



**AN ANALYSIS OF THE IMPACTS ON YAMHILL COUNTY OF
THE PROPOSED EXPANSION OF RIVERBEND LANDFILL**

A Report Prepared for
Friends of Yamhill County
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AN ANALYSIS OF THE IMPACTS ON YAMHILL COUNTY OF THE PROPOSED EXPANSION OF RIVERBEND LANDFILL

GoodJames Consulting has been retained by Friends of Yamhill County (“FYC”) to address various economic issues associated with the Waste Management application for a plan amendment and a zone change (“PA/ZC”) affecting the existing Riverbend Landfill, and the adjacent Mulkey RV Park. The PA/ZC is intended to enable Waste Management (the “Applicant”) to expand solid waste disposal activities at Riverbend Landfill by an estimated 88 acres¹, including 37 acres of additional landfill capacity for 7.4 million tons of regional municipal solid waste (MSW) over a 20 year time frame.

This report is based on a review of written and oral testimony, additional documentation and evidence supplied by the Applicant, and independent research conducted by GoodJames Consulting and FYC.

This report identifies various costs and benefits that impact Yamhill County should the Applicant’s intended expansion occur. Some have been addressed by the Applicant but other significant ones have not been. For example, the Applicant shows all of the fee income to the County associated with hosting a regional landfill but ignores administrative and other expenses incurred by the County for hosting Riverbend.

There are significant routine costs, as well as external costs, to the community that need to be factored in to present an accurate picture of the ‘true’ cost of the proposed landfill expansion. This more complete picture of costs and benefits of the Applicant’s proposed expansion leads to the conclusion that it will have a significant negative economic impact on the county.

¹ Although the text states that 37 acres is “contemplated” for future landfill expansion, the PA/ZC would permit a total expansion onto a much larger area, subject to Design Review and including Operations Support areas. The applicant’s conceptual expansion includes 37 acres of landfill expansion, 25 acres of “Green” facility and 26 acres for operational support.” See the 9/13 application page ES-4. The Riverbend website shows potential landfill expansion areas up to 60 acres, plus operational support areas.

At a minimum these costs include:

- The direct loss of agricultural production on 87 acres of farmland that will be converted to solid waste disposal activities.
- The loss of value to nearby residential and commercial properties subjected to impacts from the landfill.
- Increased operational costs to nearby farms.
- Loss of revenue to tourist-related and other businesses that are directly impacted by the landfill or by the truck traffic it generates
- Loss of revenue, and displacement and loss of housing for an estimated 25 lower income, elderly households at the Mulkey RV Park, and 7-10 agricultural workers, who reside there seasonally.
- Increased, un-tallied and unaddressed post-closure costs that will come with an expanded footprint and expanded volume of waste at an expanded landfill.²
- Increased health-related costs to residents and workers who live or work nearby, especially elderly and children.

While the Applicant has identified the potential benefits of their proposed expansion, they have failed to account for these costs. A full accounting of costs and benefits would almost certainly lead to a conclusion of significant negative economic impact on the county. This report does not contain such a complete accounting; to do so would require additional time and resources that are beyond the scope of this review. Instead, this report identifies overlooked issues of concern based on local testimony and published research from third parties, and examines evidence supplied by the Applicant.

GARBAGE DISPOSAL RATES

A major focus of the Applicant's cost analysis is on potential rate increases should the landfill not be able to expand. Current residential rates from various haulers provide contradictory evidence.

² The DEQ site includes a 2012 closure report. Total closure costs were estimated at \$7,818,827, under a worst case scenario. Applicant is to post a performance bond equal to this amount.

Waste Management has submitted into the record a “Waste Disposal/Management Alternatives Update,” dated December 9, 2013 and “Economic Impacts Report” attached to the actual application. Both submittals conclude that local garbage disposal rates could rise by 13-17% if the landfill were to close; or about \$2.60 to \$4.25 per month for the average residential user. However, this conclusion is based on speculative assumptions rather than on readily available data on what other communities in counties without a MSW landfill actually pay. The rate data in the chart below shows no apparent relationship between hosting a regional garbage landfill, or hauling distance, and lower residential rates.

A Comparison of Residential Monthly Pick-up Rates

City	Size (gal.)	Hauler	Cost/Mo.*	Destination	Distance/Mi.
Carlton	32	WOW/Recology	\$14.85	Riverbend	12
Dayton	32	WOW/Recology	\$15.05	Riverbend	10
Yamhill	32	WOW/Recology	\$16.05	Riverbend	15
Dallas	32	Republic Services	\$16.25	Coffin Butte	19
Lincoln City	32	N. Lincoln Sanitary	\$18.00	Coffin (or Riverbend)	65 (45)
Forest Grove	35	Waste Management	\$19.85	Riverbend	30
Newberg	35	Waste Management	\$19.92	Riverbend	19
McMinnville	32	WOW/Recology	\$20.16	Riverbend	6
Newport	35	Thompson's Sanitary	\$20.35	Coffin Butte	61
Sweet Home	35	Sweet Home Sanitation	\$21.59	Coffin Butte	40

*All costs have been verified within the past month by phone or website information, and services include recycle waste pick-up

Lincoln City is much farther from Coffin Butte than McMinnville is from Riverbend, but it pays lower rates. Newport is 10 times farther from Coffin Butte than McMinnville is from Riverbend, but it pays only pennies more. Forest Grove residents pay less to dispose of their garbage here than McMinnville or Newberg residents do, even though they are about as far from Riverbend as McMinnville is from Coffin Butte. McMinnville residents pay some of the highest garbage fees of all, and are located the closest to the landfill.

Additional costs cited by the Applicant are overstated or unsupported by evidence. Instead of looking at the available data, the studies submitted by the Applicant:

- a. Ascribe trucking costs to other alternatives while assuming garbage arrives at Riverbend with no transportation costs (both studies),
- b. Ascribe waste processing costs to the Newberg Transfer Station when garbage is shipped to alternatives, but not when it is shipped to Riverbend (both studies),
- c. Assume a contract hauler like Recology or Waste Management will pay the retail gate rate charged to a member of the public. (Economic Impacts Report),
- d. Assume rates at Riverbend will not rise to cover the capital costs of expansion, and
- e. Apparently overstate transfer station costs. Lincoln City, Newport, Forest Grove, Newberg and Sweet Home all have transfer stations and have rates that range from 11% *less* to 7% more than McMinnville's.

The conclusion that disposal alternatives to Riverbend will necessarily result in higher rates is not reliable. Also, it is quite likely that the Applicant's proposed expansion will result in higher rates at Riverbend. According to the Waste Disposal / Management Alternatives Update Report, "if WM is successful in obtaining a new permit they will need to build new cells and their costs may also increase."³

Recology raises its rates on a regular basis even though tipping fees at the landfill and distance to the landfill have remained unchanged. Currents Gallery, a small business in McMinnville has seen its monthly garbage rates increase by almost 7% in the past year, 9% in two years, and 30% over five years, far exceeding the rate of inflation or cost of living increases.

Competition results in lower prices and the converse is also true. The biggest factor in determining garbage rates does not appear to be distance hauled or the presence or lack of a transfer station; instead it is likely a competitive bidding process, something that has not occurred in Yamhill County in decades. Instead, franchise agreements have been renewed before they expire.

³ Waste Disposal / Management Alternatives Update Report, page 12

EFFECTS ON REAL ESTATE PROPERTY VALUE

Impact on property values will be addressed first by a study of current appraisals, property listings and sales, and reports from local realtors. Then, a variety of published and public documents will be reviewed relating to landfills and property values. Finally, examples of compensation will be presented as they are relevant to the current proposed expansion at Riverbend Landfill.

Ramsey McPhillips owns McPhillips Family Farm, located on Hwy 18 at McPhillips Road, adjacent and due north of Riverbend Landfill. Mr. McPhillips hired Ron Woodard, an appraiser, to value his family farm, land and home sites, to its highest and best use. His instruction to the appraiser was to value the property with and without consideration of the landfill, and as if partitioned. His appraisals are attached to this report.⁴

The August 9, 2013 appraisal considers the value of the 518 acres, and various improvements, assuming the successful partitioning of the property into six, 82.9 acre farmsteads with home sites. The total appraised value under this scenario was concluded to be \$4,212,500 (as partitioned, and without consideration of the impact of the landfill). In his reports the appraiser notes that, according to county planning director, Michael Brandt, the property meets the partitioning criteria subject to an application process and farm management plan approval. However, this partitioning has not yet occurred. Thus, it would be appropriate to discount this value based on the time, effort and costs (survey, legal, title, fees), necessary to achieve the partition. A discount of 5% for the time, effort and costs to achieve the partition is considered reasonable and appropriate.

Further, the sites would need to be sold, in order to achieve this value. A typical real estate commission of 5% would also be appropriate to deduct. Thus, the net sales proceeds likely achievable by Mr. McPhillips would need to be reduced by an estimated 10%, to (\$4,212,500 – \$421,250) \$3,791,250.

⁴ See Restricted Appraisal Report as of August 9, 2013 prepared by Ronald S. Woodard, attached

A subsequent letter, dated December 30, 2013, was also prepared by Mr. Woodard at Mr. McPhillips' request, this times addressing the impact of the landfill (attached). In this letter Mr. Woodard notes that "it is relevant that many realtors have conveyed their opinion that [Mr. McPhillips'] efforts to partition the property and then attempt to market the proposed home sites could be useless, as a result of the environmental concerns associated to the landfill."⁵ Mr. Woodard references the memorandum dated September 5, 2013, from by the Department of Environmental Quality, which reported test results including increased odors, and volatile organic compounds in test wells. Mr. Woodard notes that "Realtors report that the market's perception of potential contamination, foul odor, increased rodent and bird invasion, along with the machinery noise from the landfill, is reason to refrain from listing the potential home sites."⁶

Mr. Woodard estimates the gross value of each home site (as separate from the farm acreage) to total \$744,000. Mr. Woodard concludes that the home site values (as separate from the farmland acreage value) would be affected by adverse environmental conditions, and realtors' concern of the market's negative perception, resulting in economic loss beyond the owner's control. Mr. Woodard concludes that the values of the home sites would be "diminished from the highest and best use" and suffer a diminution in value. If the properties can not support marketable home sites due to the negative impact (or perception thereof), than the owner's ability to develop his land is limited, and the property is useful as farm land only. It is reasonable to conclude that Mr. McPhillips has suffered economic loss, based on the loss of permissible, but not economically feasible home sites. An informed developer would not likely proceed with a partition based on this conclusion, and likewise an informed lender would not likely agree to finance the properties as home sites.

In order to estimate the net loss to Mr. McPhillips, the gross value of partitioned home sites would need to be reduced proportionately by the costs to achieve the partition and market the property, described previously at an estimated 10%. Thus the sum of the various home sites (\$744,000) is reduced by \$74,400 to a net proceeds value of \$669,600.

⁵ Letter dated December 30, 2013 from Mr. Woodard to Mr. McPhillips, attached

⁶ Letter dated December 30, 2013 from Mr. Woodard to Mr. McPhillips, attached

Due to the negative impact of the landfill, an external influence beyond his control, Mr. McPhillips' property is already diminished in value by an estimated \$669,600. This loss in value is highly likely to be exacerbated by the expansion of the landfill, which is proposed to expand even closer to Mr. McPhillips' property without benefit of additional buffer zone.

Other properties in the vicinity of the landfill have suffered economic loss. **The Larson property at 14815 Delashmutt Lane**, just south of the Mulkey RV Park, is a 52 acre farm and home site improved with a 4 bedroom, 5 bath custom home with 5,511 square feet built in 1996, with home office, 3 car garage, 3-stall barn, shop area, fenced pastures, with river frontage. This property has been listed for sale almost continuously since January 4, 2007. It was originally listed for \$1,350,000 and reduced in March 2010 to \$850,000, coinciding with the drop in real estate values due to the financial crisis. It has been continuously listed since then and is still on the market at \$799,999.

A November 10, 2013 letter from the broker (Bella Casa Group, attached) was provided by owner Ron Larson, which details a recent lost sale of an otherwise qualified and very interested out of town buyer, interested in developing the farmstead into a B&B. The realtor stated "At the end of all their efforts, the buyer walked away...their reason for walking from a property they were eager and willing to purchase until the shadow of Riverbend fell upon them." Likewise, the buyer's agent (Shorepine Properties) reported in an email on August 30, 2013 "My client is very interested and I am hoping to get an offer put together soon...Your property [the Delashmuth (sic) property] is still their number one pick at this point.." and then on September 13, 2013 "My client is no longer interested in this property due to the issues with the landfill." Randy McCreith, broker and listing agent at Bella Casa, reported in the letter to the owner that "This [lost sale] validates our concerns and fears regarding your property. It is a great property but it is un-salable at current market prices because of the landfill. To move this property ...would take a significant price reduction to motivate a buyer to purchase this with the diminished value of living next to a landfill."⁷

⁷ See November 10, 2013 letter from the McCreith Team to Ron and Rhonda Larson, attached.

A third sale, of a **19.5 acre parcel located on Hwy 18 at Muddy Creek** bridge, sold in July 2013 for \$137,000, after being marketed almost continuously for five years. It was originally priced at \$225,000, and includes a home site lot of record, frontage on Muddy Creek, and a historic bridge on Old Hwy 18. The diminished value relates closely to the Woodard appraisal for farmland only.⁸

Realtor Shirley Venhaus has submitted written testimony dated December 14, 2013 which includes her experience having lost a \$700,000 sale due to out of town buyers backing out once they saw the landfill.

These few specific examples are a small sample, but are pertinent examples of potential property value loss due to the impact of Riverbend Landfill.

STUDIES OF PROPERTY VALUE LOSS AND RECOMMENDATIONS FROM OTHER AREAS

Research into studies involving impacts on real estate values resulted in a number of published reports. There are a wide range of conclusions, but most studies find a negative effect on property values, a correlation between large-sized landfills (which Riverbend is) and greater negative effect on values, and also, that negative effects survive long term, even after landfill closure. Following are the most recent studies found (selected dating from 2000 forward) on page one of a Google search:

1. "A meta-analysis shows that landfills that accept high volumes of waste (500 tons per day or more) decrease adjacent property values by 13.7%, on average. This impact diminishes with distance at a gradient of 5.9% per mile."⁹ Riverbend accepts upwards of 1,500 tons per day.
2. "Most of these studies have found a negative relationship between residential house prices and proximity to a landfill...More specifically, these studies show that the values of residential properties situated within a four mile radius of a landfill site rise by between 5 and 7 percent per mile

⁸ Woodard appraisal of parcel #7, concluded 20.58 acres valued at \$127,000; no home site included.

⁹ Ready, Richard C. "Do Landfills Always Depress Nearby Property Values?", *Journal of Real Estate Research*, 32.3 (2010):321-339.

distance away from the landfill. However, property values fall more dramatically (i.e. between 21 and 30 percent) the closer (i.e. within a quarter to a half mile radius) the properties are situated to a landfill site.”¹⁰

3. “Accounting for the proximity of historical landfill sites alters the perceived disamenity impact of active sites and furthermore, reveals evidence of significant disamenity impacts, decades after site closure, albeit over shorter geographical distances.”¹¹

4. “Our analysis suggests that closing landfills will not necessarily mitigate property-value impacts.”¹²

5. “If...a landfill is lined, well policed for litter, vermin and other nuisances, and does not leak into groundwater, it still may be perceived as a threat to human health. These perceptions can translate into depreciation of property values. If people feel that the landfill potentially is a risk to their family’s health, they may choose to relocate (or simply not buy properties close to landfills.) This desire will be reflected in the market value of the house.”¹³

6. “The results suggest that larger landfills have greater adverse impacts on property values than smaller landfills...”¹⁴

The proposed expansion of Riverbend Landfill affects existing residents, farm operators and landowners already living with the current landfill, and also affects some residents, farm operators and landowners in a new way due to the proposed siting of the expansion.

It is noted that the Applicant’s proposed **expansion will create new impact areas directly to the north and northwest**, which affect private properties

¹⁰ Du Preez, Mario, and T. Lottering. “Determining the negative effect on house values of proximity to a landfill site by means of the hedonic pricing method.” *South African Journal of Economic and Management Sciences* 12.2 (2011): 256-262.

¹¹ Ham, Yun-ju, David J. Maddison, and Robert JR Elliott. “The valuation of landfill disamenities in Birgminham.” *Ecological Economics* (2012).

¹² Hite, Diane, Wen Chern, Fred Hitzhusen, and Alan Randall. “Property-Value Impacts of an Environmental Disamenity: The Case of Landfills”. *The Journal of Real Estate Finance and Economics* 22.2-3 (2001):185-202.

¹³ Bouvier, Rachel A., et al. :The Effects of Landfills on Rural Residential Property Values: Some Empirical Evidence.” *Journal of Regional Analysis and Policy*. 30.2 (2000): 23-38.

¹⁴ Seok Lim, Jong, and Paul Missios. “Does size really matter? Landfill scale impacts on property values.” *Applied Economic Letters* 14.10 (2007): 719-723.

not already owned by the Applicant, nor buffered from the proposed expanded landfill waste fill areas.

“In response to ...the fear of decreased property values, some policy makers have recommended compensatory programs. If residents are losing property value as a result of the siting or operation of a landfill, then perhaps they should be compensated in some way, on grounds of political expediency if not economic efficiency.”¹⁵ While the study cited did not find any compensation necessary, some examples of community compensation include:

1. Purchase of all property within an impact zone (in this case defined as within a 500 meter radius of landfill waste fill area.)

“Owners of property within the landfill impact zone who do not elect to accept the Board’s offer to purchase may instead apply for compensation for any loss of property value. The board will protect property values against loss of real property below its fair market value as a result of local adverse conditions resulting specifically and uniquely from the presence of the new landfill....The compensation payable...will include

- a) the fair market value of the property (determined without reference to the proposed landfill);
- b) a ten percent (10%) addition...for inconvenience and disturbance;
- c) the reasonable costs attributable to relocation...
- d) expenses associated with...acquiring new property.”¹⁶
- e) compensation also would include business loss, and loss of improvements not included in the appraisal.

2. “Losses in property values typically are borne unfairly by residents living close to new landfills. In fact, public opposition to the siting of new landfills is due largely to anticipated losses in property values. Given the typical strength of such opposition, and the equal utility that a municipal landfill provides for all users, regardless to proximity to the landfill, it seems reasonable that the community consider

¹⁵ Bouvier, Rachel A., et al. :The Effects of Landfills on Rural Residential Property Values: Some Empirical Evidence.” *Journal of Regional Analysis and Policy*. 30.2 (2000): 23-38.

¹⁶ “Landfill Compensation Policy”, Schedule “A” to the Agreement between The Corporation of the Town of Deep River and The Corporation of the Town of Laurentian Hills (1995).

compensating property owners living near a proposed landfill site.”¹⁷ This article focuses on the true cost of a landfill, which by definition include costs other than land and construction: for instance, external environmental contamination costs, opportunity costs (lost use of the landfill site) and social and economic costs. In their example, **allocation of the true costs would double the tipping fee.**

3. Stigma, the public perception and reaction to a negative condition, results in a loss in value to property. “Typically, ‘marketplace stigma’ may be attached by the public to property located near a site of toxic contamination...” In the legal case of an existing owner affected by a new landfill developed adjacent to his property, the court commented: “Although we find that some of the decrease in value of the land was due to the negligent operation of the landfill, we find further that damages resulting from the ‘stigma’ attached to the landfill may be recovered...”¹⁸

The effects of the current activities at Riverbend are becoming better known through the experience and testimony of nearby residents, land owners, farm operators, and agri-business operators. The effects of a proposed expansion to this landfill are being anticipated by this same group and significant concerns have been raised. Given the breadth of research into the topic of property value loss in particular, the time is opportune to consider the issue of property value loss compensation in conjunction with the consideration of the Applicant’s request for a PA/ZC.

IMPACTS TO AGRI-TOURISM

Agri-tourism is a major driver of the Yamhill County economy. The Oregon wine industry has become a \$1,000,000,00 (one billion dollar) industry. More than \$350,000,000 (three hundred and fifty million dollars) comes from Yamhill County alone.

¹⁷ Hirshfeld, Stephen, P. Aarne Vesilind and Eric I. Pas. “Assessing the True Cost of Landfills”. *Waste Management and Research*. (1992): 10, 471-484.

¹⁸ www.ksbrlaw.com/Portals/0/docs/publications/2003/2003-10-24StigmaDmgToProperty/pdf

Per the testimony of Tom Gerrie of the Willamette Valley Wineries Association:

There are currently 131 wineries in Yamhill County. These wineries created more than 2,400 jobs in 2012-2013. The annual wages associated with the wine industry in the County totals more than \$70,000,000 (seventy million dollars.)

The Applicant's proposed expansion puts this key economic sector at risk. Several members of the hospitality industry have testified about lost business attributable to the landfill and the potential for much greater loss from expansion.

The negative visual and odor impacts of the landfill will be significantly increased with the proposed westward expansion abutting the Hwy18 frontage. The maximum height of 135 feet above ground is equal to the current landfill and cannot be adequately screened with berms and trees, nor can odors be confined on site.

The County's agri-tourism report, "Yamhill County Agri-Business Economic and Community Development Plan" submitted by the Applicant 12/19/13, notes more needs to be done to improve the tourism economy. Hi-amenity lodging and visitor attractions are seen as major needs. In Stakeholder interviews, a "picturesque setting" is an important benefit derived from agriculture. The landfill is a detraction from this picturesque setting, and this has been documented in various ways:

- a. Testimony from numerous parties regarding severe odors from the landfill extending as far as downtown McMinnville
- b. Testimony from Wayne Bailey, from Travel Yamhill and Youngberg Hills Winery and B & B.
- c. Testimony from the Willamette Valley Winery Association
- d. Testimony from the Oregon Winegrowers Association.
- e. Testimony from Maysara winery and Momtazi Vineyards.

The negative impacts are already occurring, but they impact a broader area and continue over a longer time period if the Applicant's proposed

expansion occurs. Conversely, landfill closure will eliminate these impacts, resulting in economic benefit to the county's agri-tourism economy.

In addition, the proposed expansion will result in the closure of the Mulkey RV Park and the loss of 84 RV spaces and 25 acres of commercially designated land.¹⁹ While most of the spaces accommodate RV tourists, Mulkey's also provides a home for mostly elderly, retired residents (about 30% of the residents are permanent households, paying month to month space rental.) It also provides a place for seasonal workers (primarily agricultural workers) to stay.

LOSS OF AGRICULTURAL PRODUCTION

The Applicant's proposed expansion will result in the direct loss of agricultural production on 87 acres of farmland that will be converted to solid waste disposal activities. This land is primarily comprised of prime Amity and Woodburn soils. It is currently in farm use and has been for generations.

Berry crops, fruit and nut orchards, wheat and other grains, vegetables, grass seed, Christmas trees, livestock and dairy and nursery crops can all be potentially grown on these soils. Considering the location near McMinnville, the potential for crop production for the expanding local food market is great, if issues with proximity to the landfill can be overcome.

Data for selected crops grown in Yamhill County is listed below.²⁰ Yields and prices are countywide averages. Yields would be higher on Class II prime agricultural soils.

Red Clover

1000 lbs/acre @ \$110 / cwt (hundred weight) = \$1100/acre

¹⁹ The RC zone, along with the county's other commercial zones, permits a far greater range of tourist-related activities than the EFU zone. All of the "Prototype Projects" listed in the Yamhill County Agri-Business Economic and Community Development Plan" are permitted outright or conditionally in one or more of the county's commercial zones. See pp. 31-34 of that report.

²⁰ Data from Oregon State University, 2011.

Tall fescue

1800 lbs/acre @ 48.40 / cwt = \$878.40 /acre

Hazelnuts

960 lbs/acre @ \$1.15 / lb = \$1104 / acre

Marion and other black berries

3230 lbs/acre @ .74/lb = \$2390.20/acre

Blueberries

8,000 lbs/acre @ \$1.25/lb = \$10,000 / acre

Based on the above, \$1,100 an acre in annual crop value is a reasonable conservative estimate for dry land crops, or a total of \$95,700 per year. This is \$4,785,000 over a fifty year time period, before any multiplier effect.

Farmers purchase a wide range of inputs from other suppliers. Those purchases are known as indirect expenditures. Another expenditure includes those that members of households make when they receive salaries or other income from businesses directly or indirectly related to agriculture; they are known as induced expenditures.

The Oregon Department of Agriculture has used IMPLAN (the same model used by Waste Management's consultant) to estimate the direct and indirect value of agriculture in the mid-Willamette Valley. They conclude that every dollar of agricultural sales results in \$5.72 of overall economic value as the effects ripple through the economy.

Based on the same assumptions, we estimate the total lost economic value from conversion of this cropland to non-farm uses to be \$27,370,200 over a fifty year period.

INCREASED COSTS TO FARM OPERATIONS

Several area farmers have testified regarding increased costs of operations from the landfill.

The county has received testimony about the impact of rats, sea gulls and other disease vectors on various crops, including the need for additional vector control measures, additional measures to ensure the marketability and the lack of e-coli in hazelnuts and cherries, and the increased cost of picking up windblown garbage from farm fields.

The landfill also impacts the ability of nearby farms to hire and retain employees. Chris Robinson co-manages the family-owned Robinson Nursery, a wholesale supplier of trees and container plants to US and Asian markets. Robinson Nursery has 50 employees and total of 650 acres of what he calls some of the “best soils in the world”, located mostly due east of the landfill on Hwy 99. He reports increased concerns over keeping workforce in the highly competitive nursery business when the “smell is so bad” from the landfill. Chris states that their ten year plan is to continue to expand to 100-150 workers, but he is very concerned about the continued risks from the landfill, including foul odors, air and water quality. Workers can decide to work elsewhere if the bad smelling air makes outdoor working conditions intolerable. The nursery already has workers who don’t want to come to work because of the smell, which he reports has gotten much worse recently. Mr. Robinson also expressed concern about ground water and river water quality (the business has water rights from the Yamhill River, downstream from the landfill), which he tests often to prevent loss to his plants. Lastly, the family had hoped to build a home on their property on Riverbend Rd., but the landfill has “limited their ability to use their land fully.”

These costs will impact a broader area and continue over a longer time period if the Applicant’s proposed expansion occurs. Conversely, landfill closure will eliminate these impacts, resulting in economic benefit to area farmers.

ATTRACTING BUSINESSES TO YAMHILL COUNTY

There is the potential for Yamhill County to become a less desirable place for businesses to relocate to as the landfill grows, directly on the edge of McMinnville. Already malodor is noticeable in the downtown business area; a larger landfill will make more odor that will spread over a larger area.

This condition will impact a broader area and continue over a longer time period if the Applicant's proposed expansion occurs

Dave Boeckel, CEO of William Henry Knives submitted comments to the County on November 7th, 2013 addressing landfill expansion. Mr. Boeckel wrote:

“As I told the Jaycees during a presentation, if we had known about this dump and the current and future effects on the quality of life of our employees and our clients who come from across the country and around the world to visit us we might well have chosen not to locate here. Our business employs 30 people in good paying jobs with full benefits. These are jobs that could easily be lost as WH can locate anywhere that has UPS/Fed Ex and good quality craftspeople. Please understand that I am not threatening to relocate William Henry, but I am stating that the continued operation and possible growth of the dump will affect business relocation decisions both for existing and for potentially new businesses that have nothing to do with agriculture.”

Attracting businesses to the area like William Henry Knives should represent the future for Yamhill County's economic development and offers far more diversity to the county than an expanded landfill. The 30 employees at William Henry Knives all live locally and add a great deal to the economic vitality of the region.

ENVIRONMENTAL COSTS

The Applicant is potentially encumbering the County and future taxpayers with environmental cleanup costs. The post-closure bond will not cover the full cost of clean-up in the event of major earthquake or flood, or shift in river course. It may or may not cover the full costs even if no such event occurs. This potential liability will increase if the Applicant's proposed expansion increases the area, tonnage, and volume of garbage.

INCREASED HEALTH COSTS

No epidemiological study has been conducted around Riverbend to assess the health risks to area residents. However, a recent study conducted by the University of North Carolina²¹ found clear links between the foul odors produced by a landfill and variety of ailments:

“At times when landfill odor was present, residents reported more respiratory problems and irritation of the eyes, nose and throat. Researchers validated odor reports by measuring hydrogen sulfide, a toxic gas that is produced by decomposition of landfill wastes.”²²

Foul odors from the landfill often extend as far as downtown McMinnville, potentially affecting the health of thousands of residents.

There are significant economic costs to illnesses, in addition to the human and social costs. A full accounting of the costs and benefits of landfill expansion must consider these costs.

These costs will impact a broader area and continue over a longer time period if the Applicant’s proposed expansion occurs. Conversely, landfill closure will eliminate these costs, resulting in economic benefit (and improved health) to area residents and businesses.

Other Issues:

The Applicant’s “Economic Impacts” report overstates the benefits of landfill expansion the in several other ways:

- A significant portion of the economic benefit it ascribes to the expansion is attributable to temporary construction jobs and purchases. However, construction contractors for projects of this

²¹ “Relation between malodor, ambient hydrogen sulfide, and health in a community bordering a landfill” Department of Epidemiology, Gillings School of Global Public Health, University of North Carolina.

²² “Landfill air pollution may be as unhealthy as it is unpleasant,” University of North Carolina, June 23, 2011

nature and their employees are often not local residents. Much or most of the materials they purchase are also not local. This significantly reduces the overall economic benefit to Yamhill County of any expansion and the benefits cited by the Applicant should be discounted to reflect this.

- The report attributes economic loss to landfill closure from a potential reduction in county fees, but fails to account for potential savings to county government from reduced administrative and other costs associated with hosting a regional landfill.
- A significant portion of the economic benefit it ascribes to the expansion is attributable to a “Green Tech” facility. At this point in time, the plans for this plant are purely preliminary and speculative.
- The report attributes economic costs to air emissions from hauling Yamhill County waste to alternative disposal sites, but fails to attribute economic savings to the out-of-county waste that will no longer be hauled to Yamhill County.

CONCLUSION

This report has identified various cost and disamenity impacts to the community directly affected by Riverbend Landfill, and also costs to Yamhill County, should the Applicant’s intended expansion occur. The Applicant’s submittals have underestimated or overlooked significant economic impacts to the county, its residents, and local businesses. These disamenities to local residents and business owners result not just in lowered quality of life but also in economic impacts including diminished property values, lost opportunity to fully utilize properties, increased costs of operations, and expected future losses should the landfill expand.

Yamhill County will suffer the loss of irreplaceable high quality farmland, loss in agri-tourism business, loss in economic development, and a lowered tax base as properties continue to decline in value. The County should consider all the ‘true’ costs of the landfill expansion, and the extent to which some residents and businesses are over-burdened with these costs.

In conclusion, there are significant external costs to the community that need to be factored in to present an accurate picture of the 'true' cost of the proposed landfill expansion, compared to closing it in 2017. This more complete picture of costs and benefits of the Applicant's proposed expansion leads to the conclusion that an expanded landfill with 20 more years of operation will have a significant negative economic impact on the county.

PROFESSIONAL QUALIFICATIONS

Dahe L. Good

GoodJames Consulting

Career History

Dahe Good has over 25 years experience in the real estate industry. She has served in a variety of public and private sector positions relating to the development of real estate, economic development, and public policy.

For the past ten years, Dahe has provided development consulting services as lead consultant and owner of GoodJames Consulting. Clients have included equity investors, lenders, developers, attorneys, housing authorities, non-profit organizations and governmental agencies. Services include all phases of project development (acquisition, design review, financial analysis and securing debt and equity.)

Prior to launching GJC, Ms. Good held the position of Vice President of Acquisitions at a private equity firm, Homestead Capital a national syndicator with an eight state region. From 2002 to 2003, she led the funding and closing of various public benefit projects for The Portland Development Commission, including the \$26 million Station Place Tower in Portland's River District; and the \$18 million 8 NW 8th, with 180 units of housing and a medical clinic in Downtown Portland.

From 1999 to 2002, she served as Manager of Housing Development and Programs at the City of Seattle, Office of Housing, responsible for new program and resource development. She led regulatory reform incentives, and initiated new zoning code reforms. She served as an intergovernmental representative on housing issues at the Washington State Legislature and contributed to the planning and communications team for the \$86 million, 7-year 2002 Housing Levy renewal.

Previous experience includes four years as Senior Development Manager for Capitol Hill Housing Improvement Program, a non-profit developer in Seattle. In her four years at CHHIP, Dahe managed development of projects totaling \$39.3 million.

Ms. Good began her career in real estate analysis, and earned an MAI designation from the Appraisal Institute in 1994 (currently inactive). She has extensive experience in commercial property analysis, business valuation and land development. She has analyzed, financed and developed difficult sites including contaminated properties and 'brown fields'. She has experience in a multitude of environments, from large urban regions to remote rural communities in Alaska, Washington, Oregon, Utah, California, Arizona and Montana. She earned a Bachelor of Business Administration, University of Alaska, Anchorage in 1989. Ms. Good has provided expert witness testimony in both U.S. Federal Court and Alaska State Superior Court.

Ronald S. Woodard
Woodard Appraisal, LLC
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503.472.2009
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August 15, 2013

Ramsey McPhillips
McPhillips Farms Inc.
19200 SW McPhillips Road
McMinnville, Oregon 97128

RE: Tax Lots #R540600400, #R540600401, #R443100701 and #R443100803
(As proposed partitioning), SW McPhillips Road, McMinnville, Oregon
Tax Lot #R443100802 - Highway 18, McMinnville, Oregon

Dear Ramsey,

In accordance to your request, I have analyzed Tax Lots 400, 401, 701 & 803; as if the property is partitioned into six separate 82.90+/- acre home sites. As per assignment, the appraisal of each parcel is conducted, to provide you with my opinion of the fair Market Value of each individual home site, subject to final partitioning.

The appraisal of each parcel is considered "hypothetical", as the proposed partitioning has not been completed as of the date of inspection. This appraisal is contingent upon completion of county approval of final partitioning.

In addition, I have also completed an appraisal of Tax Lot #R443100802, as a 20.58 acre parcel of farmland (not part of partitioning), shown in this report as Appraisal #7.

Appraisal #1): 62-year old dwelling & improvements on 82.90 acres: \$835,500.00
Appraisal #2): Older dwelling (as a replacement home site) on 82.90 acres: \$650,000.00
Appraisal #3): Potential home site containing 82.90 acres: \$650,000.00
Appraisal #4): Potential home site containing 82.90 acres: \$650,000.00
Appraisal #5): Potential home site containing 82.90 acres: \$650,000.00
Appraisal #6): Potential home site containing 82.90 acres: \$650,000.00
Appraisal #7): Tax Lot R443100802 (20.58 acres of farmland): \$127,000.00

This report contains the properties description, analysis and supportive data for the conclusions, final opinion of value, limiting conditions and appropriate certifications.

USE OF THE APPRAISAL

As per assignment request, this report is provided in the form of a Restricted Appraisal Report of the above-referenced property for my client; **Ramsey McPhillips, McPhillips Farms Inc., for financial planning**. The depth of discussion contained in this report is specific to the needs of my client and for the intended use as stated in this report. The appraiser is not responsible for unauthorized use of this report. The client should seek a written authorization from the appraiser before releasing this report to any other party.

SCOPE OF THE APPRAISAL

The scope of this appraisal included a physical onsite inspection of the subject properties, questions of knowledgeable persons concerning the subject, a search for current sales of similar properties, an inspection of the selected sales, and analysis of all data considered pertinent to this assignment.

This appraisal report identifies the real estate involved, including the various physical, legal and economic attributes considered relevant to this assignment as of the specified date in this report.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide the appraiser's best estimate opinion of the Market Value of the above-referenced subject property as if partitioning is complete.

Definition of Market Value: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition; is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby.

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he considers his own best interest.
3. A reasonable time is allowed for expenses in the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

METHOD OF VALUATION

The three basic approaches or methods of valuation are considered in the appraisal process, which are the Cost Approach, the Income Approach, and the Sales Comparison Approach. The approach, which is given the most weight in the final analysis, depends to a great extent on the purpose of the appraisal, the type of property being evaluated, and the availability of reliable data. While a method of valuation may not be considered applicable, or utilized in this appraisal, a definition of each basic approach is referenced below:

Definition of the Cost Approach: *(This approach is used in part of this report).*

The Cost Approach in appraisal analysis is based on the proposition that the informed purchaser would pay no more than the cost of producing a substitute property, with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements, which represent the Highest and Best Use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist no comparable properties on the market.

Definition of the Income Approach: *(This approach is not used in this report).*

The Income Approach seeks to convert anticipated future benefits of a property to present worth, and thus provides an additional method for estimating value. This approach is considered particularly useful in the valuation of income producing properties, since income-production potential. The Income Approach uses the potential gross rent, which the property is capable of generating in today's market, less expenses and collection and vacancy losses, to develop an indication of the property's net income. This net income is converted into an indication of the subject property's value by means of a capitalization rate considered typical for the market, the type of property being appraised, and the area in which the property is located.

Definition of Sales Comparison Approach: *(This approach is used in this report).*

The Sales Comparison Approach gives consideration to actual sales of similar properties to the subject property. Adjustments are made to compensate for the differences between the subject and each comparable sale. An indicated value is then estimated from this comparison analysis. Consideration is given to location, site considerations, conditions, and amenities in that order. The adjustments to the comparable sales, unless noted, specifically under each line item, were derived from one or more of the following methods:

- 1). A historic study of similar properties in the area of the subject with identifiable differences, which could be quantified. While not an in-depth matched pair study, much of the same logical analysis was done over a period of time to determine the value that the market place is indicating for those specific items.
- 2). The cost of new less depreciation of the items.
- 3). Discussions with people actively involved in the market place; realtors, buyers and sellers.

Tax Lots #R540600400, #R540600401, #R443100701 and #R443100803
SW McPhillips Road, Yamhill County, McMinnville, Oregon 97128

According to county records tax lot #400 contains 90.10 acres; tax lot #401 contains 206 acres; tax lot #701 contains 2.53 acres; and tax lot #803 contains 198.76 acres, for a combined total of 497.39 acres. The property is zoned EF-80 (Exclusive Farm Use, under Section 400 Natural Resource Districts). The property currently has two established home sites. According to the county planning director; Michael Brandt, the tax lots may have the potential to qualify for partitioning to create four additional home sites under farm management plan through an application process.

According to FEMA flood hazard maps, a portion of the parcel lies within a flood hazard area, as the South Yamhill River runs through areas of the property. The client is urged to obtain additional flood hazard data, if desired.

It is noted that the property has some standing timber and wood lot; although, no consideration is given to the trees in this report. The trees may hold value; therefore, the client is urged to retain an expert in timber inspection and valuation, if desired.

According to property records, the property has a water right permit to irrigate 154.4 acres from the South Yamhill River during the months between November and June. The water rights may hold value; although, the water right permit is not given consideration in this assignment.

As per assignment: The Highest and Best Use of the Subject Property as if partitioned:

The above-referenced tax lots contain a combined total 497.39 acres, which upon completion of final partitioning, will consist of an existing dwelling with infrastructure on 82.90+/- acres; an existing replacement home site with infrastructure on 82.90+/- acres; and four additional home sites each containing 82.90+/- acres.

Definition of the Highest and Best Use: The term Highest and Best Use, as used in this report, is considered to be that use which will yield the greatest net return over a given period of time. In determining the subject property's Highest and Best Use, each potential use was tested to see whether it is physically possible, legally permissible, and financially feasible. The tests are generally applied in this sequence and any use failing one of the tests is eliminated from further consideration. Of the uses that remain, the one that is most profitable is selected as the Highest and Best Use of the subject property.

In accordance to requested assignment, each individual home site is appraised separately and described as follows:

SUBJECT PROPERTY #1

19200 SW McPhillips Road, McMinnville, Oregon 97128

The property is currently improved with a 62-year-old Contemporary Ranch style, with an attached two-car carport, storage area and small apartment. According to the Oregon Department of Revenue Cost Factor book, the dwelling characteristics fall within the guidelines of a "Class 4+" structure. County records show the dwelling contains 2,179 square feet of living area and heated by a forced air oil system. The exterior of the dwelling is board and batten wood siding. The windows are a mix of older aluminum-frame, with storm glass and wood-frame with thermal-pane glass. The roof is relatively new architectural asphalt composition shingle.

The dwelling is well-maintained and appears to be of average condition, as no visible adverse conditions were noted at time of inspection. A full home inspection conducted by a licensed home inspector is suggested, due to the age of the dwelling. The value stated in this report is subject to no disclosure of any structural defects to the dwelling, or satisfactory repair if any damage or defects are discovered.

Additional improvements include two 28,000 bushel grain bins, of average condition and five older structures which appear to have reached the end of their lifecycle, including a 4,000 square-foot general-purpose building, 1,000 square-foot multi-purpose building, 2,150 square-foot wood-framed barn, 1,536 square-foot machine shed and 5,430 square-foot machine shed.

Upon final approval of partitioning, the parcel will contain 82.90 acres of farmland. Water is supplied by a private well on site and sanitation is supplied by a private septic system. The well and septic system are reportedly adequate, in working order. An inspection of the well and septic system is suggested due to their age. The value given in this report is contingent upon no disclosure of any defects to the well and/or septic system, or satisfactory repair if any damage and/or defects are discovered.

No consideration is given to existing timber or wood lot on the property.
As per assignment instruction, no consideration is given to the nearby landfill.

EXISTING IMPROVEMENTS BY METHOD OF COST APPROACH

<u>Existing Dwelling:</u> 62-year-old Contemporary Ranch style.	
<u>Dwelling Reproduction Cost New:</u>	
2,179 sf. x \$102.50 per sf. =	\$223,348.00
Carport / apartment / storage / patio / Koi pond:	<u>22,525.00</u>
Total Estimate of Cost-New:	245,873.00
Less physical depreciation:	<u>-92,202.00</u>
Depreciated Cost of Improvements:	\$153,671.00
<u>Existing Infrastructure:</u> Well, septic, electricity and roadway:	23,785.00
Two grain silos depreciated:	8,000.00
Barn and outbuildings (<u>end of lifecycle</u>):	\$ <u>0</u>
	\$185,456.00
Rounded Total of Improvements:	\$185,500.00

SITE COMPARISON BY METHOD OF DIRECT SALES APPROACH

Comparison to the subject site as an 82.90 acre residential site is as follows:

Cont.

Subject Property #1

LAND SALES COMPARISON TO THE SUBJECT PROPERTY

Subject Land: 82.90 acre home site:

Comparable #1: Tax Lot #R433500301 Dorsey Road, McMinnville, Oregon.

Sale Date: June 2012 - Sale Price: \$1,750,000.00.

Adjustments made in comparison to the subject indicate a value at: \$681,884.00.

Comparable #2: 11900 NE Yamhill Road, Carlton, Oregon.

Sale Date: May 2013 - Sale Price: \$723,500.00.

Adjustments made in comparison to the subject indicate a value at: \$691,008.00.

Comparable #3: Tax Lot #R440600600 Bernard Road, McMinnville, Oregon.

Sale Date: April 2013 - Sale Price: \$630,000.00.

Adjustments made in comparison to the subject indicate a value at: \$615,000.00

Comparable #4: 12750 SW Muddy Valley Road, McMinnville, Oregon.

Sale Date: June 2013 - Sale Price: \$460,000.00.

Adjustments made in comparison to the subject indicate a value at: \$495,882.00

Each Comparable is given a separate weighted-value consideration to estimate a fair Market Value of the subject home site.

- Value of Subject Site: \$650,000.00 (by Sales Comparison)
 - Value of Improvements: \$185,500.00 (by Cost Approach)
- Total: \$835,500.00

Estimated Market Value of existing dwelling & improvements on 82.90 acre parcel:

**EIGHT HUNDRED THIRTY FIVE THOUSAND FIVE HUNDRED
DOLLARS**

(\$835,500.00)

SUBJECT PROPERTY #2

SW McPhillips Road, McMinnville, Oregon 97128

The subject property is currently improved with an older Bungalow style dwelling. County records do not show the age of the dwelling but it is reportedly of pre-1862 era, when the McPhillips family acquired the property. The dwelling is nearing the end of its lifecycle, but holds replacement value as a residential home site.

Upon final approval of partitioning, the parcel will contain 82.90 acres of farmland. Water is supplied by a private well and sanitation is supplied by a private septic system. The well and septic system are reportedly adequate, in working order, located on and serving the only the subject property. A full inspection of the well and septic system is suggested due to their age. The value given in this report is contingent upon no disclosure of any defects to the wells and/or septic systems, or satisfactory repair if any damage and/or defects are discovered.

No consideration is given to existing timber or wood lot on the property.
As per assignment instruction, no consideration is given to the nearby landfill.

LAND SALES COMPARISON TO THE SUBJECT PROPERTY

Comparable #1: Tax Lot #R433500301 Dorsey Road, Dayton, Oregon.

Sale Date: June 2012 - Sale Price: \$1,750,000.00.

Adjustments made in comparison to the subject indicate a value at: \$681,884.00.

Comparable #2: 11900 NE Yamhill Road, Carlton, Oregon.

Sale Date: May 2013 - Sale Price: \$723,500.00.

Adjustments made in comparison to the subject indicate a value at: \$691,008.00.

Comparable #3: Tax Lot #R440600600 Bernard Road, McMinnville, Oregon.

Sale Date: April 2013 - Sale Price: \$630,000.00.

Adjustments made in comparison to the subject indicate a value at: \$615,000.00

Comparable #4: 12750 SW Muddy Valley Road, McMinnville, Oregon.

Sale Date: June 2013 - Sale Price: \$460,000.00.

Adjustments made in comparison to the subject indicate a value at: \$495,882.00

Each Comparable is given a separate weighted-value consideration to estimate a fair Market Value of the subject home site.

➤ Estimated Value of Subject Parcel as an 82.90 acre replacement home site:

SIX HUNDRED FIFTY THOUSAND DOLLARS
(\$650,000.00)

SUBJECT PROPERTY #3
No Site Address SW McPhillips Road
McMinnville, Oregon 97128

Upon final approval of partitioning with farm management plan, the parcel will contain 82.90 acres, with a residential home site. The client is urged to obtain county zoning criteria prior to considering placement of a dwelling site, if desired.

No consideration is given to existing timber or wood lot on the property.
As per assignment instruction, no consideration is given to the nearby landfill.

LAND SALES COMPARISON TO THE SUBJECT PROPERTY

Subject Land: 82.90 acre home site:

Comparable #1: Tax Lot #R433500301 Dorsey Road, Dayton, Oregon.
Sale Date: June 2012 - Sale Price: \$1,750,000.00.
Adjustments made in comparison to the subject indicate a value at: \$681,884.00.

Comparable #2: 11900 NE Yamhill Road, Carlton, Oregon.
Sale Date: May 2013 - Sale Price: \$723,500.00.
Adjustments made in comparison to the subject indicate a value at: \$691,008.00.

Comparable #3: Tax Lot #R440600600 Bernard Road, McMinnville, Oregon.
Sale Date: April 2013 - Sale Price: \$630,000.00.
Adjustments made in comparison to the subject indicate a value at: \$615,000.00

Comparable #4: 12750 SW Muddy Valley Road, McMinnville, Oregon.
Sale Date: June 2013 - Sale Price: \$460,000.00.
Adjustments made in comparison to the subject indicate a value at \$495,882.00

Each Comparable is given a separate weighted-value consideration to estimate a fair Market Value of the subject home site.

➤ Estimated Value of Subject Parcel as an 82.90 acre home site:

SIX HUNDRED FIFTY THOUSAND DOLLARS
(\$650,000.00)

SUBJECT PROPERTY #4

No Site Address SW McPhillips Road
McMinnville, Oregon 97128

Upon final approval of partitioning with farm management plan, the parcel will contain 82.90 acres, with a residential home site. The client is urged to obtain county zoning criteria prior to considering placement of a dwelling site, if desired.

No consideration is given to existing timber or wood lot on the property.
As per assignment instruction, no consideration is given to the nearby landfill.

LAND SALES COMPARISON TO THE SUBJECT PROPERTY

Subject Land: 82.90 acre home site:

Comparable #1: Tax Lot #R433500301 Dorsey Road, Dayton, Oregon.

Sale Date: June 2012 - Sale Price: \$1,750,000.00.

Adjustments made in comparison to the subject indicate a value at: \$681,884.00.

Comparable #2: 11900 NE Yamhill Road, Carlton, Oregon.

Sale Date: May 2013 - Sale Price: \$723,500.00.

Adjustments made in comparison to the subject indicate a value at: \$691,008.00.

Comparable #3: Tax Lot #R440600600 Bernard Road, McMinnville, Oregon.

Sale Date: April 2013 - Sale Price: \$630,000.00.

Adjustments made in comparison to the subject indicate a value at: \$615,000.00

Comparable #4: 12750 SW Muddy Valley Road, McMinnville, Oregon.

Sale Date: June 2013 - Sale Price: \$460,000.00.

Adjustments made in comparison to the subject indicate a value at: \$495,882.00

Each Comparable is given a separate weighted-value consideration to estimate a fair Market Value of the subject home site.

➤ Estimated Value of Subject Parcel as an 82.90 acre home site:

SIX HUNDRED FIFTY THOUSAND DOLLARS
(\$650,000.00)

SUBJECT PROPERTY #5

No Site Address SW McPhillips Road
McMinnville, Oregon 97128

Upon final approval of partitioning with farm management plan, the parcel will contain 82.90 acres, with a residential home site. The client is urged to obtain county zoning criteria prior to considering placement of a dwelling site, if desired.

No consideration is given to existing timber or wood lot on the property.
As per assignment instruction, no consideration is given to the nearby landfill.

LAND SALES COMPARISON TO THE SUBJECT PROPERTY

Subject Land: 82.90 acre home site:

Comparable #1: Tax Lot #R433500301 Dorsey Road, Dayton, Oregon.

Sale Date: June 2012 - Sale Price: \$1,750,000.00.

Adjustments made in comparison to the subject indicate a value at: \$681,884.00.

Comparable #2: 11900 NE Yamhill Road, Carlton, Oregon.

Sale Date: May 2013 - Sale Price: \$723,500.00.

Adjustments made in comparison to the subject indicate a value at: \$691,008.00.

Comparable #3: Tax Lot #R440600600 Bernard Road, McMinnville, Oregon.

Sale Date: April 2013 - Sale Price: \$630,000.00.

Adjustments made in comparison to the subject indicate a value at: \$615,000.00

Comparable #4: 12750 SW Muddy Valley Road, McMinnville, Oregon.

Sale Date: June 2013 - Sale Price: \$460,000.00.

Adjustments made in comparison to the subject indicate a value at: \$495,882.00

Each Comparable is given a separate weighted-value consideration to estimate a fair Market Value of the subject home site.

➤ Estimated Value of Subject Parcel as an 82.90 acre home site:

SIX HUNDRED FIFTY THOUSAND DOLLARS
(\$650,000.00)

SUBJECT PROPERTY #6

No Site Address SW McPhillips Road
McMinnville, Oregon 97128

Upon final approval of partitioning with farm management plan, the parcel will contain 82.90 acres, with a residential home site. The client is urged to obtain county zoning criteria prior to considering placement of a dwelling site, if desired.

No consideration is given to existing timber or wood lot on the property.
As per assignment instruction, no consideration is given to the nearby landfill.

LAND SALES COMPARISON TO THE SUBJECT PROPERTY

Subject Land: 82.90 acre home site:

Comparable #1: Tax Lot #R433500301 Dorsey Road, Dayton, Oregon.

Sale Date: June 2012 - Sale Price: \$1,750,000.00.

Adjustments made in comparison to the subject indicate a value at: \$681,884.00.

Comparable #2: 11900 NE Yamhill Road, Carlton, Oregon.

Sale Date: May 2013 - Sale Price: \$723,500.00.

Adjustments made in comparison to the subject indicate a value at: \$691,008.00.

Comparable #3: Tax Lot #R440600600 Bernard Road, McMinnville, Oregon.

Sale Date: April 2013 - Sale Price: \$630,000.00.

Adjustments made in comparison to the subject indicate a value at: \$615,000.00

Comparable #4: 12750 SW Muddy Valley Road, McMinnville, Oregon.

Sale Date: June 2013 - Sale Price: \$460,000.00.

Adjustments made in comparison to the subject indicate a value at: \$495,882.00

Each Comparable is given a separate weighted-value consideration to estimate a fair Market Value of the subject home site.

➤ Estimated Value of Subject Parcel as an 82.90 acre home site:

SIX HUNDRED FIFTY THOUSAND DOLLARS
(\$650,000.00)

SUBJECT PROPERTY #7

Tax Lot #R443100802 – Yamhill County
No site address, Highway 18, McMinnville, Oregon 97128

The subject property is a 20.58 acre triangular tract of land encompassed by State Highway 18, Durham Lane and Old Sheridan Highway. The parcel is mostly level terrain and currently used as farm land. At time of inspection, the parcel appears to have adequate drainage. County records show the subject parcel is zoned EF80 (Exclusive Farm 80 acre minimum). According to county EF80 zoning classification, the small size of the parcel does not conform to zoning regulations for residential use. The county requires an application process for review that shows specific annual income generated through sales of farm products over a specific period of time for potential approval of a principle dwelling in conjunction with farm use.

As per assignment instruction, no consideration is given to the nearby landfill.

LAND SALES COMPARISON TO THE SUBJECT PROPERTY

Subject Land: 20.58 acres:

Comparable #1: Tax Lot #R552200400 Hwy 18, McMinnville, Oregon.

Sale Date: July 2013 - Sale Price: \$137,000.00.

Adjustments made in comparison to the subject indicate a value at: \$137,000.00.

Comparable #2: Tax Lot #R440700904 Hill Road, McMinnville, Oregon.

Sale Date: June 2013 - Sale Price: \$124,400.00.

Adjustments made in comparison to the subject indicate a value at: \$125,400.00.

Comparable #3: Tax Lot #R440600600 Bernard Road, McMinnville, Oregon.

Sale Date: April 2013 - Sale Price: \$630,000.00.

Adjustments made in comparison to the subject indicate a value at: \$615,000.00

Comparable #4: Tax Lot #R342200200 Hendricks Road, Carlton, Oregon.

Sale Date: March 2013 - Sale Price: \$167,000.00.

Adjustments made in comparison to the subject indicate a value at: \$119,452.00

Each Comparable is given a separate weighted-value consideration to estimate a fair Market Value of the subject property.

➤ Estimated Value of Subject Property as of August 9, 2013:

ONE HUNDRED TWENTY SEVEN THOUSAND DOLLARS
(\$127,000.00)

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief that the statements of fact contained in this report are true and correct. The reported analyses, opinions and conclusions are my personal, impartial, unbiased professional analyses, and limited only by the reported Assumptions and Limiting Conditions referenced in this report.

I have no present or prospective interest in the subject property described in this report, or to the parties involved with this assignment. My compensation for completing this appraisal assignment is not contingent upon the development, or reporting of a predetermined value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have made a personal inspection of the property that is the subject of this report. No one provided significant real property appraisal assistance to this report. My analyses, opinions and conclusions were developed for the preparation of this report in conformity with the Code of Ethics and Uniform Standards of Professional Appraisal Practice, the Appraisal Institute, the Oregon Society of Farm Managers and Rural Appraisers, and the State of Oregon. The use of this report is subject to the regulatory requirements relating to review by duly authorized representatives.

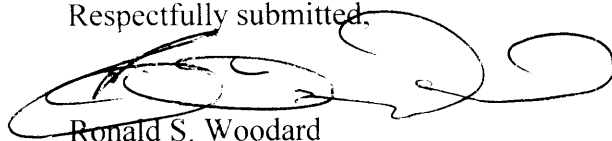
NOTICE OF USE RESTRICTIONS

This Restricted Appraisal Report is intended to be used exclusively by **Ramsey McPhillips, McPhillips Farms Inc., for financial planning**; with the purpose of evaluating the subject properties estimated Market Value "as if" partitioning is approved.

This appraisal report is intended to comply with the reporting requirements set forth under the Uniformed Standards of Professional Appraisal Practice. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

It has been a pleasure to assist you with this appraisal assignment. Please let me know if I can be of any further assistance in the future.

Respectfully submitted,



Ronald S. Woodard
Appraiser #L000264

Woodard Appraisal, LLC

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject properties have been identified via address, county assessor's map reference, and legal description. Any lengthy metes and bounds legal description will be found as a separate attachment. Typically, an actual description is utilized to verify the exact location of the subject site. As the appraiser is not a licensed surveyor and legal descriptions can often be incorrectly communicated, the appraiser has appraised the subject property from the attached plat map and/or street address.

The appraiser has made no survey of the property and assumes no liability in connection with such matters. The information contained in this report, which was furnished by others, is thought to be reliable, although the appraiser assumes no responsibility for its accuracy. The client is urged to retain an expert in this field, if desired.

Definition of Inspection:

The term "inspection", as used in this report, is not the same level of inspection that is required for a qualified home inspection. The appraiser is not an expert in construction materials and does not fully inspect the electrical system, plumbing system, mechanical systems, foundation system, floor structure, or subfloor of the structure. The purpose of an appraisal is to make an economic evaluation of the subject property. If the client desires a more detailed inspection of the structural components of the subject property, an inspection by a licensed home inspector is suggested. The legal description furnished to me is assumed to be correct. I assume no responsibility for matters legal in character nor do I render any opinion of the title, which is assumed to be good.

VALUATION PROCESS

An inspection of the subject properties and a field inspection of the comparables used in this report were made. Data was gathered and confirmed from observations during the inspection, public records and/or multiple listing service information.

The Methods of Approach and reasoning in the valuation of the various physical and economic factors of the properties are contained in this report.

The opinion of value expressed in this report is contingent upon the Assumptions and Limiting Conditions attached.

ASSUMPTIONS AND LIMITING CONDITIONS OF THE APPRAISAL

The appraiser takes full responsibility for this appraisal report of the subject property other than specific material mentioned in the report relating to fields where the appraiser is not trained. The appraiser has inspected the subject property both inside and out. An exterior inspection has also been completed of all comparables relied upon in this appraisal.

I do not assume responsibility for the condition of the property or the correction of any defects now existing or that may develop in the future.

I reserve the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that become available.

The possession of this report, or a copy of it, does not carry with it the right of publication. The report may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

I assume no responsibility for economic or physical factors, which may affect the opinions in this report, which occur after the date of the letter transmitting the report.

I have not been provided with a soil survey and assume the soil and subsoil condition adequately supports the existing or proposed structure on the site. It is assumed that the site is free from surface or subsurface hazardous or toxic waste, leaking underground storage tanks, or other environmental hazards, unless specifically discussed in this report. Unless noted in this report, the presence of any such substance renders this appraisal null and void.

I have made no survey of the property and assume no liability in connection with such matters.

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of The Appraisal Institute.

The distribution of total valuation in this report between land and building applies only under the existing program of utilization. The separate valuation for land and buildings must not be used in conjunction with any other appraisal and is invalid if so used.

The appraisal of this property has been made assuming responsible ownership and capable management.

Cont.

Assumptions and Limiting Conditions of the Appraisal:

I believe the information contained in this report, which was furnished by others, to be reliable, but assume no responsibility for its accuracy. It is assumed that any information supplied to the appraiser by other parties such as realtors, title companies, state and county records, county planners, building inspectors, property owners, etc., is considered to be accurate. The appraiser assumes no responsibility for independently verifying this information. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary.

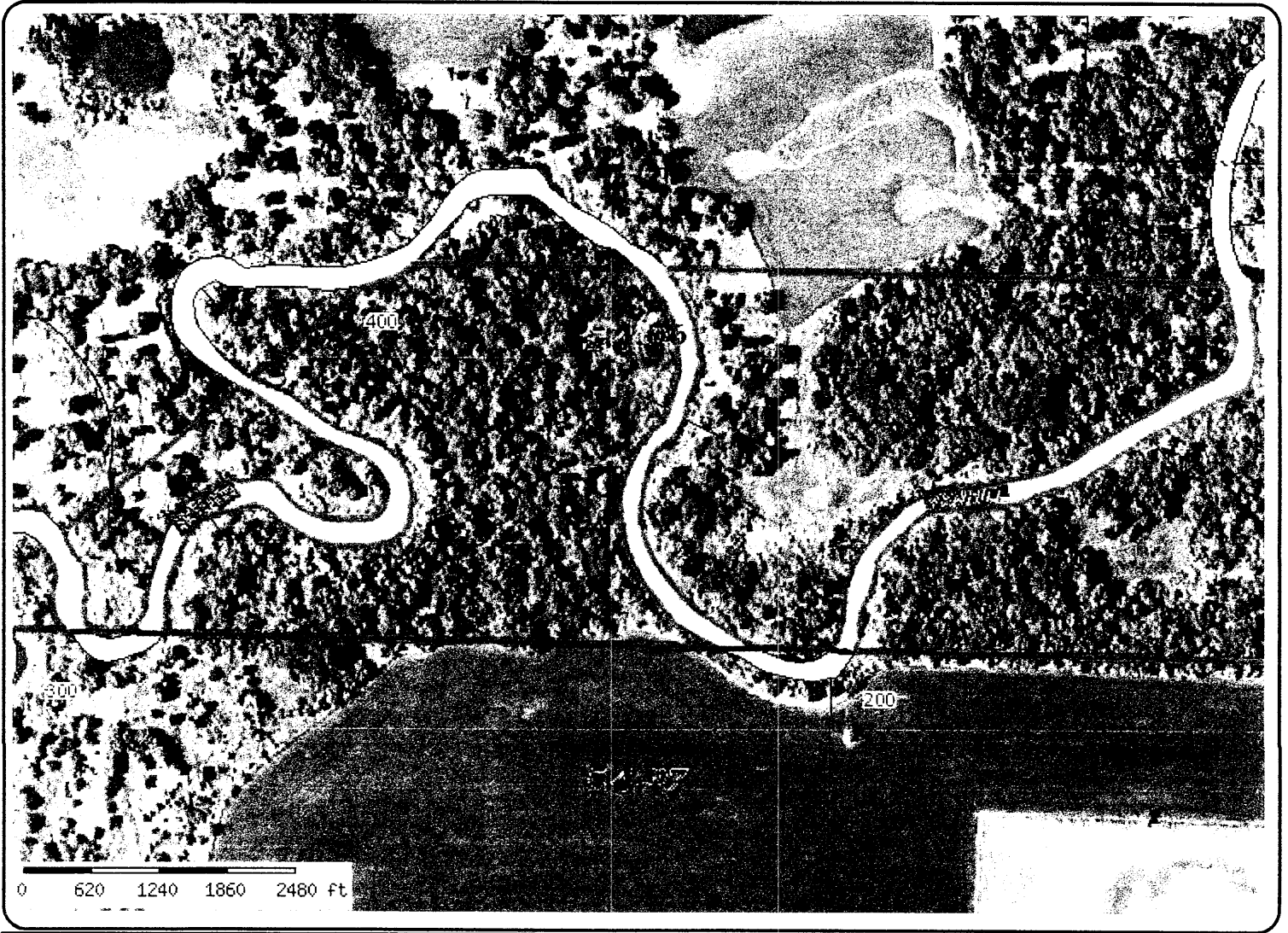
Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous material, which may or may not be present on the property. I have no knowledge of the existence of such materials on or in the property; however, I am not qualified to detect such substances. The presence of substances of potentially hazardous materials would likely affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Where possible a physical inspection of the insulation of the subject was done. However, where no physical inspection was possible, mainly the walls, the information was provided by the owner or other knowledgeable person. Where no first hand information was available, a determination of the insulation was based on the age and quality of the dwelling.

It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition.

The appraiser has no formal training regarding the structural, engineering, electrical, plumbing and mechanical components of the structure. An inspection of these items and/or an inquiry of the owner or other knowledgeable person as to their condition and working order were made. Unless noted, all of these items were considered adequate and in working condition.

The appraiser has no formal training in pest and dry rot detection. The foundation and substructure are assumed to be adequate and in acceptable condition. The appraiser has not inspected inaccessible areas. If an inspection of areas, which are not accessible, is desired, an expert in the field should be consulted.

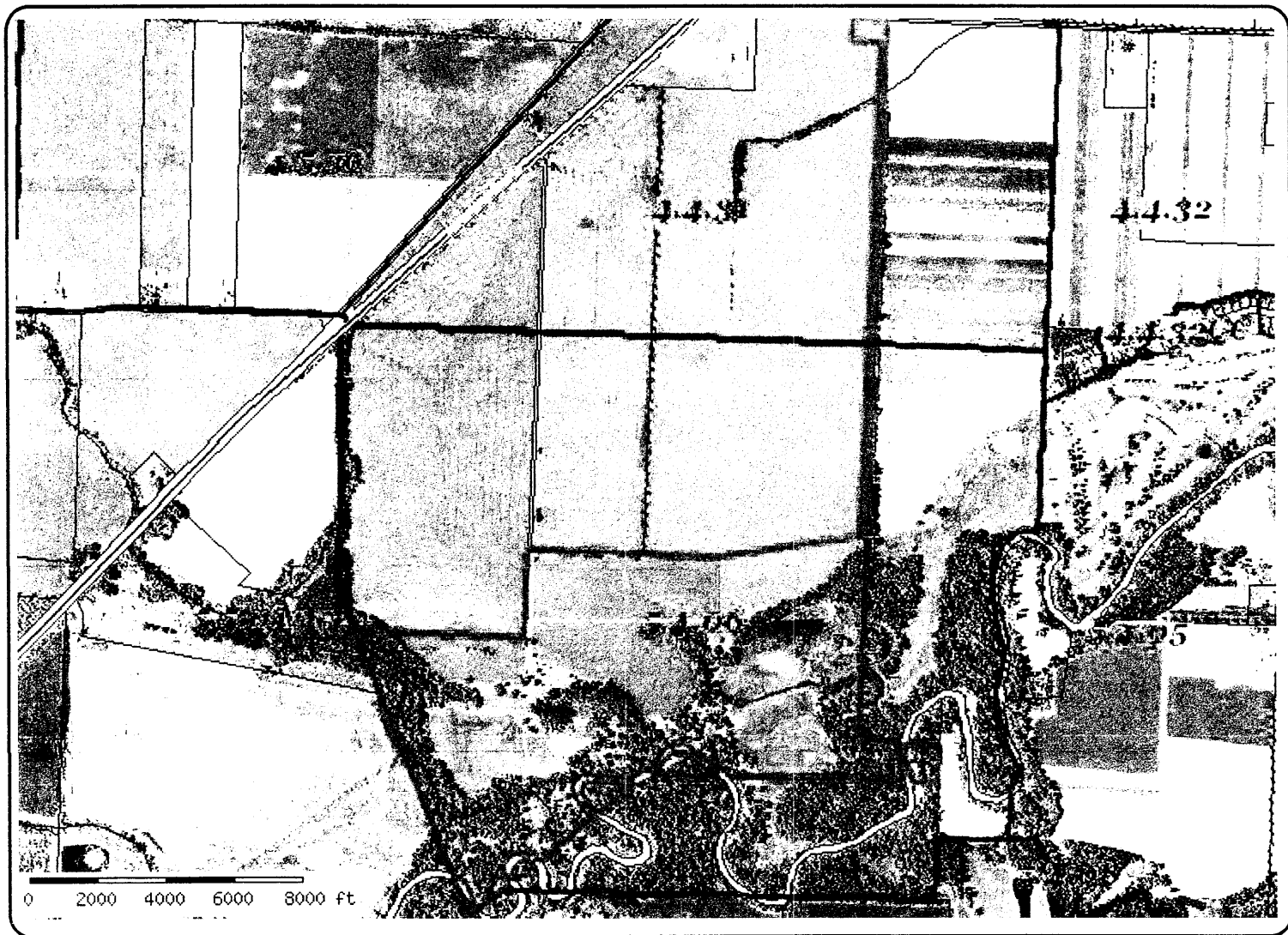


This map was produced using the Yamhill County GIS data. The GIS data is maintained by the county to support its governmental activities. The county is not responsible for map errors, omissions, misuse or misinterpretation

TAX LOT R5406000400

Printed 08/15/2013



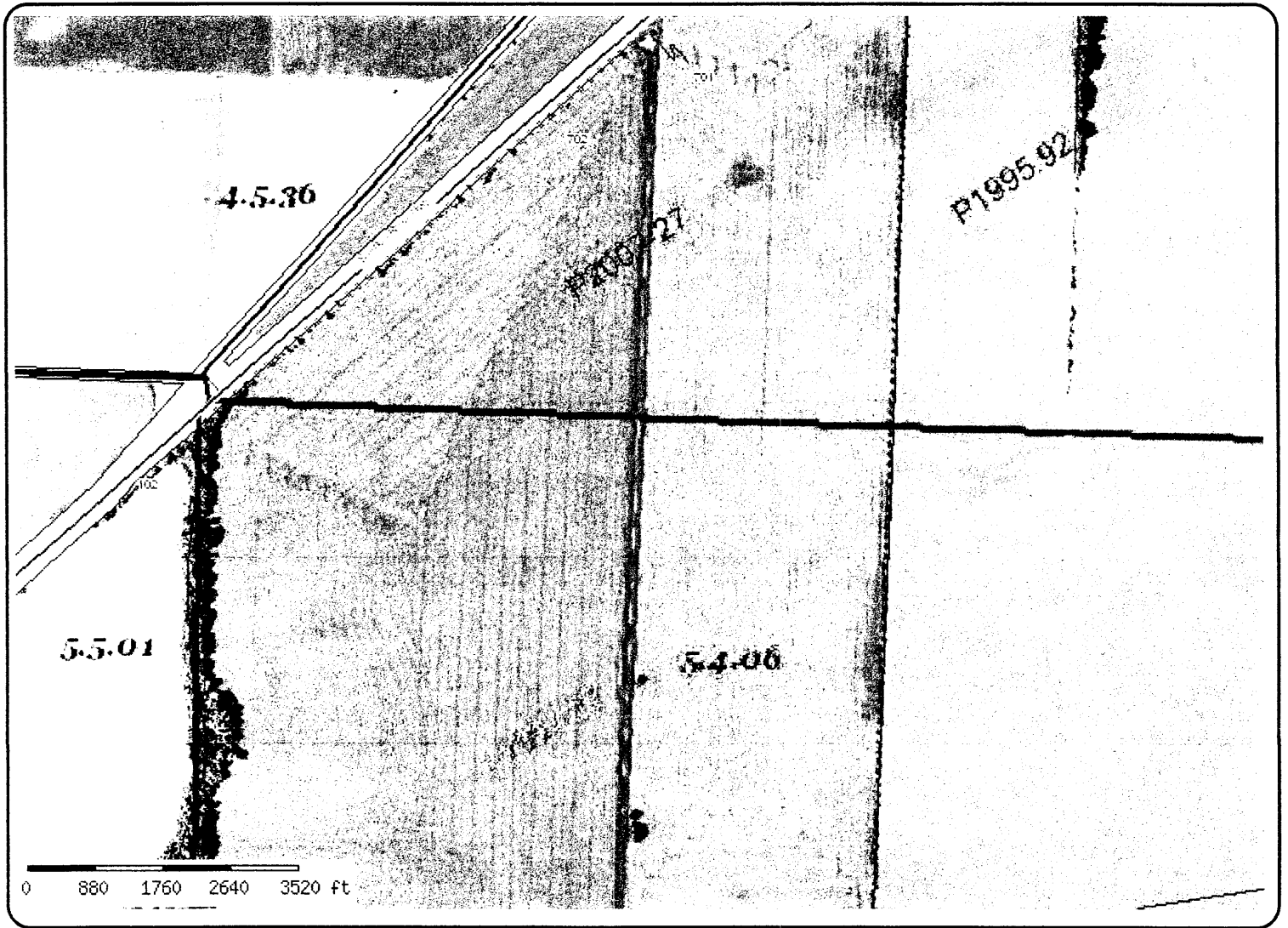


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TAX LOT R540600401

Printed 08/15/2013



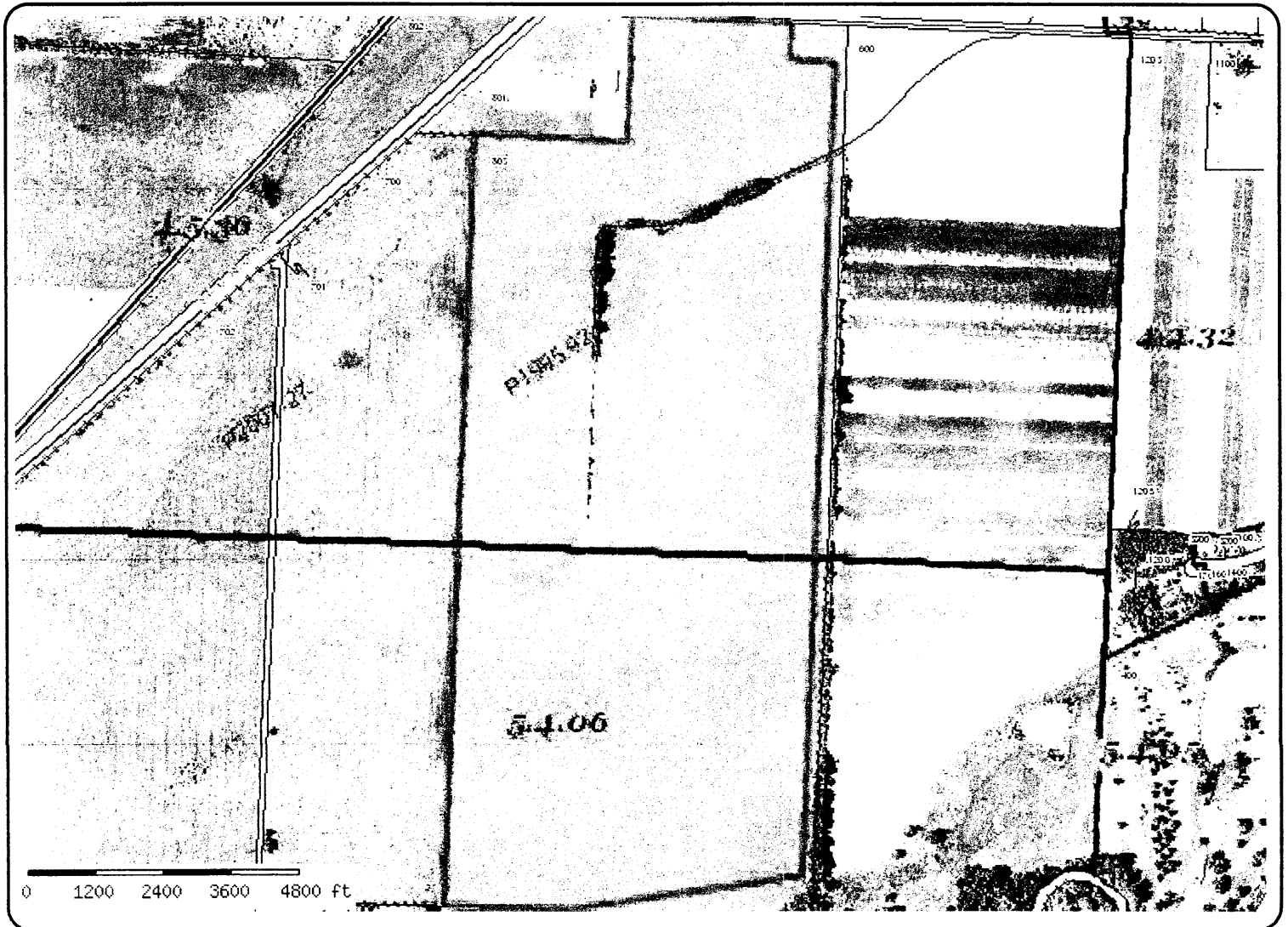


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TAX LOT R 443100701

Printed 08/15/2013



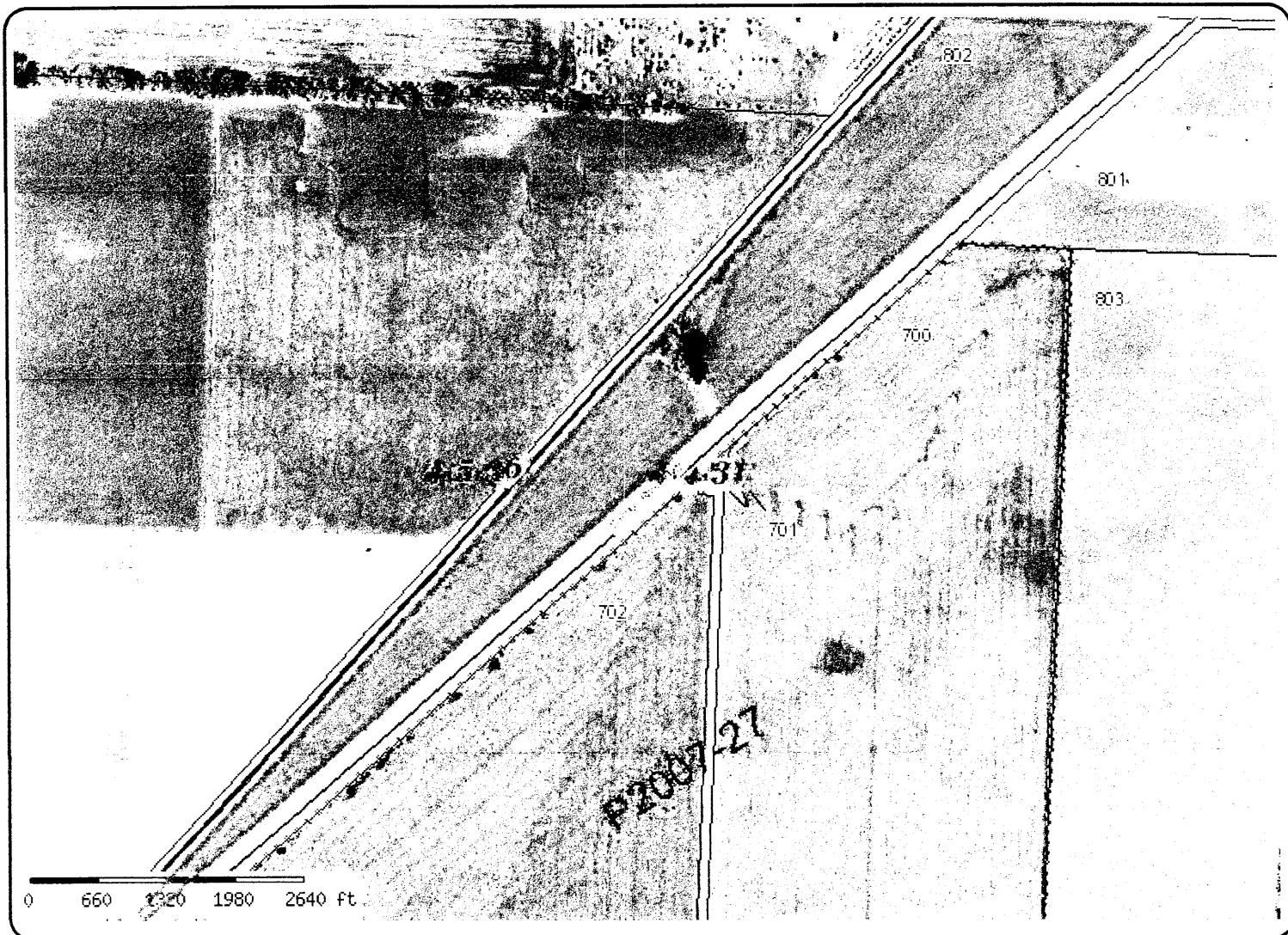


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TAX LOT 443100803

Printed 08/15/2013





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TAX LOT R443100802

Printed 08/15/2013



Cont.

Assumptions and Limiting Conditions of the Appraisal:

Any inspection for potential mold problems requires specialized training beyond the scope of a real estate appraiser's expertise. The client is therefore, advised to retain an expert in home inspection, if there is a concern regarding any potential harmful molds.

The appraiser is not trained in building code compliance; therefore, the client is urged to retain an expert in home inspection, if there is a concern regarding the requirements for the existence of, or the installation of a properly equipped smoke alarm and carbon monoxide detector system in the home.

The appraiser is not trained in the assessment of potential hazards of paint; therefore, the client is urged to retain an expert in the field of lead-based paint testing, if there is a concern regarding any potential harmful paint that may be in the dwelling.

An appraiser is not an expert in the field of building inspection and/or engineering. While a visual inspection of the foundation and substructure was conducted, the appraiser assumes no responsibility for the possible effect on the subject property of seismic activity, ground shifting/movements and/or earthquakes. Unless specifically indicated in the report, no seismic or geologic studies have been provided to the appraiser concerning the geologic and/or seismic condition of the property. An expert in the field of seismic hazards detection should be consulted if an analysis of seismic safety and seismic structural integrity is desired.

Ronald S. Woodard, Appraiser
Woodard Appraisal, LLC

Ronald S. Woodard
Woodard Appraisal, LLC
Real Estate Appraisal & Consulting Service
5995 SW Cougar Mountain Road
McMinnville, Oregon 97128

503.472.2009
woodard.appraisal@gmail.com

December 30, 2013

Ramsey McPhillips
McPhillips Farms Inc.
19200 SW McPhillips Road
McMinnville, Oregon 97128

RE: Tax Lots #R540600400, #R540600401, #R443100701 and #R443100803
SW McPhillips Road, Yamhill County, McMinnville, Oregon

Dear Ramsey,

This letter is in reference to the previous appraisal report dated August 15, 2013, of the above-referenced tax lots.

In accordance to your request, the subject tax lots were appraised as a hypothetical assignment, as if the county approved partitioning into six separate buildable home sites, each containing 82.90+/- acres of farmland. As per assignment, each proposed parcel was appraised separately, under the direction to give no consideration to the nearby landfill. And each proposed home site was given an estimated value under the assumption as if no environmental conditions were present.

As noted in the report, according to the county planning department, your properties meet the criteria for the application process to consider approving partitioning into buildable home sites with a farm management plan. However, it is relevant that many realtors have conveyed their opinion that your efforts to partition the property and then attempt to market the proposed home sites could be useless, as a result of environmental concerns associated to the landfill.

A memorandum dated September 5, 2013, released by the Department of Environmental Quality, reported test results concerning the quality of air affecting neighboring properties near the land fill. The results found increased odors and volatile organic compounds into the test wells. The DEQ report raises concern that limits your ability to create buildable home sites and successfully market them. Realtors report that the market's perception of potential contamination, foul odor, increased rodent and bird invasion, along with machinery noise from the landfill, is reason to refrain from listing the potential home sites.

Page 2

Ramsey McPhillips, McPhillips Farms Inc.

Tax Lots #R540600400, #R540600401, #R443100701 and #R443100803

SW McPhillips Road, McMinnville, Oregon

Date: December 30, 2013

The appraisal report as of August 15, 2013, was specifically for the purpose of estimating the market value of each proposed home site as if the county approved the partitioned parcels and each buildable site contained approximately 82.50+/- acres of farmland.

Aside from the farmland acreage, the following is a breakdown of the home site values given to each proposed parcel:

Appraisal #1: The main home site with existing infrastructure was given an estimated rounded value of \$144,000.00 (does not include dwelling, carport, apartment and pond).

Appraisal #2: The 2nd existing home site given consideration as a buildable parcel (to replace the older existing structure) was given an estimated value of \$120,000.00.

Appraisals #3, #4, #5 & #6: Each proposed home site was given a buildable home site value of \$120,000.00 (Per home site).

Under the circumstance that the subject tax lots are affected by adverse environmental conditions, then each home site capability would be diminished from the highest and best use of the land. Therefore, all six home sites would have a diminished economic loss in value per home site.

Although your potential to create and successfully market the proposed buildable home sites may not be a viable option, it is relevant that the tax lots and farm management plan meet the partitioning criteria to proceed with the application process. But under the circumstances of the environmental conditions related to the landfill, and the realtors concern of the markets negative perception, the consequence of the economic loss of your potential home sites appears to be beyond your control.

If you have any questions regarding this matter, please feel free to contact me anytime at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ronald S. Woodard', with a stylized flourish at the end.

Ronald S. Woodard
Appraiser

Woodard Appraisal, LLC



the mcCreith team

503.310.9844 Team Direct
www.themcCreithteam.com

Ron and Rhonda Larson
14815 SW Delashmutt Lane
McMinnville OR 97128

November 10, 2013

Dear Ron and Rhonda,

This letter is about the challenges of getting your property sold and what we can conclude at this time.

Testing the Markets

With time and in a variety of market conditions

Your property has been for sale in the Regional Multiple Listing Service (RMLS) since January of 2007. During that first year, it had the benefits of the top-of-the-market dynamics when properties sold quickly and for a high price. Particularly at that time, out of state buyers (mostly from California), were plentiful, and the prices attractive to them. The fact that your property could not move in that market is significant.

The market softened in late 2007 and during most of 2008, but the Portland metro area retained a strength and status as one of the best markets in the nation. Still there was no sale during that year.

In the fall of 2008, the financial markets experienced a melt-down, and our real estate markets plummeted by about 30% to the bottom. During this time the price was reduced by \$600,000, a 45% drop, but still did not sell.

Since the beginning of 2012 the Portland metropolitan area has been experiencing significant recovery which has spread to our area in Yamhill County. While we adjusted the price upward to a more reasonable price, we are now concluding two years of marketing without a successful sale. In none of these markets and conditions did the property sell.

With a variety of agencies and agents

You have also tried to sell your property using five different agents, three of which were in our firm. While we cannot judge the former two agencies, we can affirm that Bella Casa Real Estate Group is the most successful office, and the most powerful brand, in all of Yamhill County and has continued to grow and expand since its inception in 2007 while other offices were pulling back and shrinking. Additionally, our sales and marketing team, The McCreith Team, is among the finest marketing entities anywhere in the Portland markets. We think you have had the most effective marketing of your property that is available to you. Still, your property is not sold.

The McCreith Team
Bella Casa Real Estate Group



the mcreith team

503.310.9844 Team Direct
www.themccreithteam.com

About Your Home and Property

We have had no problem getting attention for your property. It is located at the epicenter of Oregon's world-class wine industry. The home is on 52 acres. It is a very large, custom built home, an ideal family home with endless options (including an indoor pool) and frontage on the South Yamhill River. It is only a few minutes to the highly desirable McMinnville downtown. It is in an area of beautiful farmland. The land is flat and usable for horses or wild and beautiful in the wetlands nearer the river.

Buyer Feedback

This property will not appeal to some; this is expected. All rural properties are unique and rural buyers have a wide variety of interests, uses, and desires for the property they are looking for. We would have expected that proximity to the highway to be one of the negative issues but actually I have not heard or read of any prospective buyer who noted this as an obstacle. For some the home is too big, and for some the property has too much flood-plain land. However, the issue of the 'neighbors' have been our most repeated issue. Some prefer a neighbor who would keep their land more tidy (the property in front), but by far most others are concerned about the Riverbend neighbor contiguous to the north.

We can show that your property gets a lot of activity online through various methods of tracking view counts. We have had several significant showings even during the bad years. We have come close to getting offers about 3 times, perhaps more. However, we know that ultimately the issue which trumps all others is the landfill.

Concluding and Sobering Thoughts

Recently, we had a buyer from the coast who was interested in the property, and enthusiastic about the prospects including a dual usage of a Bed and Breakfast. These buyers did a great deal of due diligence, some with our assistance and some directly with primary sources of information such as the Yamhill County Planning office. I was convinced this was the buyer who would finally purchase the property. Everything was a green light for this buyer until and except for Riverbend. We encouraged independent due-diligence regarding this issue but I also tried to put the issue into a larger perspective. I had numerous conversations with the buyer's agent and corresponded with thoughtful rationale on your behalf to try to make a sale happen. I have attached correspondence between the buyer's agent and my wife, Joni, and me.

At the end of all the efforts, the buyer walked away. Below is correspondence from the buyer's agent about their interest and then their reason for walking from a property they were eager and willing to purchase until the shadow of Riverbend fell upon them.

The McCreith Team
Bella Casa Real Estate Group



the mcreith team

503.310.9844 Team Direct
www.themccreithteam.com*Hi Bella Casa Group,*

Thank you so much for setting up our tour of your listing with the owner on the Delashmuth property. My client is very interested and I am hoping to get an offer put together soon. They have narrowed down the property to their top three. Your property is still their number one pick at this point. They have a few questions:

- 1) Do you have the Property Disclosures you can email us?*
- 2) Is this land classified as "high-value" farmland under the zoning code?*

I look forward to working with you. Thanks again for your prompt replies and setting up the showings.

*Regards, Becky Kirkendall
Shorepine Properties
Cell 503-701-1103
[August 30, 2013]*

Hi Randy,

My client is no longer interested in this property due to the issues with the landfill. Thank you so much for your time and please thank the owners for their time.

*Regards, Becky
Shorepine Properties
Cell 503-701-1103
[September 13, 2013]
SEE ADDITIONAL EMAIL ATTACHMENTS*

This validates our concerns and fears regarding your property. It is a great property but it is unsalable at current market prices because of the landfill. To move this property I believe it would take a significant price reduction to motivate a buyer to purchase this with the diminished value of living next to a landfill. Sometimes the fear of something is worse than the reality, but sometimes the future issues cannot be overcome with anything other than money.

I am glad to discuss this further with you at your convenience.
Best regards,

Randy McCreith, Principal Broker
Bella Casa Real Estate Group
Cell: 503-310-9147 Fax: 866-281-6653
Randy@TheBellaCasaGroup.com
www.TheBellaCasaGroup.com

Buy. Sell. Be Happy.The McCreith Team
Bella Casa Real Estate Group

Randy McCreith

From: Randy McCreith [randy@themccreithteam.com]
Sent: Tuesday, September 03, 2013 1:24 PM
To: 'Becky Kirkendall'; 'Joni McCreith'
Subject: RE: Delashmutt

(3)

Importance: High

Becky,

There is a large contingent of people who oppose Riverbend and that is true anywhere that a landfill goes in. The recent 'expansion' really just allowed them to use the space they already had but use it more effectively by using more of the piling space by virtue of a mechanical berm. They cannot go any higher than the already imposed height limit, which they have reached and my understanding is that it cannot be any larger footprint. They can just pile more on what they are already using. I think that the large and vocal opposition would keep any hopes of expansion from ever happening. Of course, that is what we can understand now and peering into the future is not a hard science. I also understand that the landfill must be shutdown in 2014. We just thought you should have that discussion with an actual county Planner.

The area around the landfill will become a public space and likely include a park and education related theme space like farming etc. Those discussions are ongoing in the community; the land has already been set aside. As with most things, the fear of something is worse than the reality. We have a former landfill in Newberg which is now part of a boat launch area on the Willamette River. No one complains anymore.

I would be glad to get other information but I think the planning office is the best place to get the most up to date truth about this.

Best regards,
Randy

Randy McCreith, Principal Broker
The McCreith Team
Bella Casa Real Estate Group
Cell: 503-310-9147 Fax: 866-281-6653
Randy@TheMcCreithTeam.com
www.TheMcCreithTeam.com

From: Becky Kirkendall [mailto:becky@shorepineproperties.com]
Sent: Tuesday, September 03, 2013 1:03 PM
To: 'Joni McCreith'
Cc: 'Randy McCreith'
Subject: RE: Delashmutt

(2)

Hi Joni,

Thank you for the information. We have been in contact with the county on zoning etc. We had planned to make an appointment to go in and talk with them as soon as we have the information on the attached sheet. My client is a bit

nervous about the property because of the landfill expansion. It appears in the articles and county information we have read that this has been an ongoing problem for property owners in this area. See this link to see one of the articles that we have read on this subject(http://www.oregonlive.com/environment/index.ssf/2013/05/riverbend_landfill_permitted_t.html). It looks to me that the berm will allow more trash and they are intending to expand even more. This concerns us over the environmental impact and future property value of this property. They are wanting to look at other options. I will touch base with the county today to see what other information I can get about the landfill. If you have any other information you would like us to know or to send please do. I was very hopeful about this property. It seemed to be a good fit for them.

I will be in touch.

Becky Kirkendall
Real Estate Broker
Shorepine Properties
Cell 503-701-1103

From: Joni McCreith [<mailto:joni@thebellacasagroup.com>]
Sent: Tuesday, September 03, 2013 11:58 AM
To: becky@shorepineproperties.com
Cc: Randy McCreith
Subject: Delashmutt

①

Hi, Becky – I just talked to Randy about Riverbend. He said that the approval for “expansion” is only to allow them to build up the berm walls around it so that they can get a little more trash there. It will not expand the footprint or allow it to go higher. This should allow Riverbend to stay open for a couple of years, after which it will be shut down.

Of course, the buyers need to go to the source for this information and not rely on us. We should only tell them where to get the information and help them ask the right questions.

We would recommend that you and your buyers go into the Yamhill County Planning Department and talk to someone there about the decision and repercussions. We would love to get an offer on the place, and I do think it would make a great B&B.

If you copy Randy with the questions about elevations, we will work with the sellers to get those questions answered as quickly as possible.

Thank you!

Joni McCreith, Principal Broker

The McCreith Team

Bella Casa Real Estate Group
503-310-5613

www.themccreithteam.com
Licensed in the state of Oregon