Groot Industries, Inc. Lake Transfer Station

LAKE TRANSFER STATION

LOCAL SITING HEARING

Groot Industries, Inc. Lake Transfer Station

PETER J. POLETTI, Ph.D., MAI

- President of Poletti & Associates, Inc.
- Collinsville Township Assessor since 1977
- Over 34 Years of Experience in Real Estate Appraisal
- Provided Expert Witness Testimony for over 30 Solid Waste Related Projects
- B.S. in Forest Management – University of Illinois - Urbana
- M.A. in Cultural Geography – Southern Illinois University – Edwardsville
- Ph.D in American Studies – St. Louis University
- Certified General Appraiser in 5 States including Illinois
- MAI Designation and Previous Certified Instructor of the Appraisal Institute
- Certified Illinois Assessing Officer
- Professional Association Memberships: Appraisal Institute and IAAO

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SECTION 39.2
CRITERION 3
REAL ESTATE IMPACT

"The Facility is located so as to minimize incompatibility with the character of the surrounding area and to minimize the effect on the value of the surrounding property."

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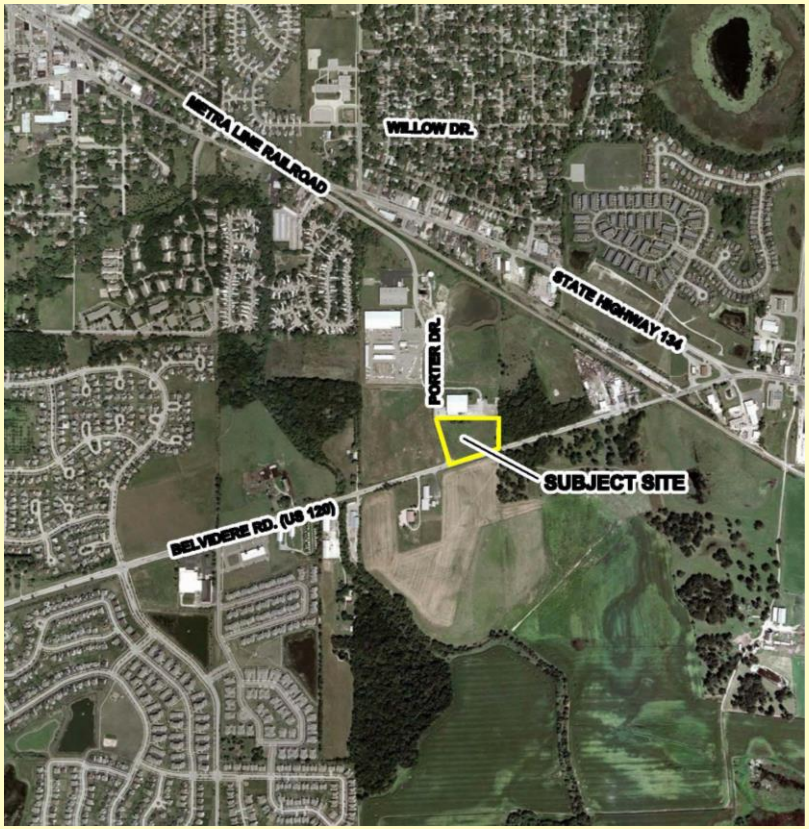
PROPOSED LAKE TRANSFER STATION



INFORMATION SOURCES

- Personal inspection of site and area
- Published literature
- Publicly available property transaction data around existing transfer stations
- Previous studies done by Poletti and Associates, Inc.
- Review of surrounding land use and zoning
- Host Agreement
- Siting Application (site design, building design, proposed operations)

METHODOLOGY

- Review proposed Lake Transfer Station design
- Inspect Lake Transfer Station property
- Review land use in surrounding area
- Analyze local property transactions near existing transfer stations
- Evaluate effect of other existing transfer stations on surrounding property values

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DESIGN AND OPERATING FEATURES MINIMIZING THE EFFECT ON THE VALUE OF SURROUNDING PROPERTY

- The proposed transfer station building will be constructed of concrete and steel and all transfer activities will occur inside of the building.
- The facility design includes berms, landscaping, a bio-swale, and a stormwater basin.
- Automatic rubber doors will be used in the morning hours as a precautionary measure to assure minimization of noise.
- Significant roadway and intersection improvements are proposed.
- The proposed transfer station has a comprehensive Operating Plan that details waste acceptance and handling procedures, nuisance control procedures, staffing and equipment requirements, and cleaning procedures.
- Off-site street-sweeping and litter collection are proposed within the operating plan and host agreements.

OFF-SITE FEATURES MINIMIZING THE EFFECT ON THE VALUE OF SURROUNDING PROPERTY

- The proposed transfer station is buffered from surrounding residential areas by distance, intervening industrial and open space land uses, and vegetation.
- Open space and industrial land uses account for:
  - 59% of the area within a one mile radius of the proposed site.
  - 73% of the area within a 1/2 mile radius of the proposed site.
  - 100% of the area within a 1,000-foot radius of the proposed site.
- No residential property or dwellings are located within 1,000 feet, as mandated by State law.

CASE STUDY EVALUATION

- After my review of the on-site and off-site features , I performed an evaluation of similar operating transfer stations in the region concerning property values surrounding those facilities.
- The following facilities were selected as they were found to be similar to the proposed transfer station in terms of setting, method of transfer, and development characteristics:
  - Glenview Transfer Station – Glenview, IL
  - Elburn Transfer Station – Elburn, IL
  - Bluff City Transfer Station – Elgin, IL

CASE STUDY METHODOLOGY

- Compared sale prices of similar properties between a Target Area and Control Area at similar operating facilities.
  - Target Area: a surrounding area where property values may be affected by proximity to a transfer station
  - Control Area: a distant area where property values are not affected by proximity to a transfer station

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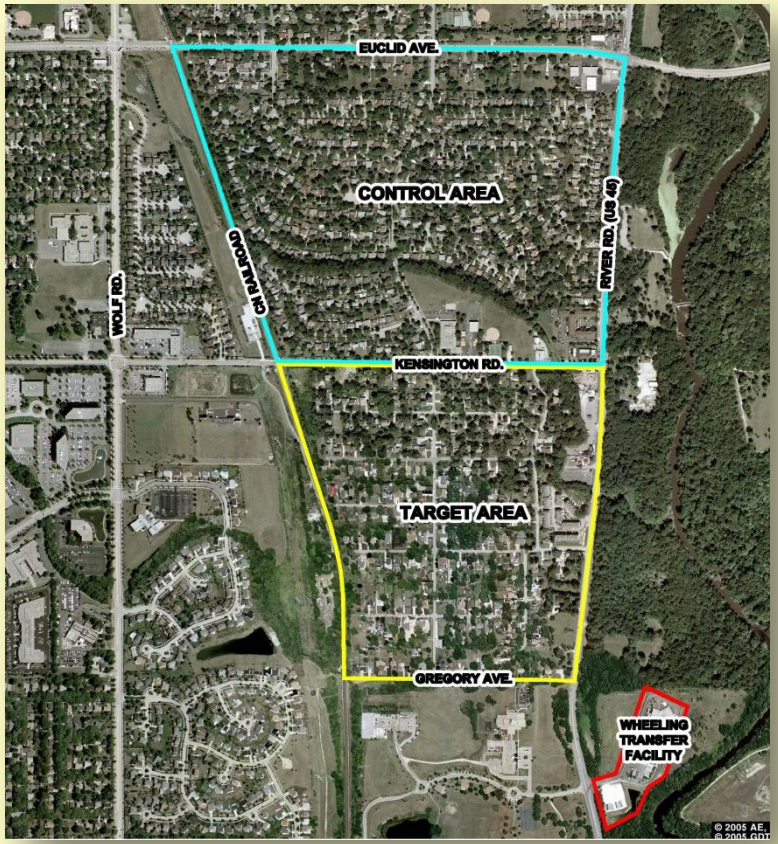
GLENVIEW TRANSFER STATION



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COMPARISON OF AVERAGES IN TARGET AND CONTROL AREAS GLENVIEW TRANSFER STATION

Sample	Sample Size	Degrees of Freedom	Sample Mean	Sum of Squares	Standard Deviation
Target:	31	30	$162.01	28,851	31.0
Control:	39	38	$154.97	57,108	38.8
Total:	70	68		85,959	

Variance:	1264.11
Variance of Difference of Means:	73.19
Standard Deviation:	8.56
Calculated *t* =	0.823
Standard *t* at 95% 68 Degrees of Freedom:	1.671

Since the calculated t statistic of 0.823 is less than the standard *t* of 1.671, it is concluded that there is no statistically significant difference between these two averages at a 95 percent confidence interval.

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SUMMARY OF REGRESSION ANALYSIS
GLENVIEW TRANSFER STATION

Item:	Measure
Multiple R:	0.698
R Square	0.488
Adjusted R Square:	0.390
Standard Error:	27.694
Observations:	70

Source:	Deg. Of Free.
Regression:	11
Standard Error of Estimate:	1
Residual:	58

Ind. Variables:	Coefficients	Standard Error	*t* Stat
Intercept	1,664.567	474.081	3.511
Proximity:	-3.662	7.334	-0.499
Size:	-0.020	0.009	-2.200
Sale Date	-0.036	0.011	-3.218
Age:	-0.220	0.283	-0.776
Brick:	4.577	9.982	0.459
Full Basement:	21.534	29.468	0.731
Partial Basement:	3.547	29.734	0.119
Rec. Room:	1.818	9.255	0.196
Garage:	19.682	7.308	2.693
Baths:	-13.558	7.413	-1.829
Fireplace:	8.036	8.440	0.952
Standard *t* Statistic at 58 Degrees of Freedom:			1.671

Since the t statistic associated with proximity of -0.499 is less than the standard *t* of 1.671, it is concluded that the presence of the Glenview Transfer Station has had no statistically measurable effect on property values.

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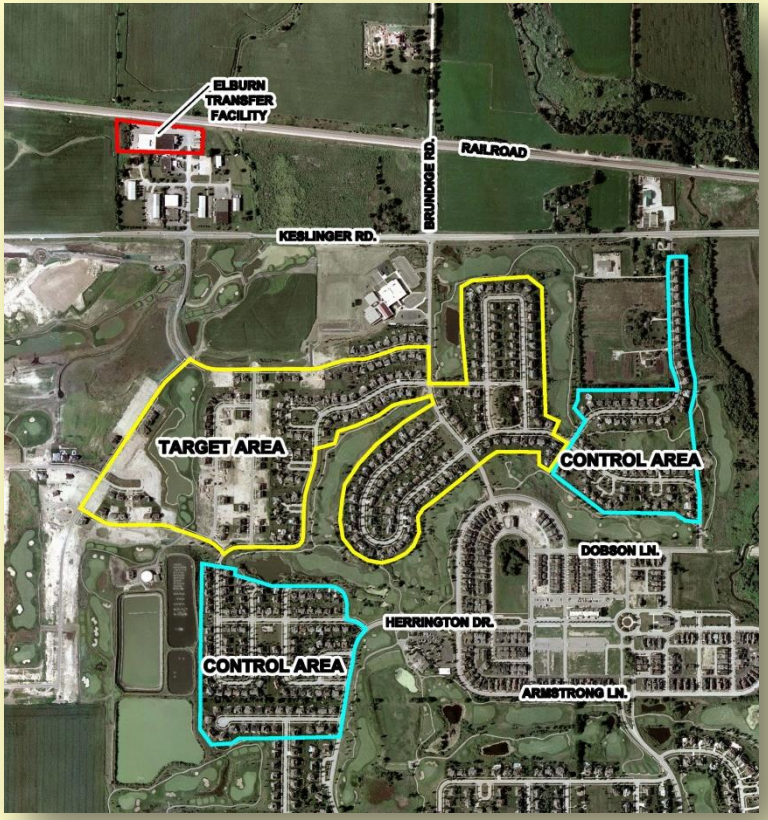
ELBURN TRANSFER STATION



COMPARISON OF AVERAGES IN TARGET AND CONTROL AREAS ELBURN TRANSFER STATION

Sample	Sample Size	Degrees of Freedom	Sample Mean	Sum of Squares	Standard Deviation
Target:	152	151	$139.79	38,199	15.9
Control:	50	49	$138.72	52,890	32.9
Total:	202	200		91,090	

Variance:	455.45
Variance of Difference of Means:	12.11
Standard Deviation:	3.48
Calculated *t* =	0.307
Standard *t* at 95% 200 Degrees of Freedom:	1.650

Since the calculated t statistic of 0.307 is less than the standard *t* of 1.650, it is concluded that there is no statistically significant difference between these two averages at a 95 percent confidence interval.

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SUMMARY OF REGRESSION ANALYSIS
ELBURN TRANSFER STATION

Item:	Measure
Multiple R:	0.644
R Square	0.414
Adjusted R Square:	0.384
Standard Error:	12.614
Observations:	202

Source:	Deg. Of Free.
Regression:	11
Standard Error of Estimate:	1
Residual:	190

Ind. Variables:	Coefficients	Standard Error	*t* Stat
Intercept	551.144	60.908	9.049
Proximity:	-2.567	2.705	-0.949
Size:	-0.026	0.003	-7.698
Sale Date:	-0.009	0.002	-6.040
Age:	-0.145	0.253	-0.573
Basement Fin.:	0.010	0.002	4.102
Garage:	11.036	2.138	5.162
Baths:	3.270	2.007	1.629
Fireplace:	-2.743	3.187	-0.861
Golf Course:	6.084	2.177	2.795
Open Space:	6.409	5.799	1.105
Standard *t* Statistic at 190 Degrees of Freedom:			1.650

Since the t statistic associated with proximity of -0.949 is less than the standard *t* of 1.650, it is concluded that the presence of the Elburn Transfer Station has had no statistically measurable effect on property values.

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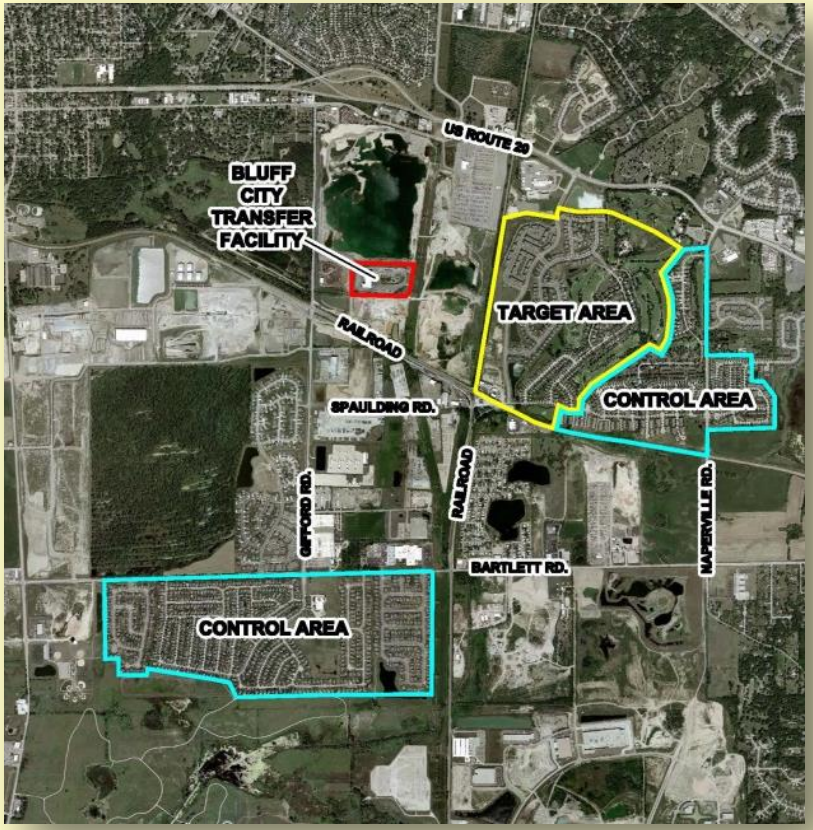
BLUFF CITY TRANSFER STATION



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COMPARISON OF AVERAGES IN TARGET AND CONTROL AREAS BLUFF CITY TRANSFER STATION

Sample	Sample Size	Degrees of Freedom	Sample Mean	Sum of Squares	Standard Deviation
Target:	47	46	$134.29	18,261	19.9
Control:	129	128	$137.76	92,038	26.8
Total:	176	174		110,299	

Variance:	633.90
Variance of Difference of Means:	18.40
Standard Deviation:	4.29
Calculated *t* =	-0.809
Standard *t* at 95% 174 Degrees of Freedom:	1.655

Since the calculated t statistic of -0.809 is less than the standard *t* of 1.655, it is concluded that there is no statistically significant difference between these two averages at a 95 percent confidence interval.

SUMMARY OF REGRESSION ANALYSIS
BLUFF CITY TRANSFER STATION

Item:	Measure
Multiple R:	0.800
R Square	0.640
Adjusted R Square:	0.618
Standard Error:	15.540
Observations:	176

Source:	Deg. Of Free.
Regression:	11
Standard Error of Estimate:	1
Residual:	164

Ind. Variables:	Coefficients	Standard Error	*t* Stat
Intercept	965.708	90.987	10.614
Proximity:	3.317	2.993	1.108
Size:	-0.038	0.004	-10.961
Sale Date:	-0.019	0.002	-8.263
Age:	-1.441	0.365	-3.945
Full Base.:	7.323	5.115	1.432
Partial Base:	8.593	5.791	1.484
Rec. Room:	0.836	4.642	0.180
Garage:	4.743	3.165	1.499
Bath:	7.612	4.396	1.732
Fireplace:	2.420	2.670	0.906
Standard *t* Statistic at 164 Degrees of Freedom:			1.655

Since the t statistic associated with proximity of 1.108 is less than the standard *t* of 1.655, it is concluded that the presence of the Bluff City Transfer Station has had no statistically measurable effect on property values.

OPINION

It is my professional opinion that the Facility is located so as to minimize the effect on the surrounding property value, satisfying the second half of Criterion 3.

BASIS OF OPINION

- The proposed transfer station design includes numerous design features and operating procedures that will minimize the effect on the surrounding property value
- The proposed transfer station is buffered from surrounding residential areas by distance, intervening industrial and open space land uses, and vegetation.
- Analysis of three similar operating transfer stations indicated that there was no statistically measurable difference in sales prices for properties located near those facilities and those some distance away from those facilities.