan, for that matter) could be surprised to know that it can periodically be very busy while many other times sitting unused.

In comparing Ryan and Forest Hills, I would note the following:

- The closest single-family homes to Forest Hills are about 80 feet from the south edge of the stadium. The closest single-family homes to Ryan are about 280 feet from the east edge of the stadium.
- Forest Hills lacks any on-site parking and since event attendees cannot park on the surrounding residential streets (as is the case with Ryan) they must use public transportation or a ride service. Ryan has parking on site as well as access to university parking within walking distance.
- Forest Hills began holding concerts in 1963 which stopped in 1998 but resumed in 2013. With a recent schedule of around 30 concerts annually, the activity level at Forest Hills far exceeds the six concerts proposed for Ryan.
- The Report notes that Forest Hills has endeavored to control sound transmission due to neighbors’ complaints. While the Report does not note that Ryan will have a state-of-the-art system to mitigate sound outside the stadium, it does seem to suggest that it could impact its conclusions when it states “... we have concluded that quantifiable negative impact may occur to adjacent properties, dependent on mitigation efforts by the University.” Emphasis added.

DATA CONSIDERED

The Report studies a target area around Forest Hill and contrasts it with a much larger control area further away. In neither instance, does the Report explain how the boundaries for these areas were selected.

The Report provides information on 21 home sales near Forest Hills between September 2018 and January 2023 as well as 20 sales in the control area between October 2018 and May 2023.

The period 2018 through 2023 has been the most tumultuous in many decades. Marking March 2020 as the point when the Covid pandemic began to have a profound impact on daily life, this period encompasses the pandemic as well as 19 months of the pre-pandemic period. Fourteen (two-thirds) of the sales near Forest Hills closed after the onset of the pandemic while only 10 (half) of the control group sales did.

With a total of 41 sales, I do not believe that the Report's database is large enough or controlled enough to produce reliable statistical evidence as to the impact of any single variable on property values.

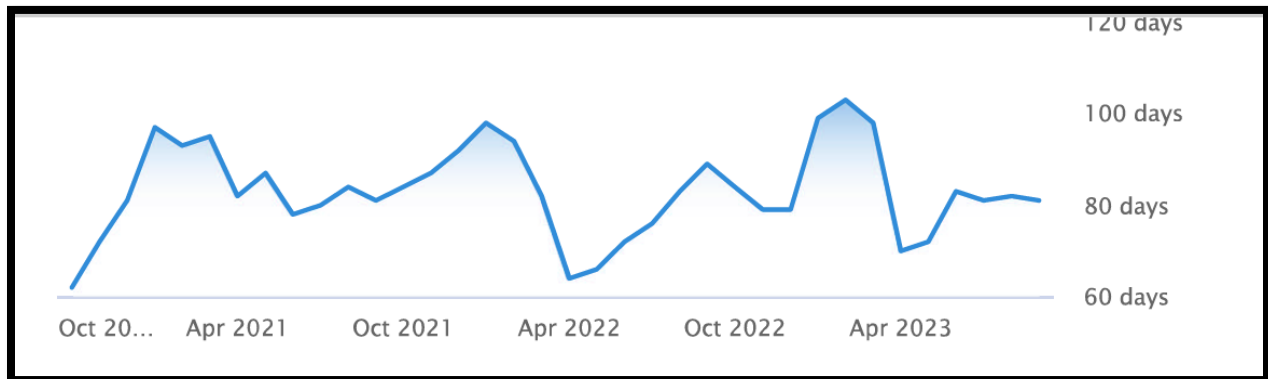
METHODOLOGY APPLIED

The Report says that it is studying the value impact on surrounding homes of reintroducing concerts at Forest Hills in 2013. However, the methodology it employs does not address this issue. An analysis that addressed this issue would contrast home prices in proximity to Forest Hills in the period after 2013 with a prior period when no concerts were held.

Instead, the Report compares a group of homes very near Forest Hills with a group further away and represents that any differences between them reflect the negative impact of concerts at Forest Hills. In fact, the Report is inaccurately measuring the impact of Forest Hills itself.

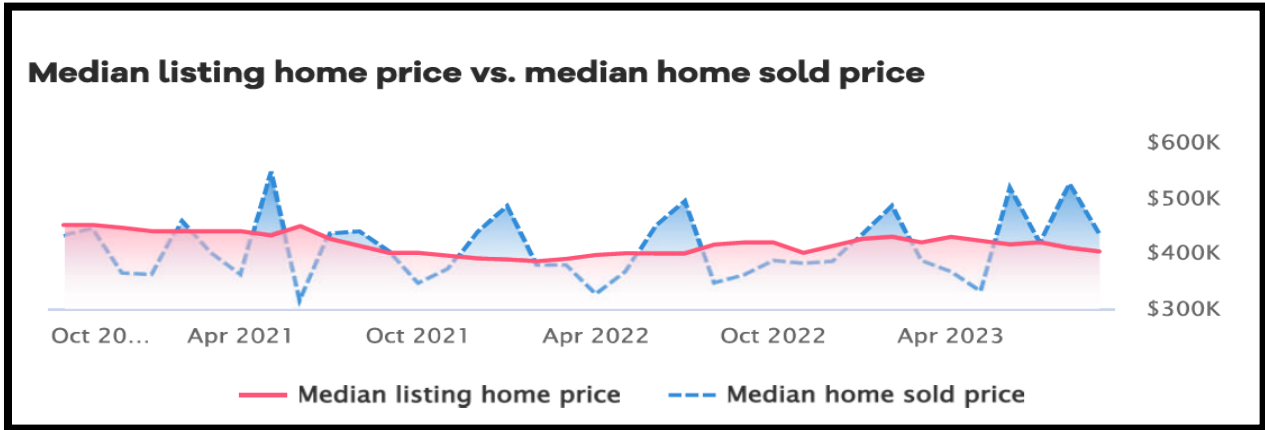
The Report's conclusions rely on the following measures:

- The Report indicates that the **median sales price per square** foot for homes near Forest Hills was 2.85 percent lower than in the control area. This is a modest differential and could be accounted for by many factors, most obviously the timing of these sales as well as the varying features and conditions of the individual homes.
- The Report says that the **median marketing time** for homes near Forest Hills was 190 days whereas for homes in the control area it was 177 days, indicating a differential of 7.3 percent. However, as indicated by the following table from Realtor.com, recent marketing times have been very volatile in the Forest Hills neighborhood, indicating that a property's time of sale could impact its marketing time.



Median Market Period – Forest Hills – Source: Realtor.com

- The Report says that the **median spread between listing prices and sales prices** was 10.56 percent near Forest Hills as compared with 6.3 percent in the control area. In my experience, this differential can often reflect sellers' motivations and realism regarding their home's value. Furthermore, as indicated by the table below from Realtor.com., sale and listing prices in this neighborhood have varied sharply over the past few years.



Data from Forest Hills - Source: Realtor.com -

- The Report charts resales of homes in both groups from 1998 through 2023, which spans the pre-and post-concert period (the concerts were resumed in 2013). These sales were used to calculate the **median monthly price appreciation rate** for these areas, which has been 0.33 percent near Forest Hills and 0.38 percent in the control area. I believe this difference of 0.05 percent would be seen as de minimus by most market participants.

Most interesting about this metric, however, is that it indicates that the long-term appreciation rate for homes near Forest Hills has been essentially the same as for the control group despite the re-introduction of concerts.

CONCLUSIONS

I observe the following regarding the homes that the Report has studied:

- There is substantial overlap in their prices. Among the 21 homes near Forest Hills, 11 sold for \$1,700,000 to \$2,500,000 as did 12 of the homes among the 20 in the control group.
- The most expensive home that has sold near Forest Hills commanded \$4,000,000 in October 2021 and the most expensive home in the control area sold for \$4,100,000 in June 2022. Using the Report's cited median monthly appreciation rate of 0.3 percent, essentially all of this difference can be attributed to market appreciation.
- The home experiencing the highest rate of monthly appreciation (0.5 percent) near Forest Hills is located at 32 Tennis Place. It sold in 2003 and then resold in 2018 – a 15- year span. For the first 10 years there were no concerts and for the last five years there were.
- The most expensive home currently on the market in the Forest Hills neighborhood (according to Realtor.com) is located at 69-36 Dartmouth Street and is listed for \$3,999,000. It is about 80 feet from the south edge of the stadium.

I do not believe the Report provides any evidence that the concerts at Forest Hills have negatively impacted surrounding property values. Nor has it provided any convincing evidence that Forest Hills itself has negatively impacted surrounding property values.

Respectfully submitted,

LINBERGER & COMPANY, LLC

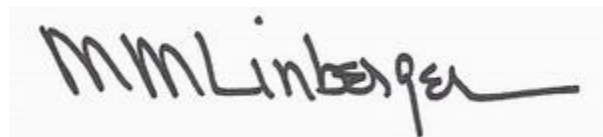
A handwritten signature in black ink on a light gray background. The signature reads "MM Linberger" in a cursive, slightly stylized font. The "MM" is written as two distinct, rounded letters. The "Linberger" is written in a more fluid, cursive script. A horizontal line extends from the end of the signature to the right.

Mary M. Linberger, MAI

CERTIFICATION

I do hereby certify that, except as otherwise noted in this report:

- I have no present or contemplated future interest in the real estate that is the subject of this report.
- I have no personal interest or bias with respect to the subject matter of this report or the parties involved. The amount of the fee is not contingent upon reporting a predetermined opinion that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- To the best of my knowledge and belief the statements of fact contained in this report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.
- I have not relied on any single item of information to the exclusion of other information and all data were analyzed within the framework of my judgment, knowledge, and experience. I have not withheld any pertinent information.
- This report sets forth all of the limiting conditions (imposed by the terms of the assignment or by me) affecting my analysis, opinions and conclusions.
- This report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute.
- No other person has prepared the analysis, conclusions, and opinions concerning real estate that are set forth in this report.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute and am certified by the state of Illinois.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

A handwritten signature in black ink that reads "MM Linberger" followed by a horizontal flourish.

Mary M. Linberger, MAI

CONTINGENT AND LIMITING CONDITIONS

This Certification is expressly subject to the following stipulations:

- I obtained the information, estimates, and opinions contained in this report from sources considered reliable and believed to be true and correct; however, I can assume no responsibility for accuracy.
- I assume no responsibility for matters of a legal nature.

QUALIFICATIONS

EDUCATION

Ms. Linberger was an undergraduate student at LeMoyne College in Syracuse, New York, and a graduate student at the University of Chicago. She holds the MAI designation from the Appraisal Institute and is a certified general appraiser in Illinois.

EXPERIENCE

Ms. Linberger has been engaged in providing real estate appraisal and consulting services for over 30 years. She was initially employed by the Marling Group, a Chicago-based firm that provided appraisal and consulting services to an institutional clientele on a national basis. In 1985, she formed her own firm.

AREAS OF SPECIALIZATION

Ms. Linberger specializes in providing testimony and other litigation support in areas such as condemnation and zoning. She has extensive experience estimating the value impact of factors such as special uses, zoning changes, environmental contamination, encroachments, easements and parking losses.

Some of her recent assignments have included:

- Evaluating the value impact on a large commercial property of a zoning ordinance that would substantially reduce the allowed size of its exterior signage;
- Evaluating the value impact of a full-service living facility for the homeless on the values of surrounding residential and commercial properties;
- Evaluating the value impact of a road widening which results in an irreplaceable parking loss for a funeral home;
- Evaluating the value impact on businesses in a suburban downtown of converting their privately owned and operated parking to free, municipally owned and operated parking;
- Estimating the value impact on an industrial property of an avigation easement which would limit its allowable building height to 20 feet;
- Evaluating the value impact of soil contamination from an adjoining property on a vacant commercial building being marketed for redevelopment by a major retailer; and
- Evaluating the value impact on surrounding properties of replacing a coal-burning electric generating plant with a battery energy storage system (BESS).