



CURRY COUNTY BOARD OF COMMISSIONERS

WORKSHOP

Wednesday, October 25, 2017 – 10:00 AM
Commissioners' Hearing Room, Courthouse Annex
94235 Moore Street, Gold Beach, Oregon

www.co.curry.or.us

AGENDA

- 1. Call To Order & Pledge Of Allegiance**
- 2. Adoption/Amendment Of The Agenda (5 minutes)**
- 3. Status of Brookings Airport. - John Hitt, Interim County Administrator and Gary Milliman City Manager City of Brookings (50 minutes)**
- 4. Wild Horse Fire Brigade. – Court Boice Curry County Commissioner and possibly William E. Simpson II (15 minutes)**
- 5. Adjourn**

Curry County does not discriminate against individuals with disabilities and all public meetings are held in accessible locations. Auxiliary aids will be provided upon request with 48 hours advance notification. Please call 541.247.3296 if you have questions regarding this notice.

CURRY COUNTY BOARD OF COMMISSIONERS**AGENDA ITEM ROUTING SLIP**

FORM 10-001.1 Rev. 01-13-2017

PART I – SUBMITTING DEPARTMENT: RETURN TO BOC_OFFICE@CO.CURRY.OR.US**AGENDA ITEM TITLE:** Review of Brookings Airport**AGENDA DATE^a:** 10/25 **DEPARTMENT:** Admin. **TIME NEEDED:** 30 mins.^aSubmit by seven days prior to the next General Meeting (eight days if a holiday falls within that seven day period)**CONTACT PERSON:** John Hitt **PHONE/EXT:** 3287 **TODAY'S DATE:** 10/11**BRIEF BACKGROUND OR NOTE^b:** On Aug. 15th the county received a proposal from the City of Brookings offering to conditionally purchase the airport (along with 14 acres of adjacent county owned property) for \$129,500. Along with this letter are two appraisals (Kosmont Co. & Marineau) as well as an estimate of the costs associated with the airport capital improvement plan (Century West) . .^bIndicate if more than one copy to be signed**FILES ATTACHED:** **SUBMISSION TYPE:** Discussion/Decision

(1)Aug. 15, 2017 letter - City of Brookings

(2)

Are there originals in route (paper copies with pre-existing signatures) **Yes** ☐ **No** ☒**QUESTIONS:**1. Would this item be a departure from the Annual Budget if approved? **Yes** ☒ **No** ☐

(If Yes, brief detail) A sale would eliminate revenues and expenses associated with airport

2. Does this agenda item impact any other County department? **Yes** ☒ **No** ☐

(If Yes, brief detail) Both Administration and Maintenance Depts. have considerable interface with airport.

3. If Land Transaction, filed with the clerk? **Yes** ☐ **No** ☐ **N/A** ☒**INSTRUCTIONS ONCE SIGNED:**☒ No Additional Activity Required

OR

☐ File with County Clerk

Name:

☐ Send Printed Copy to:

Address:

☐ Email a Digital Copy to:

City/State/Zip:

☐ Other

Phone:

Due date to send: / /

Email:

Note: Most signed documents are filed/recorded with the Clerk per standard process.*PART II – COUNTY CLERK REVIEW****EVALUATION CRITERIA:****CLERK ASSESSMENT:** Does this agenda item meet filing/recording standards? **Yes** ☐ **No** ☐ **N/A** ☒

(If No, brief detail)

PART III - FINANCE DEPARTMENT REVIEW**EVALUATION CRITERIA 1-4:**1. Confirmed Submitting Department's finance-related responses **Yes** ☐ **No** ☐

Comment:

2. Confirmed Submitting Department's personnel-related materials **Yes** ☐ **No** ☐ **N/A** ☒

Comment:

3. If job description, Salary Committee reviewed: **Yes** ☐ **No** ☐ **N/A** ☒4. If hire order requires an UA, is it approved? **Yes** ☐ **No** ☐ **Pending** ☐ **N/A** ☒**PART IV – COUNTY COUNSEL REVIEW****AGENDA ASSIGNMENT TYPE:** Staff Report**LEGAL ASSESSMENT:** Does this agenda item have a legal impact? **Yes** ☐ **No** ☐

(If Yes, brief detail)

PART V – BOARD OF COMMISSIONER REVIEW/COMMENT**LIAISON COMMISSIONER AGREES TO ADD TO AGENDA:**Commissioner Thomas Huxley **Yes** ☐ **No** ☐Commissioner Sue Gold **Yes** ☐ **No** ☐Commissioner Court Boice **Yes** ☐ **No** ☐

Not applicable to Sheriff's Department since they do not have a liaison ☐



City of Brookings

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gmilliman@brookings.or.us

GARY MILLIMAN

City Manager
Credentialed City Manager
International City Management Association

ICMA Career Excellence Award 2012
ICMA Management Innovation Award 1979

Mr. John R. Huttl, County Counsel
Curry County
94235 Moore Street, Suite 123
Gold Beach, OR 97444

August 15, 2017

Dear Mr. Huttl,

We have reviewed your letter dated June 19, 2017, with respect to the valuation of the Brookings Airport in a possible transfer to the City of Brookings. We would like to offer the following comments and counter proposal.

VALUE OF 14 ACRES "OUTSIDE THE FENCE"

You provided a valuation range of \$10,000-14,000 per acre for the 14 acres located "outside the fence" that is currently zoned for light industrial development. Your letter stated a value of \$190,000 for the 14 acres. We understand that the "real estate professional" with whom you consulted was John Hitt, Interim Executive Director of the South Coast Development Council. I contacted Mr. Hitt to obtain clarification concerning the comparables he used in discussing this matter with you. Mr. Hitt told me that his comparable was "shovel ready" similarly-zoned land located in Florence, Oregon.

I contacted Florence City Manager Erin Reynolds concerning this matter. She provided me with the following information:

"It has been very difficult to get true appraisal comps for real estate transactions on the Coast. Because there is rarely an arms-length market transaction occurring. We have sold one of our lots in the Pacific View Business Park at \$110,000 for \$1.42 per square foot (lot is 77,537 square feet or 1.78 acres) and provided incentives of \$40,000 if certain things were met, purchasing all permits, built quickly (upon capacity within 12 months, and hired employees). So net price \$70,000 or \$0.90 per square foot. He bought lot 30 which is one of the best lots, very flat and easy to build on. The street and utilities were already there, just ready to plug in and go."

This is not a reasonable comparable; the Brookings Airport site is far from being level or being a "shovel ready" 1-2 acres parcel. Enclosed is a contour map of the property depicting the area recently leased to Cal Ore Life Flight. As you can see most of the land is steep. Indeed, almost all of the "flat" land that can be more easily developed has been leased to Cal Ore Life Flight. To make any significant portion of the remaining acreage developable for light industrial use will require substantial environmental, grading and infrastructure investments.

In fact, the subject property would be undevelopable for light industrial use...or use by Cal Ore Life Flight...but for the recent \$2.7 million investment by the City and the U.S. Economic Development

Administration in water system improvements. The water pressure at the Airport prior to the completion of the Airport Infrastructure Project was 23 pounds per square inch, which would be too low to permit any expansion of use or new development on the Airport property. The City should be given some consideration for its infrastructure investment.

Additionally, while we have great respect for Mr. Hitt, he is not a real estate professional. According to ORS 674.010 "a person may not engage in, carry on, advertise or purport to engage in or carry on real estate appraisal activity within this state without first obtaining certification, licensure or registration as provided for in ORS 674.310." Further OAR 863-015-0190 provides "real estate licensees may provide competitive market analyses and letter opinions in the normal course of their business when they are giving an opinion in pursuit of a listing, to assist a potential buyer in formulating an offer, or to provide a broker's price opinion, whether or not done for a fee. The term "value" as used in a competitive market analysis or letter opinion is the estimated worth of or price for a specific property and is not intended to mean or imply the "value" was arrived at by any method of appraisal. A competitive market analysis or letter opinion must be in writing..." To our knowledge Mr. Hitt does not possess a real estate license and is not an appraiser. Thus, for the purpose of this transaction, Mr. Hitt's opinion of value cannot be used.

The difficulty in finding sales comparables mentioned by Ms. Reynolds is further amplified in the appraisal completed Jeffery Marineau, MAI, for an appraisal of the subject property. Based upon sales comparisons gathered from far afield (i.e. Coos Bay, Klamath Falls) Marineau determined a value of \$185,000 for all undeveloped buildable land located outside the fence including the subject acreage and acreage shown for development of five hangers shown as B2 on the Airport Plan map . We have reviewed the comparables and feel that this is also an overstatement of value; this property is not waterfront property in Coos Bay or otherwise shovel ready. We note that about 25 per cent of the developable acreage situated on the subject 14 acres is either leased to Cal Ore Life Flight or used as the septic leach field for the airport. Also, the comparables do not carry the "airport dependent use" restriction imposed by FAA.

NET OPERATING INCOME VALUATION

The net operating income valuation provided by you presumes that 41 additional hangers would be constructed on the site, bringing potential additional net operating income of \$50,000 annually, a \$13,400 increase from stated current lease revenue. There is no consideration given to the increase cost of administration and maintenance of the facility. The additional hangers would require the property owner to maintain substantial additional paved areas, water and sewer infrastructure, as well as lease administration costs.

Moreover, we have obtained an estimate from Century West Engineering, whose staff is familiar with the Brookings Airport and the Master Plan, for the cost of developing the Airport to accommodate the additional hangers. This cost estimate is \$18-21.1 million (copy enclosed).

Expending \$18-21.1 million to generate \$13,400 in additional net revenue is not a good investment...unless you are government and perceive the Airport as a part of the economic fabric of the community. And this is exactly how we perceive the Airport. The Brookings Airport...like most publicly-owned airports... was never conceived as being operated as a business enterprise. In fact, it is not a business enterprise. The County...as current owner of the Airport...is the caretaker public agency

for a public asset that serves to enhance the local economy by providing access to transportation of goods and services by air.

The City contracted with Kosmont Companies, an experienced development consultant to review the value of the Airport, including the value of existing operations and additional hangers.

As a part of its analysis Kosmont evaluated capitalization rates that may be applicable to the Airport and determined that the most appropriate cap rate is 10.0 per cent. Kosmont found that *“Even if the potential revenues were substantially underestimated, and costs substantially overestimated, no prudent owner would make the investment in the additional hangers (absent a substantial public policy benefit).”*

Using the income value approach, Marineau has valued the operating area of the airport at \$23,088. Marineau selected a cap rate of 8.0 per cent

Additionally, the Brookings Airport is an essential public safety facility. In the event of a disaster, the Brookings Airport will serve as a staging area for disaster relief. It is a part of the emergency preparedness/emergency services function of local government. While “breaking even” is a reasonable goal as an owner/operator of the Airport, generating “net operating income” to help fund local government operations is not appropriate...and is in-fact prohibited under Federal Aviation Administration regulations and assurances to which the County has subscribed. All revenues generated by the Airport in any form must be used for Airport operations and improvements.

CAPITAL INVESTMENT VALUATION

We agree to reimburse the County for six years of non-Airport Fund expenditures for capital projects at the Brookings Airport. The information you provided in your June 19, 20187, letter does not indicate the source of the \$129,504 in funding invested by the County during this period.

Consistent with FAA regulations and grant assurances, all revenue from all sources generated by the Airport are to be placed in the Airport Fund from which operations, maintenance and capital costs may be paid. Please provide an accounting for each of the last six fiscal years which indicates the amount of revenue deposited into the Airport Fund, the amount paid from the fund, and the amount of non-Airport Fund expenditures.

AIRPORT ROAD

As you know, Airport Road near the nose of the Airport has experienced a continuing slope failure for a number of years. Repairs to date have been temporary. The City has secured an estimate from a geotechnical engineering consult, Geotechnical Resources Inc. (GRI) for a permanent correction for this slope failure. The estimated cost is \$91,915.78. According to retired County Roadmaster Dan Crumly, the County had used funding from the County Road Fund for decades for regular maintenance of Airport Road. As a part of this transaction, we will expect the County to either complete repairs to Airport Road as recommended in the GRI report or offset the estimated cost of repair from the amount of the transfer price.

VALUATIONS

- Real Estate Appraiser Jeffrey L. Marineau, MAI, placed a value on the Airport at \$258,668 and rounded up to \$265,000.
- Real Estate and Business Development Consultant Kosmont Companies place a value on the Airport at a negative \$330,000 (-\$330,000).

AIRPORT FUND

According to the Federal Aviation Administration (FAA) the County is required to maintain a separate Airport Fund into which all proceeds from the operation of the Airport are to be deposited, and from which Airport maintenance, operation and capital costs may be paid. It is our understanding after

conferring with FAA representatives that any balance in this Fund is to be transferred to the new owner. As indicated earlier, we have reviewed County budgets for the last six years and cannot verify the disposition of the \$33,000 paid by the City to the County for easements associated with the Airport Infrastructure Project. As a part of the transfer, the disposition of these funds must be identified and the Fund balance, if any, must be transferred to the City as of the date of property transfer.

CITY PROPOSAL

The City is prepared to enter into a purchase and sale agreement for the Brookings Airport and comply with all FAA conditions as a transferee. By transferring the Airport to the City, the County will:

1. Relieve itself of all FAA grant assurance obligations; obligations which the County currently carries for the next 20 years and for which there is no estimate of cost.
2. Relieve itself of the current operation and maintenance burden which, we believe, is substantially understated in the County's financial documents.
3. Increase the economic benefit potential of the Airport to for all Curry County residents by transferring ownership to a public agency which has the resources necessary to aggressively pursue development.
4. Improve government efficiency and safety of the Airport by having the public facility managed by a public agency which has maintenance resources in close proximity.

The Federal Register, February 16, 1999, "Policy and Procedure Concerning the Use of Airport Revenue" clearly states that revenue received from the sale of an airport is to be deposited into the Airport Fund. Our interpretation of this provision is that any amount of money paid to the County by the City for purchase of the Brookings Airport would be deposited into the County's Airport Fund and may then only be used for airport purposes. Further, it is our reading of the federal regulations and assurances, that any balance in the Airport Fund is to be transferred to the City. Thus, any amount paid to the County in excess of reimbursement for non-grant funded airport expenses would simply return to the City upon transfer.

Thus, our monetary offer for the transfer of the Brookings Airport is equal to the amount of the Capital Investment Valuation as stated...\$129,504...unless it can be demonstrated that Non-Airport Fund expenditures exceeded this amount for the six year period preceding the transfer.

We are open to further discussion concerning this matter.

Respectfully,



Cc: Mayor and City Council
City Attorney Martha Rice
Commissioners Huxley, Gold, Boice

Attachments:

- Appraisal Report of the Brookings Airport by Jeffrey L. Marineau, MAI
- Brookings Airport Valuation by Kosmont Companies
- Brookings Airport Cost Estimate Summary by Century West Engineering



August 16, 2017

Mr. Gary Milliman
City Manager
City of Brookings
898 Elk Drive
Brookings, OR 97415

Re: Brookings Airport Valuation

Dear Mr. Milliman:

Kosmont & Associates, Inc. doing business as Kosmont Companies ("Kosmont") was retained by the City of Brookings ("City") to evaluate the potential value of the Brookings Airport ("Airport") as currently developed and utilized, as well as with additional aircraft hangar pads. In preparing this evaluation Kosmont reviewed information about the Airport, local market conditions, a 2010 appraisal of portions of the Airport property, historic Curry County ("County") budgets pertaining to the Airport, a letter from Curry County Counsel dated June 19, 2017 pertaining to the potential value of the Airport, and a memorandum from Century West Engineering dated July 21, 2017 pertaining to the potential cost of additional infrastructure and hangar pad improvements at the airport.

As a result of its analysis, Kosmont concludes that the existing Airport has a negative value (a seller would have to pay a buyer) and that the potential development of additional aircraft hangar pads at the Airport would further decrease this value. Finally, there is an approximately 14-acre portion of Airport property not used / not integral to Airport operations that the County estimates, as a stand-alone property, could potentially have a value of up to \$10,000 to \$14,000 per acre, or \$140,000 to \$196,000 in total. Kosmont concurs with this potential value on a stand-alone basis. A discussion of Kosmont's evaluation and conclusions follows herein.

Airport Profile

Based on publicly available information, the Airport (KBOK) is a small uncontrolled general aviation airport with one 2,900-foot x 60-foot runway, a four-light Precision Approach Path Indicator light system, and runway edge lights. Both 100LL fuel (for piston engine aircraft) and Jet A fuel (for turboprop / turbine engine aircraft) is available. The Airport averages approximately 62 operations daily, the vast majority of which are transient general aviation operations. There are approximately 31 aircraft based at the Airport, including one helicopter. Pursuant to information from the City and County Assessor's Office, the Airport encompasses approximately 95 acres of land, of which approximately 14 acres of unimproved land is outside of the security fence for the Airport. Finally, the Airport has received numerous FAA grants for capital improvements in recent years which include 20-year covenants to maintain operations at the Airport. Additional grants from the FAA also

appear in the works, and FAA grants with similar operating covenants may continue to be required simply to ensure satisfaction of the existing operating covenants, thus perpetuating the cycle and suggesting that the Airport will remain operational well into the future.

Value of Existing Airport Operations

Pursuant to information reviewed by Kosmont, current Airport operations generate approximately \$27,000 in direct annual revenues (excluding approximately \$1,000 in annual County fuel flowage fees), and drive the same amount in direct operating expenses. In addition to annual operating expenses, over four of the last five years, the County has made (or budgeted) expenditures for capital improvements of approximately \$10,000 to \$19,000 per year in what appear to be local matches for approximately \$1.5 million in Federal Aviation Administration ("FAA") grants for capital improvements. In addition to direct Airport expenses, over three of the last five years, the County has also incurred approximately \$7,000 to \$41,000 in indirect costs associated with management of the Airport. Additional details are provided in the table attached to this letter.

Note: Kosmont anticipates that the reported expenses likely underfund required Airport building and grounds maintenance. Kosmont also anticipates that some expenditures have historically been based on available funds, and may not reflect the actual needs and cost of supporting Airport operations over the long-term.

Kosmont estimates that should the City or another party operate the Airport, it could reasonably expect annual revenues of approximately \$27,000, and annual expenditures totaling at least \$60,000. This \$60,000 figure is based on an allowance of \$27,000 for direct expenditures, \$15,000 for capital expenditures, \$15,000 for administrative overhead, and a \$3,000 / five-percent contingency. Thus, Kosmont estimates that the Airport likely requires approximately \$33,000 in annual expenditures in excess of income to support ongoing operations, and this figure excludes the substantial, often variable, support from FAA grants.

As part of its analysis Kosmont evaluated capitalization rates that may be applicable to the Airport. For background and reference, the capitalization ("cap") rate refers to the ratio between the net operating income of an income producing asset, and the cash cost of that asset. Cap rates for stable, low risk assets are lower (i.e. 4% or \$4 in net annual income for a \$100 asset), and cap rates increase given increases in the risk and uncertainty of an asset's income stream.

The closest available analog to the Airport's income stream for consideration was the market cap rate for Class C industrial properties in tertiary markets. A recent CBRE cap rate survey suggests that the market cap rate for such properties is approximately 9%. Given the increased risk profile of the Airport (i.e. a narrow market tailored to a specific, often recreational user group), and its location beyond a tertiary market, Kosmont estimates that the lowest appropriate cap rate is 10%. Assuming \$33,000 in annual expenditures in excess of income and a 10% capitalization rate, Kosmont estimates that existing Airport operations has a negative \$330,000 value. For an abundance of clarity,

this is the value to a third-party buyer of the physical improvements and underlying land required to support ongoing Airport operations.

Value of Additional Hangars

The majority of existing Airport revenue (approximately \$25,000 of \$27,000) is generated through the lease of pads for aircraft hangars. Pursuant to the long-range capital plan for the Airport, there exists sufficient space within the Airport security fence to develop a minimum of an additional 41 hangars at the Airport. Century West Engineers evaluated the infrastructure improvements (i.e. grading, taxiways, electrical service extension) required to support the development of additional hangars, and estimates that it would cost approximately \$9.9 million to construct the required improvements to provide developable pads for hangars. Thus, based on the Century West Engineers estimates, the total cost of delivering pads upon which third parties could construct hangars is approximately \$241,500 per hangar. Finally, Kosmont expects that this cost would have to be borne by the Airport owner / operator as third parties could not reasonably be expected to pay for improvements that (i) they would have little or no security interest in, (ii) likely could not finance, and (iii) would represent a substantial premium to alternatives in the market.

County Counsel suggested in its June 19, 2017 letter that leasing pads for 41 additional hangars could yield additional net operating income of \$36,400. Utilizing the 10% capitalization rate discussed above, this net income would represent a capitalized value of \$360,400. Given this value, and the cost of the improvements required to realize the value (\$360,000 in value versus approximately \$9.9 million in costs), the residual value of constructing additional hangar pads would be negative \$9.54 million. Even if the potential revenues were substantially underestimated, and costs substantially overestimated, no prudent owner would make the investment in the additional hangar pads (absent a substantial public policy benefit).

Value of Surplus 14 Acres

In County Counsel's June 19, 2017 letter, it suggested that the value of the 14 surplus acres at the Airport was between \$10,000 and \$14,000 per acre; a total of \$140,000 to \$196,000. A 2010 appraisal reviewed by Kosmont for five of the 14 acres provided a conclusion of value of \$11,660 per acre. While the value of developed property has generally increased since 2010, Kosmont estimates that the residual value of the surplus property likely remains largely unchanged at best, as the land requires substantial investment in grading and utility improvements prior to being put into service, and the construction costs for these improvements (as well as vertical improvements) have increased substantially since 2010. Given these considerations and a review of area comparables, Kosmont concludes that an estimated value of \$140,000 to \$196,000 for the 14 surplus acres may be reasonable. However, as the negative residual value of existing Airport operations exceeds the potential value of the 14 acres, the \$140,000 to \$196,000 value is supportable only on a standalone basis, independent of ongoing Airport obligations.

Notes on County Valuation Methodology

As previously discussed, Kosmont reviewed County Counsel's June 19, 2017 letter which discussed the potential value of the Airport. Kosmont found elements of the valuation methodology utilized therein flawed, and provides the following information to facilitate reconciliation of values.

- Estimated Airport expenses of \$13,000 per year appear significantly understated.
- The estimated cap rate of 5% does not reflect an appropriate cap rate for the Airport. As discussed above, Kosmont concludes a 10% cap rate likely reflects market conditions given the risk profile of the Airport.
- The estimated value of the net income that may be generated from additional hangars does not consider the cost of constructing the hangar pads.
- The cost of capital investment previously made is of no value unless it (i) generates income or (ii) provides utility to a buyer. With respect to generating income, potential income that may ultimately be generated by invested capital is already considered in the income valuation approach (net annual Airport income divided by the cap rate). With respect to utility, generally the only value to a buyer of the Airport would be if it wanted to own the Airport to utilize it. However, the Airport is already available for use without ownership.

Conclusion

As a result of the analysis discussed herein, Kosmont estimates the value of existing Airport operations to be negative \$330,000, Kosmont concludes that the cost of constructing additional hangars on the property does not warrant the investment, and Kosmont estimates that the value of the surplus 14 acres may be \$140,000 to \$196,000 on a stand-alone basis. Thus, the combined estimated net value of the Airport (operations and surplus land) is negative \$134,000 to \$190,000. Absent (i) a substantial public policy benefit, (ii) a substantial repositioning Airport assets (i.e. future redevelopment for other use), and/or (iii) increases in net income with no or only accretive capital investment, the Airport has no net value. Kosmont is available to discuss its conclusions at your convenience.

Yours truly,



Wil Soholt
Senior Vice President

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

Brookings Airport Budget – Curry County

Revenues	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17
Landing Fees - Freight Handler	\$ 1,417	\$ 1,554	\$ 1,460	\$ 1,522	\$ 1,500
Airport Tie-Down	206	438	283	422	400
Aircraft Hanger Rent	18,329	18,861	24,706	25,797	25,000
Subtotal	\$ 19,952	\$ 20,853	\$ 26,449	\$ 27,741	\$ 26,900
Excluded Revenues (Other County Income / Resources)					
Fuel Flowage Fee	\$ -	\$ -	\$ 840	\$ 1,204	\$ 1,000
Miscellaneous	312	3,191	22,300	2,850	-
Interest	35	-	-	262	-
Fund Balance	9,032	16,831	16,027	8,305	6,308
Subtotal	\$ 9,379	\$ 20,022	\$ 39,167	\$ 12,621	\$ 7,308
Total Revenues / Resources	\$ 29,331	\$ 40,875	\$ 65,616	\$ 40,362	\$ 34,208
Expenses	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17
Utilities					
Water & Sewer	\$ 798	\$ 409	\$ 371	\$ 1,428	\$ 500
Waste Disposal	575	646	552	1,158	650
Electricity	3,928	3,498	3,252	3,693	3,500
Maintenance					
Buildings	-	1,331	5,000	52	600
General Grounds	-	12,139	600	12,306	10,000
Taxilane	-	-	805	252	974
Other	407	289	1,155	350	300
Road (Spraying / Mowing)	-	-	-	-	4,000
Liability Insurance	2,571	3,047	3,019	3,196	4,585
Property Insurance	550	1,121	1,143	1,441	2,018
Subtotal	\$ 8,829	\$ 22,480	\$ 15,897	\$ 23,876	\$ 27,127
Excluded Expenses (Other County Overhead)					
Training & Education	\$ -	\$ -	\$ 100	\$ -	\$ -
Professional services	-	-	6,945	-	-
Assigned Vehicle	-	-	-	651	-
Mileage	-	-	8	-	-
Cost Allocations					
Finance	-	-	12,164	3,133	-
Payroll	-	-	-	-	3,132
Counsel	-	-	3,073	854	1,239
Info Tech	-	-	3,133	1,000	-
BOC Office	-	-	5,837	2,166	-
Commissioners	-	-	10,153	1,833	2,710
Subtotal	\$ -	\$ -	\$ 41,413	\$ 9,637	\$ 7,081
Total Expenses	\$ 8,829	\$ 22,480	\$ 57,310	\$ 33,513	\$ 34,208
Net Income (w/o Excluded Items)	\$ 11,123	\$ (1,627)	\$ 10,552	\$ 3,865	\$ (227)
Capital Improvements	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17
County Funded CapX	\$ 10,242	\$ -	\$ 10,670	\$ 16,082	\$ 18,627
Other CapX (FAA Grants)	496,053	-	96,021	662,738	221,904
Other	950	1,089	-	97	2,500
Total	\$ 507,245	\$ 1,089	\$ 106,691	\$ 678,917	\$ 243,031

KOSMONT COMPANIES QUALIFICATIONS

A. Firm Background and Experience

Kosmont Companies, a certified Minority Business Enterprise (MBE) and certified Small Business Enterprise (SBE), is a real estate and economic development services firm offering a full range of real estate and financial advisory, retail strategies, project finance, transaction structuring, negotiations, special district analysis and project implementation services for both the public and private sectors. Kosmont Companies was founded in 1986 and is nationally recognized. With decades of advisory services, Kosmont has assisted hundreds of public agencies in their quest for services and successful public private projects. What sets Kosmont apart is our understanding of how economics relates to future project planning, as well as our understanding of both the public and private sectors. Kosmont will integrate our established ability, strengths, seasoned experience, and hands-on knowledge to deliver the requested consulting service needs.

A brief highlight of our services is as follows:

Economic Development Consulting Services

- Economic Development Strategies (EDSP / CEDS)
- Kosmont Retail NOW!® Platform
- Special Districts (EIFD, CRIA, CFD)
- OppSites – Econ Dev Online Marketplace
- Digital Community Outreach (D.C.O.™)
- Downtown Revitalization
- Asset Management Plans
- Tax/Fee Analysis
- Developer Selection RFQ/RFP & DDA/ENA
- Sustainable Economic Development

Land Use and Community Planning Services

- Development Opportunity Reserve (D.O.R.™)
- Zoning & Implementation Strategies for Economic Development

Planning and Development Services

- Project Evaluation
- Project Financials & Pro-Forma Assessment
- Property Acquisition/Leasing
- Land Use/Entitlements
- Due Diligence Report

Real Estate Economics & Financial Advisory Services

- Fiscal & Economic Impacts
- Project Economics, Highest & Best Use (HBU) & Market Studies
- Public & Private Financing Structures


Our staff includes economic consultants, real estate brokers and public finance professionals along with former real estate developers and city and community development officials that provide an in-depth understanding of the California economy, its local real estate markets and financing options to more effectively respond to our Clients advisory needs.

B. Additional Services

Kosmont Companies also provides various other services through Kosmont Realty Corporation (KRC) and Kosmont Transactions Services (KTS). If real estate brokerage and/or public finance transactional services may be needed, Kosmont Companies can call upon the expertise of KRC or KTS as appropriate. KRC is a full service and licensed real estate brokerage firm and KTS is a public finance firm providing financial advisory services, and is registered with the SEC.

In the aggregate, Kosmont Companies, KRC and KTS have extensive experience working with local and State government on real estate transactions between public agencies and private parties and structured project financing involving public and private funding sources. Collectively, Kosmont provides public agencies broad access to real estate consultants and brokers, public sector deal structure experts, and public-private financial advisors. Our diverse roles and experience in the real estate and financial industries have made us highly adaptable and skilled for this type of assignment. The graphic below represents Kosmont's wide-array of services and experience.

KOSMONT SERVICES OVERVIEW

 <p>Real Estate Finance/Economics Development Entitlements</p>	 <p>kosmont realty corp</p>	 <p>kts kosmont transactions services</p>
<p>KOSMONT COMPANIES</p> <p>ECONOMIC DEVELOPMENT, REAL ESTATE, PROJECT FINANCE, AND IMPLEMENTATION STRATEGIES</p> <ul style="list-style-type: none"> Public/Private Transaction Structuring & Negotiation / Entitlements Tax/Fee Analysis Kosmont Retail NOW!® Local Agency Financial Turnarounds Market & Feasibility Analysis Developer & Retailer/Business Recruitment Fiscal Impact/Economic Benefit Studies Identification of Funding Sources & Financing Strategies EIFD & CRIA Special Districts 	<p>KOSMONT REALTY CORPORATION</p> <p>REAL PROPERTY SALES, LEASING, AND ASSET BASED SERVICES</p> <ul style="list-style-type: none"> Brokerage (CA BRE #01770428) Ground Lease Project Economics Real Estate Market Analysis Land Use/Entitlements Asset Management Plans Developer Selection RFQ/RFP & ENA/DDA Zoning & Implementation Strategies Property Valuation/Broker Opinion of Value 	<p>KOSMONT TRANSACTIONS SERVICES</p> <p>PUBLIC FINANCE ADVISORY AND TRANSACTIONS SERVICES</p> <ul style="list-style-type: none"> Registered Municipal Advisor Utility/Enterprise Financings Assessment-based Financings General Fund/Lease supported (COP, lease/leaseback) General Obligation Debt Special Tax ("Mello Roos") Tax Increment Financing (Successor Agency; EIFD) JPA/Pooled Structures (including Utility Authorities) Public/Private Partnerships ("P3") Private Placements

Kosmont Companies is the proud recipient of the **"Small Private Latino Business of the Year Award"** (2015 Los Angeles Business Journal Latino Business of the Year Awards) and the **"Award of Excellence in Economic Development Partnerships"** (2015 CA Assoc. for Local Economic Development (CALED) Awards of Excellence Program)



KOSMONT COMPANIES

1601 N. Sepulveda Blvd., #382 | Manhattan Beach, CA 90266 | 424.297.1070 | www.kosmont.com

Wil Soholt**Senior Vice President**

Mr. Wil Soholt, Senior Vice President at Kosmont Companies for over ten years functions as the firm's financial and investment strategist for public/private deals. He serves clients primarily through the evaluation and preparation of financial analyses/pro-forma, the formulation and implementation of negotiation strategies, capital structures, and the design of development programs and strategic plans that benefit both clients and their communities. Mr. Soholt also has broad experience in managing real estate development projects, from concept and feasibility evaluation through occupancy. Prior to joining Kosmont Companies, Mr. Soholt managed more than 25 redevelopment projects with an aggregate project cost of \$140 million.

Mr. Soholt's analytical capabilities extend to financial, economic and geographic modeling, supporting a wide variety of projects that blend issues of real estate, land use, and finance. These include feasibility modeling, acquisition strategies, demographic projections, data mining, and probability based analyses. Mr. Soholt has a talent for consensus building, creative problem solving, and identifying opportunities to capture hidden value.

LICENSES/AFFILIATIONS:

Mr. Soholt is an instructor in Real Estate Development Finance for the California Association of Local Economic Development (CALED) and a Real Estate Broker, licensed by the State of California Bureau of Real Estate (BRE No. 01836503) and is a registered Municipal Advisor with the U.S. Securities and Exchange Commission (SEC).

EDUCATION:

Mr. Soholt holds a Master of Business Administration from Pepperdine University and a Bachelor of Science in Urban Planning and Real Estate Development from the University of Southern California.



**APPRAISAL REPORT
OF
THE BROOKINGS AIRPORT**

**Curry County Map and Tax Lot 40-13-31-200 (95.88 \pm AC)
17330 Parkview Drive, Brookings, Oregon 97415**

CLIENT

**City of Brookings
898 Elk Drive
Brookings, Oregon 97415
Attention: Gary Milliman, City Manager, MPA/USC, CCM/ICMA**

PREPARED BY

**Jeffrey L. Marineau, MAI
Marineau and Associates
P. O. Box 1017
Coos Bay, Oregon 97420**

AS OF: June 30, 2017

OUR FILE #: CYB-452-R1

Marineau and Associates

real estate appraisers and consultants

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JEFFREY L. MARINEAU, MAI
DAVID S. OLSON
JASON K. BOAZ
ROY N. METZGER, CBA
FRED J. MARINEAU (1919-1996)

August 16, 2017

City of Brookings

898 Elk Drive

Brookings, Oregon 97415

Attention: Gary Milliman, City Manager, MPA/USC, CCM/ICMA

RE: Appraisal of the Brookings Airport, Curry County Map and Tax
Lot 40-13-31-200.

Dear Gary:

Pursuant to your request and authorization, I have prepared an appraisal report of the Brookings Airport identified as Curry County Map and Tax Lot 40-13-31-200, located at 17330 Parkview Drive, Brookings, Oregon 97415.

The appraisal report has been written at the request of the client with supporting data and analyzes in compliance with the guidelines of USPAP, Uniform Standards of Professional Appraisal Practice and State law. The intended users are Gary Milliman, City Manager, MPA/USC, CCM/ICMA, the City of Brookings and-or assigns. The objective of the appraisal is to estimate the market value of the fee simple and leased fee estates in the Brookings Airport. The intended use is for the purposes of potential acquisition negotiations.

There are site improvements including airport runway pavement and perimeter fencing. The sale comparables have similar site improvements included in their land value. Therefore, these site improvements are considered an amenity to the property.

There are no comparable airport sales available; therefore, we estimate the value of the 50.88± acres of land located outside the fenced airport operations using the Sales Comparison Approach. The Income Approach is an important element of an income producing property, and is the approach used. The Cost Approach is not included according to our scope of work, nor is it necessary to produce a credible value estimate.

After careful consideration of all available information and analyzing all factors pertinent to the fee simple and leased fee valuations of the subject Property and the Brookings Airport, as defined in this report, the estimated market value, as of June 30, 2017, is as follows.

TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS \$265,000

Your attention is directed to the attached report for property and market descriptions, date of presentation, and reasonable assumptions that are offered in support of the previous stated conclusions of market value; subject to the included Statement of Limiting Conditions. A copy of the appraiser's Certification is also included herein.

Thank you for the opportunity of providing you with this service. Please contact this office at the referenced address if you have any questions or comments concerning this appraisal report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey L. Marineau". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Marineau" clearly distinguishable.

Jeffrey L. Marineau, MAI

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SUMMARY OF FACTS AND CONCLUSIONS

Valuation Date June 30, 2017

Date of Report August 16, 2017

Site: The subject property is identified as Curry County Map and Tax Lot 40-13-31-200 and is known as the Brookings Airport. It was recently annexed into the City of Brookings Urban Growth Boundary and per the Comprehensive Plan the subject airport is situated within split zones including the Public Open Space (P/OS) district and the Industrial Park (I-P) district. Based on past discussions, in 2014, with the Brookings Planning Department, "if the Brookings Airport were not there, the entire area would have been zoned Industrial Park"; therefore, we have appraised the subject property in this assignment as if it were entirely within the Industrial Park District. The irregular shaped site totals 95.88± acres in the "as is" condition and is located on the northeast corner of Brookings. The topography varies from gently sloping terrain to a moderately sloping terrain in the northeast portion of the subject site. Access is from Parkside Drive.

Improvements: Approximately 24 acres of the site are paved and there are several hangers and accessory buildings located on the site; however, no building improvements are appraised in this assignment. The subject property has public power and a septic system installed on the site. City water is nearby.

FINAL VALUE CONCLUSIONS

SUBJECT PROPERTY (Land & Site Improvements Only): \$265,000

Date of Value June 30, 2017

Appraiser Jeffrey L. Marineau, MAI

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal report is subject to the following limiting conditions. The report is not to be relied upon unless the conditions are accepted.

Extraordinary Assumption

1. Based on past discussions, in 2014, with the Brookings Planning Department, "if the Brookings Airport were not there, the entire area would have been zoned Industrial Park"; therefore, we have appraised the subject property in this assignment as if it were entirely within the Industrial Park District.
2. Curry County (Brookings Airport) financial data, including income and expense details used in this report, were provided to the appraiser by Gary Milliman, City Manager, City of Brookings. Although Curry County has not provided confirmation of the data, the data obtained from Gary Milliman is the best available and is assumed reliable in the determination of the net operating income.

Ordinary Assumptions

1. Title to the property is assumed good and marketable unless otherwise stated. No Preliminary Title Report was made available for this report. It is assumed that there are no exceptions, exclusions, and stipulations that substantially affect the fee simple valuation of the subject property. A title company should be consulted if there are questions regarding the legal description.
2. That there is legal access to the property, unless otherwise noted. The property is appraised free and clear of any or all liens, easements, or encumbrances unless otherwise stated.
3. A walk-through inspection of the subject property has been performed. The appraisers are not experts in the field of building inspection and/or engineering. As part of the visual walk-through inspection performed by the appraisers, the appraisers have not inspected inaccessible areas. If an inspection of areas, which are not accessible, is desired, an expert in the field should be consulted. An expert in the field of engineering/seismic hazard detection should be consulted if an analysis of seismic safety and seismic structural integrity is desired. The appraisal was prepared for the purpose of potential sale negotiations, and does not constitute an expert inspection of the property. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections.
4. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead-based paints and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value. No responsibility is assumed for such conditions. If the client has any questions as to hazardous materials, an independent expert or an engineer should be consulted.

5. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
6. Assuming cash or cash equivalent terms for the subject valuation.
7. Assuming 18 to 24 months of open market exposure.
8. The appraiser acknowledges that there are strict development limitations on the airport tract.
9. The City of Brookings has utility easements on the property; therefore, we assume there are access and maintenance agreements in favor of the City of Brookings for those utilities.

Limiting Conditions

1. Information, estimates or opinions that are furnished to the appraisers, which may be contained in this report, were obtained from sources considered reliable and believed correct. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary.
2. Any maps or sketches, which may be attached to this report, are included to assist the reader in visualizing the property. Area calculations are approximate, and if there are any questions as to their accuracy, the client should have an independent expert verify the information utilized for this report.
3. A survey of the property has not been provided to the appraisers, except as indicated in the report; however, a survey of the Brookings Airport as shown in the report, has been provided. Should a survey indicate that the subject property area estimates defined and utilized in this report are not accurate; the appraised valuation could be affected.
4. The appraisal report has been prepared for the exclusive benefit of the client and the client's assigns. It may not be used or relied upon by any other party. Any party or parties, who use or rely upon any information in this report, without the preparer's written consent, do so at their own risk.
5. No right to testimony is included in this appraisal, unless previous agreements have been made. Since this appraisal is of land for an access easement, there is a possibility that testimony may be required in the future.
6. Unless otherwise stated, this appraisal has not considered any unapparent value or loss such as that derived from mineral deposits, boundary disputes with a neighboring property, any future affects of the Americans with Disabilities Act, concerns or value issues related to Measure 49, demands for easements or water rights, etc.

FACTUAL INFORMATION

The Appraisal Process/Scope of Work

The objective of the appraisal is to estimate the market value of the fee simple and leased fee estates in the subject property. The intended users are Gary Milliman, City Manager, MPA/USC, CCM/ICMA, the City of Brookings, Curry County, and-or assigns.

The subject real estate was inspected (exterior only) on June 30, 2017 by Jeffrey L. Marineau, MAI and David S. Olson. The effective date of this report is June 30, 2017, the primary date of physical inspection. The appraisal report is in compliance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and the Uniform Standards of Professional Appraisal Standard ("USPAP"). This is an appraisal written to USPAP report standards and State law.

There are site improvements including airport runway pavement, lighting and perimeter fencing. The sale comparables have similar site improvements included in their land value. Therefore, these site improvements are considered an amenity to the property.

The data was assembled, analyzed and a value conclusion was developed, given the limiting conditions and assumptions of the assignment. The sales search was focused on the Southwest coast of Oregon, from Coos Bay, Oregon to the California state line, where adequate information was found for this valuation process. The land is valued using the Sales Comparison Approach. The Income Approach is an important element of income producing property and is a common measure of value for Airports. The Cost Approach is not included according to our scope of work, nor is it necessary to produce a credible value estimate.

The assignment involves the collection and gathering of data from various sources, which are then analyzed to arrive at a value conclusion. The types of data collected include information on the social, political, governmental and economic factors within the County the property is located in and the cities that the property is close to or located in, assembling accurate information on the legal description, assessed value, zoning and history of the property. Sales data is gathered from a variety of sources, and which, includes private investors, lessees, real estate brokers and salesmen, RMLS, Assessor's Office, CoStar Group, Recorder's Office, and other governmental agencies. Additionally, we contacted Martha Meeker, Chair of the Oregon State Aviation Board and Mitch Swecker, Director for the Oregon Department of Aviation to confirm that there are no recent airport sales within the past decade. The data is assembled, analyzed and a value conclusion is developed, given the limiting conditions and assumptions of each assignment.

Prior Services

Marineau and Associates completed an appraisal of some lands within the subject property on July 3, 2014 and has performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

Competency

There is information in the addenda section of this report that lists the qualifications of Jeffrey L. Marineau, MAI, and the author of this report. Mr. Marineau's experience includes over 43 years of experience as an Appraiser in Oregon, which includes experience in the valuation and evaluation of various easements, right of ways and commercial/industrial, residential and recreational properties.

David Olson, under the supervision of Jeffrey L Marineau, MAI, is registered as an appraiser assistant in the State of Oregon under ORS 674.310 David Olson assisted in the following categories described in OAR 161-025-0030(9)(a):”(A) define the appraisal problem; (B) conduct preliminary analysis, select and collect applicable data; (C) conduct an analysis of the subject property; (D) conduct highest and best use analysis; (E) estimate land value, including on-site improvements; (F) estimate value of the property using the three approaches to value - cost, sales comparison and income capitalization [as applicable]; (G) reconcile each value indication and reconcile the final value estimate; and (H) report estimate(s) of value(s) as defined.”

Definition of Market Value

The most probable price in terms of money 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 and knowledgeably, and assuming the price is not affected by undue stimulus.

Market Value means 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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interest;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

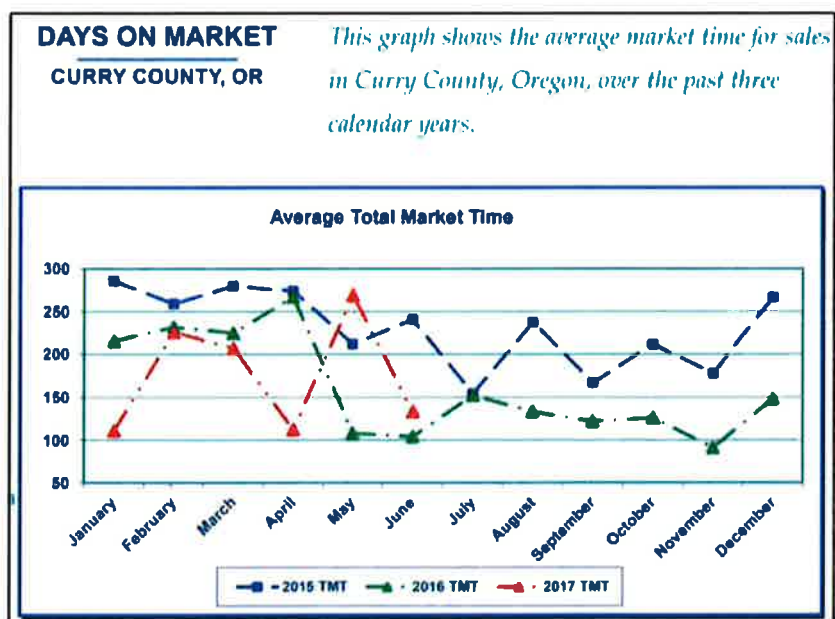
This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve Systems (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Exposure Time

Exposure time is defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market." Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established upon the experience of comparable sales and discussions with market participants.

Per RMLS Market Action, June 2017, “Pending sales had a bright month in Curry County this June. At 69, accepted offers outpaced June 2016 (66) and May 2017 (59). This is the strongest June for pending sales in the county on the RML record, going back to 2005. Closed sales (47) showed increases as well, gaining 4.4% over June 2016 (45) and 11.9% over May 2017 (42). New listings, at 97, outpaced June 2016 (86) by 12.8% but fell 14.9% short of the 114 new listings offered last month in May 2017.

Comparing the first six months of 2017 to the same period in 2016, closed sales (241) have increased 1.3%, while new listings (461) have decreased 0.4% and pending sales (271) have decreased 8.1%. Average and Median Sale Prices Comparing 2017 to 2016 through June, the average sale price rose 8.1% from \$253,600 to \$274,100. In the same comparison, the median sale price rose 9.4% from \$217,000 to \$237,500.”



Per the above chart, the current Average Total Market Time is between 90 to 260 days. The above data and charts were comprised of comparable sales in Curry County.

The location and physical characteristics are important factors relative to the exposure period. The availability of financing is also an important factor. The subject property was recently annexed into the City of Brookings Urban Growth Boundary and per the Comprehensive Plan the subject airport is situated within split zones including the Public Open Space (P/OS) district and the Industrial Park (I-P) district. Based on past discussions, in 2014, with the Brookings Planning Department, “if the Brookings Airport were not there, the entire area would have been zoned Industrial Park”; therefore, we have appraised the subject property in this assignment as if it were entirely within the Industrial Park District. Industrial properties, such as airports, take a much longer to market than residential properties. Our pending sale and 13 industrial sale comparables ranged from 96 DOM to 1,387 DOM with an average of 583 DOM; therefore, an 18 to 24 month period exposure time for an industrial property is indicated.

Marketing Time

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate. The appraisal assumes cash or cash equivalent terms and a total of 18 to 24 months of open market exposure for the sale of the subject property. Data for the current market conditions indicated an increased marketing time due to light demand, as of the date of this appraisal.

Owner of Record/ History of the Subject Property

Reportedly Curry County acquired the Brookings Airport from the State of Oregon. According to Curry County public records the subject property has not transferred title since at least 1997. Curry County, the subject property owner, appears of record with a mailing address of P.O. Box 746, Gold Beach, Oregon 97444. The subject property has been under the same ownership since (at least) that date.

Legal Description

The subject property can be described as Curry County Map and Tax Lot 40-13-31-200 with a situs address of 17330 Parkview Drive, Brookings, Oregon 97415.

Market Value, Assessed Value, and Annual Tax Load

The current information from the Curry County Assessor's Office is as follows:

Real Property - Current 2016 - 2017 Assessment and Tax Information							
REAL MARKET VALUE and TAX ASSESSED VALUE							2016-2017
Map / Tax Lot	Zoning	Land	Improvement	Total Market Assessed Value	Maximum Assessed Value	Tax Assessed Value	Tax Amount
40-13-31-200	IP-PF	\$ -	\$ 2,200	\$ 2,200	\$ -	\$ -	Exempt

Zoning

The property is presently in unincorporated Curry County and was recently annexed into the City of Brookings Urban Growth Boundary, and per the Comprehensive Plan, the subject airport is situated within split zones including the Public Open Space (P/OS) district to the southwest portion and the Industrial Park (I-P) district to the northeast. Based on past discussions, in 2014, with the the Brookings Planning Department, "if the Brookings Airport were not there, the entire area would have been zoned Industrial Park"; therefore, we have appraised the subject property in this assignment, as if it were entirely within the Industrial Park District.

17.64.010 Purpose.

This district is designed to provide for a combination of wholesale, heavy commercial and light industrial uses in a manner that will have minimal impact on surrounding areas in relation to noise, odor, vibration or visual nuisance and to provide a suitable and stable environment for such uses. [Ord. 09-O-627 § 2, Ord. 93-O-446 M § 4, Ord. 80-O-446 § 1]

17.64.020 Permitted uses.

The following uses are permitted:

- A. Any use listed as a conditional use in the C-3 district, with the exception of BMC 17.52.030(A), (G), (I) and (J).
- B. Implement sales, service, repair and rental.
- C. Wholesale businesses, storage, warehousing, transfer companies and trucking companies.
- D. Automobile, boat, truck, or trailer sales, service and repair with display areas more than 20,000 square feet and less than 100,000 square feet.
- E. Public and quasi-public utility buildings and service yards.
- F. Contractors' offices and equipment storage yard or storage and rental of equipment commonly used by contractors.
- G. Carpenter, electrical, plumbing, sheet metal, welding, electroplating, heating, sign shops, auto and furniture upholstery shops, printing, publishing and lithographing shops, painting and sandblasting.
- H. Cold storage plants.
- I. Bakery, creamery, soft drink bottling plant, laundry, dry cleaning, dyeing or rug cleaning.
- J. Feed, seed and fuel stores.
- K. Commercial parking lots, subject to Chapter 17.92 BMC.
- L. Administrative, educational and other related activities and facilities in conjunction with a permitted use.
- M. Light manufacturing, assembly, fabricating or packaging of products from previously prepared materials such as cloth, plastic, wood (not including saw, planing or lumber mills or molding plants), paper, cotton, precious or semi-precious metals or stone.
- N. Manufacture of electric, electronic or optical instruments and devices.
- O. Manufacture of food products, pharmaceutical and similar items, but not including the production of materials having significant potential for odor or the rendering of fats or oils.
- P. Retail sale of items offered for wholesale, retail sale of items produced by any permitted manufacturing use, lumber yards (including sales of ancillary hardware) and sales of heavy equipment and other similar heavy bulk items.
- Q. Printing, publishing and book binding.
- R. Rental storage units and similar type storage areas, provided they are used exclusively for storage purposes.
- S. Day care facilities when associated with any permitted or conditional uses.
- T. Existing residential uses, including additions, without any increase in the number of dwelling units. [Ord. 09-O-627 § 2, Ord. 00-O-446 § 4, Ord. 94-O-448 R § 2, Ord. 93-O-446 M § 4, Ord. 89-O-446 § 1]

The following C-3 conditional uses are allowed outright in the I-P Zone (please see A. listed in I-P outright uses on the previous page):

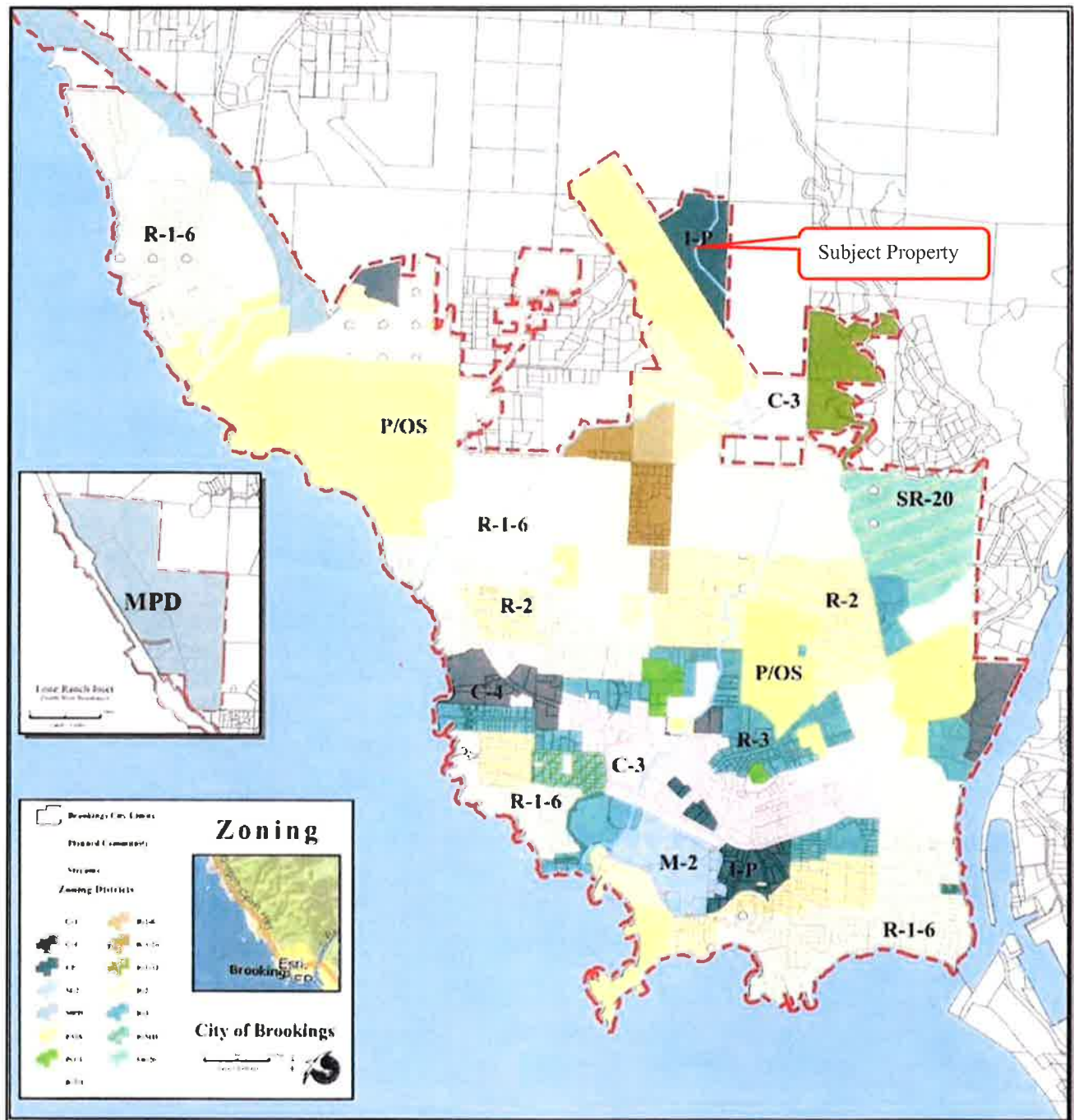
17.62.040 Conditional uses.

The following conditional uses may be permitted subject to a conditional use permit:

- A. Automobile, boat, truck, or trailer sales, service or repair with display areas of 100,000 square feet or more, provided that all repair shall be conducted entirely within an enclosed building.
- B. Implement, machinery, and heavy equipment sales, service or repair, provided that all repair shall be conducted entirely within an enclosed building.
- C. Automobile service station, including automobile maintenance and repair, which shall be conducted entirely within an enclosed building.
- D. Lumber or building materials sales and storage.
- E. Contractors' storage.
- F. Veterinarians and animal hospitals, provided all business, service and kennels are entirely within an enclosed building subject to BMC 17.124.020.
- G. Buildings over 40 feet in height.
- H. Rental storage units, provided they are used exclusively for storage purposes.
- I. Day care and nursery schools pursuant to BMC 17.124.010.
- J. Short-term rentals pursuant to the provisions of BMC 17.124.170.
- K. Mortuaries and crematories in conjunction with a mortuary and subject to BMC 17.124.090.
- L. On-duty personnel living quarters, either conventional or manufactured dwelling unit, only in conjunction with ambulance services and/or fire departments.
- M. Utility substations or pumping stations subject to BMC 17.124.030.
- N. Light manufacturing and fabricating of products that is not related to tourism or tourism related products without sales is permitted on the ground floor facing the public street. The activity shall not create noise above 45 dB, or create excessive odor, and all processing shall be completely contained in a closed system or vented into a filtering system to remove odor. [Ord. 14-O-727 § 3, Ord. 08-O-622 § 2, Ord. 01-O-446 M/M, Ord. 00-O-446 § 2, Ord. 92-O-446 H § 2, Ord. 89-O-446 § 1]

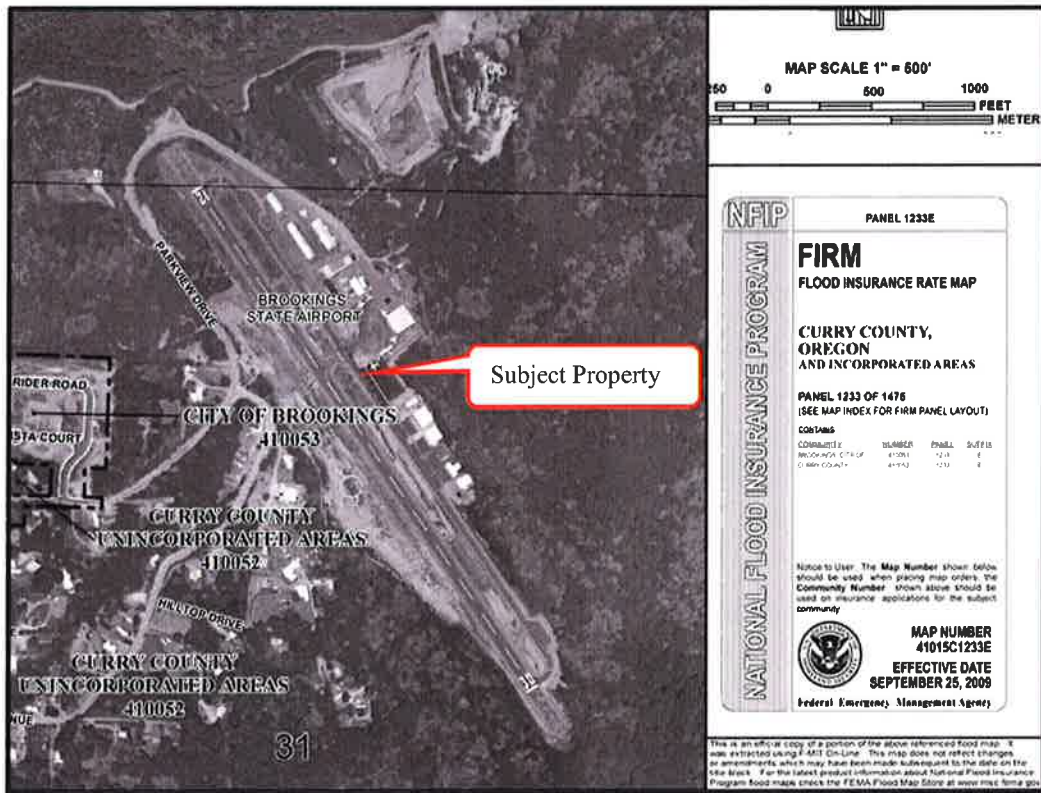
Please see the Addenda for more details regarding the Curry County I-P Zoning Code.

The City of Brookings Zoning Map

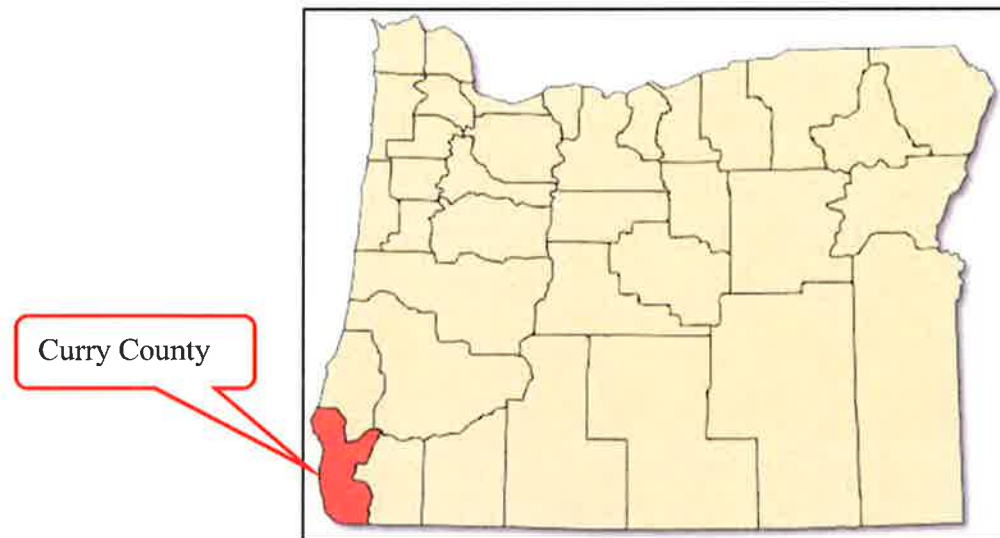


FEMA Flood Zoning with Mapette

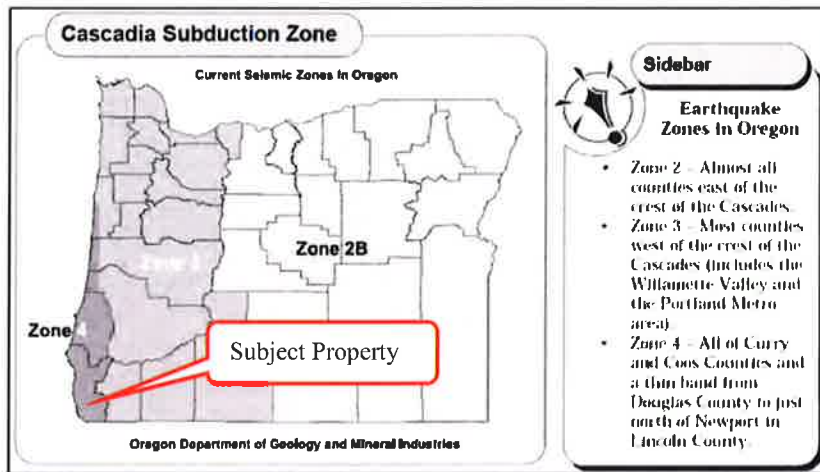
According to FEMA Map 41015C1233E, dated 09/25/2009, portions of the subject property is not located within a FEMA's Flood Hazard Zone.



Map of Oregon Counties (Curry County is highlighted in red)



Seismic Map



Subject property is located in Seismic Zone 4 as shown above.

The Cascadia Subduction Zone lying offshore of northern California, Oregon, and Washington was modeled using a distribution of large earthquakes between magnitude 8 and 9. Additional weight was given to the possibility for a catastrophic magnitude 9 earthquake that ruptures, on average, every 500 years from northern California to Washington, compared to a model that allows for smaller ruptures.

This means that new buildings are being built to higher standards so that they will be better able to withstand earthquakes. Many older buildings along the coast were constructed before this code change and are therefore not as safe.

Area Data

The subject property is located within Curry County, which is situated along the southern Oregon coast of the Pacific Ocean and just north of the Oregon-California border. Curry County is predominately rural. Much of Curry County is rugged and steeply sloping with heavily forested hills and mountains that begin a few miles inland from the coastal shore. The majority of Curry County's populace lives within a one to five mile strip along the coastline. There are three incorporated cities in Curry County: Brookings, Gold Beach, and Port Orford, plus the Census Designated Place (CDP), Harbor.

To the north, Coos Bay-North Bend is Coos County's largest urban center and the largest urban center in Southern Oregon. The areas north and south of the subject property, which includes Bandon to the north and Gold Beach and Brookings to the south, have experienced growth. Gold Beach is the home of the new Curry General Hospital, a number of lodging facilities, a golf course, airport, and lighthouse. Medical services are also found at the recently built Curry Medical Center in Brookings.

Brookings and Gold Beach are the largest cities in Curry County and together they serve as the main business and service center for the county. These cities are situated along the Pacific Ocean and share similar physical features. The property markets are considered differently however. The property market in Brookings is influenced by a buyer's market, which includes second homebuyers from California and the employees of a large prison complex in Del Norte County, California (30 miles to the south). The Gold Beach market is influenced by a large number of government jobs (the County Court House, State Offices & U.S. Forest Service Offices) plus a medium size foundry/manufacturing business that produces custom marine equipment.

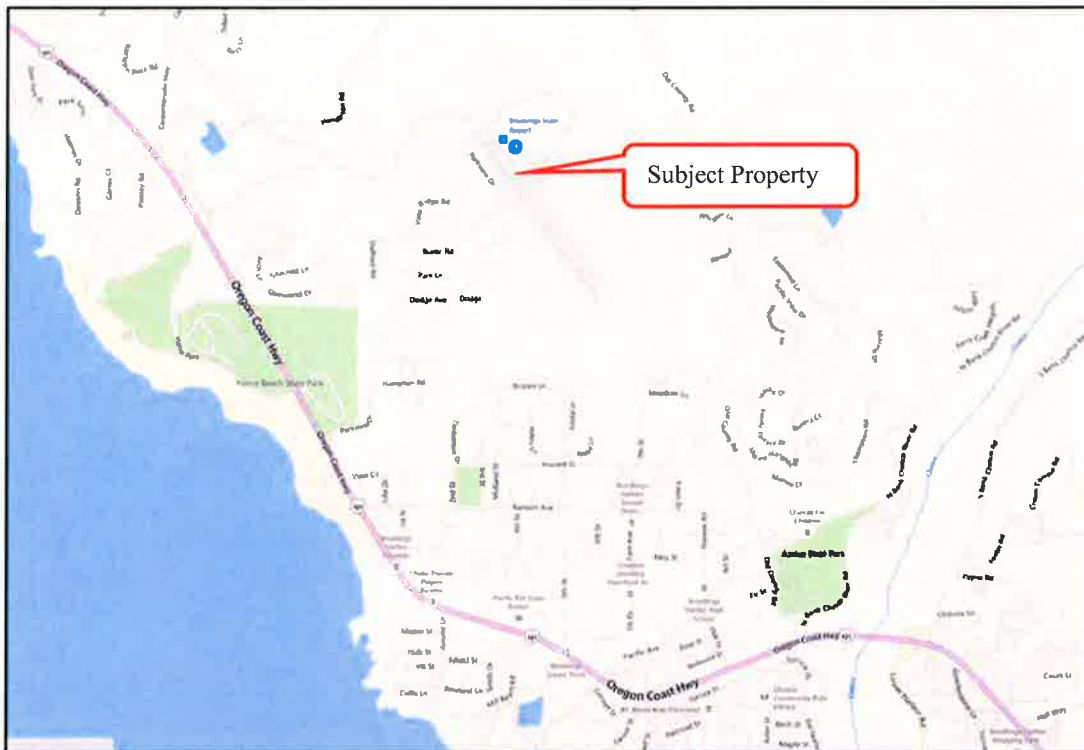
Both communities enjoy year round seasonal influxes of tourists related to the river and ocean fishing, boating activities, and beach recreation. Educational opportunities are found in Gold Beach and Brookings, which have elementary schools and high schools. There is also a newly constructed off campus facility of Southwestern Oregon Community College located just north of Brookings on Highway 101.

Curry County has experienced some stability from within as a result of growth in small business and a greater emphasis on service-related employment. The major agriculture products of this county are beef, sheep, lily bulbs and cranberries. Forest products and the fishing industry remain an important part of the economic base. Forestry related employment has experienced a steep decline from levels of the past several decades, but is currently relatively stable. Employment in other sectors is stable, but unemployment has remained high compared to both national and state standards. This is typical of most small coastal cities in Oregon.

Recreational activities in Curry County include freshwater and ocean fishing, jet boat tours, rafting, recreational boating, ocean view points, windsurfing, clamming, tide pools, beach combing, whale watching, hiking, trail riding, golf, prehistoric gardens, museums, camping, backcountry lodges, photography opportunities, agate hunting, art galleries, and antique shops. Other activities include; bicycling, bird watching, crabbing, and storm watching. Many of these activities are accessed in the town of Gold Beach. The port of Gold Beach has dock and moorage facilities for 151 recreational craft and 33 commercial craft. Also, Gold Beach is situated on the Pacific Ocean at the mouth of the famous Rogue River.

The weather in the area is mild with average highs of 65 degrees to 70 degrees and average winter temperatures ranging from 45 degrees to 50 degrees. The area receives an average of 70 to 80 inches of rain a year, but Gold Beach has the highest "total sun hours" on the Oregon Coast.

Location Map



General Neighborhood Characteristics

The subject is located east of U.S. Highway 101 in the northeast corner of Brookings, Oregon. The City of Brookings location is on the southern Oregon coast, just north of the state line boundary with California. Brookings has a heavy summer, tourist season, but the majority of its residents stay throughout the year. The appraiser does not think there are definite neighborhood boundaries and the competitive market extends into surrounding areas with similar appeal within Coos and Curry Counties.

The neighborhood extends into the unincorporated area known as Harbor, which is a continuation of the small city atmosphere on the south side of the Chetco River. Basically the only traffic thoroughway is US Highway 101, which is known as the Oregon Coast Highway and as Highway 101 locally in Brookings. The highway is known as a scenic byway and attracts a large tourist contingent, especially in the summer months. There is no real solutions to the traffic congestion that occurs in the summer, as the Chetco River must be bridged, and there are no viable alternative routes to be considered as a bypass.

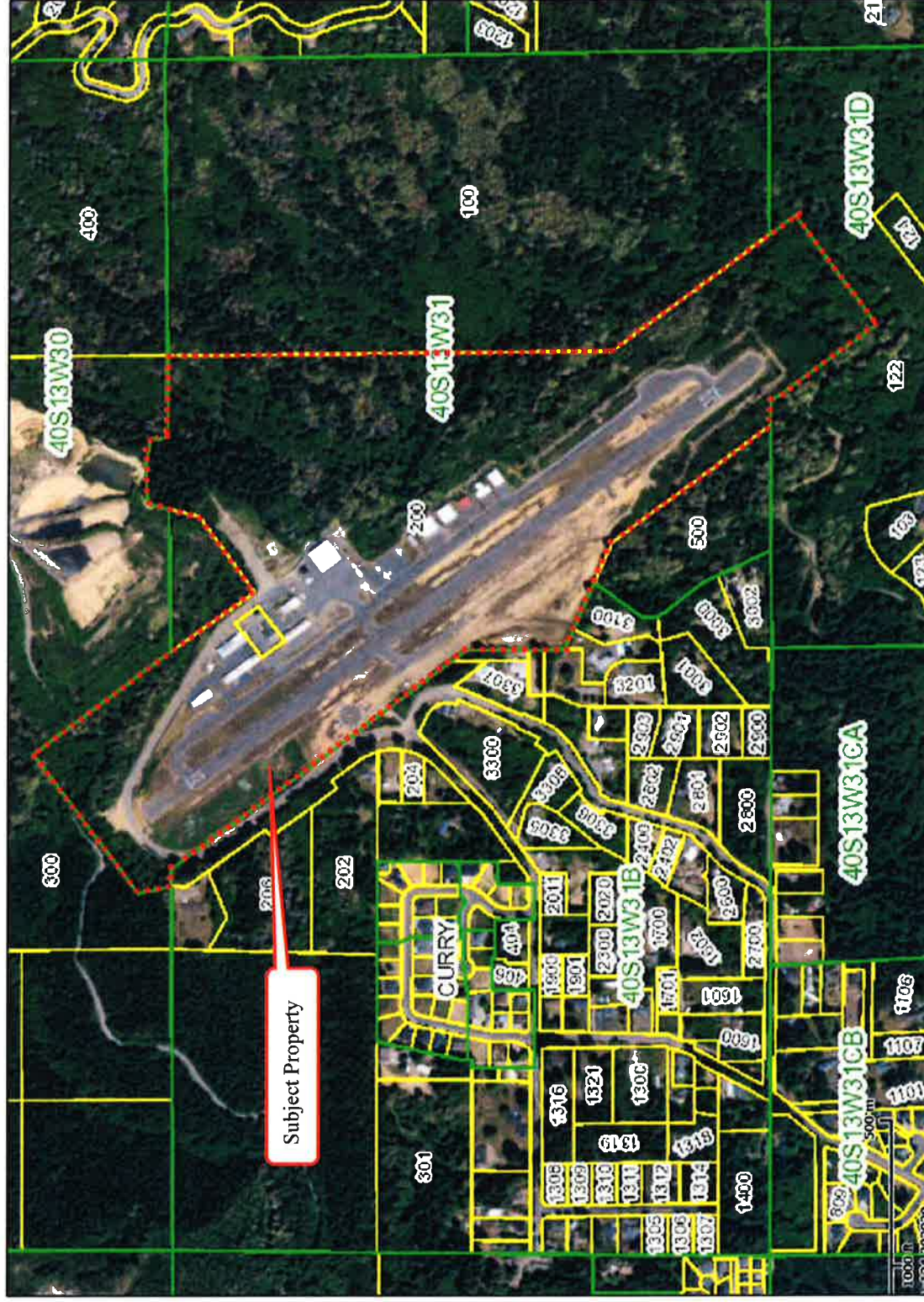
Naturally, commercial property uses cluster along Highway 101, with its far greater visibility and traffic count. The highway corridor extends through town, north to south, and the entire stretch of roadway has commercial uses. The uses are less intensive near the periphery of the city limits and beyond for a mile or two, where the land values are more affordable for such uses that generally produce far less income on a per-square-foot basis.

There are less-desirable, from a retail perspective, commercial collector roads to the west of Highway 101, known as Shopping Center Drive in Harbor and Railroad Street in Brookings, where more retail and associated uses are found. As you move to the east and west away from Highway 101 single family uses become more predominant, especially to the east. The presence of the Pacific Ocean and land uses that are typical only of such settings results in a mix of single-family and condominium residential developments, commercial, special-use and public uses to the west of the main highway.

In the recent past, the Bi-Mart Corporation, based in Eugene, Oregon, developed a 38,500 square-foot retail/grocery store at the Wharf Road and Railroad Street intersection on 3 acres. This trend demonstrates the desire to have good visibility, but be away from the traffic on US Highway 101, especially for local users.

The immediate neighborhood is a sparsely developed residential area of Brookings with the preponderance of homes built in the 1950s and 1960s. There are some newer subdivisions of homes built in the immediate neighborhood.

AERIAL PHOTO OF THE SUBJECT PROPERTY



Approximate subject property boundary lines are represented by the red dotted lines.

PHOTOGRAPHS OF SUBJECT PROPERTY
Photos Taken June 3, 2017



Looking northeasterly at a view of a west gate access to the subject property from Parkview Drive. Note the power lines with an apparent utility easement along the southwest property line.



Looking northerly at a view of Parkview Drive as it transitions from a public road to a private road.

PHOTOGRAPHS OF SUBJECT PROPERTY
Photos Taken July 3, 2014



Looking northeasterly at a view of the fenced west property line from near the west gate.



Looking southwesterly at a view of the fenced west property line from near the west gate.

PHOTOGRAPHS OF SUBJECT PROPERTY

Photos Taken June 3, 2017



Looking southeasterly across the airfield at a view of airplane hangers on the subject site from near the west gate.



Looking easterly across the airfield at a view of airplane hangers on the subject site from near the west gate.

PHOTOGRAPHS OF SUBJECT PROPERTY
Photos Taken June 3, 2017



Looking northeasterly across the airfield at a view of airplane hangers on the subject site from near the west gate.



Looking northerly at a view of the access road from near the east gate.

PHOTOGRAPHS OF SUBJECT PROPERTY

Photos Taken June 3, 2017



Looking easterly at a view of a newer gravel road leading to the City of Brookings water storage tank.



Looking southerly at a view of the industrial land located outside of the perimeter fencing on the most easterly portion of the subject site. This portion of the subject site will be expensive to develop due to its steep terrain.

PHOTOGRAPHS OF SUBJECT PROPERTY

Photos Taken June 3, 2017



Looking southwesterly at a view of vacant industrial land located outside of the perimeter fencing on the most easterly portion of the subject site.



Looking northwesterly at a view of the paved access road, where the road has subsided and needs to be repaired.

PHOTOGRAPHS OF SUBJECT PROPERTY
Photos Taken June 3, 2017



Looking southerly at a view of the east gate to the airport.



Looking easterly at a view of the east gate security building and owned by the local aero club.

PHOTOGRAPHS OF SUBJECT PROPERTY
Photos Taken July 3, 2014



Looking northerly at a view of a runway and hangers. These improvements are owned by leasehold ownerships paying monthly fees for the land area that they sit on.



Looking southerly at a view of a runway and hangers.

SUBJECT PROPERTY DESCRIPTION

Subject Property

The subject property is identified as Curry County Map and Tax Lot 40-13-31-200 and is known as the Brookings Airport. It is partially located within the City of Brookings Industrial Park (I-P) Zone, with a situs address of 17330 Parkview Drive, approximately 1 mile northeast of Highway 101 and downtown Brookings.

The City of Brookings is exploring the potential of using urban renewal and the associated financing tool, tax increment financing, to assist in the development of the Brookings Airport. The airport is currently owned and operated by Curry County, which is in discussions with the City of Brookings to take over ownership and operation of the facility. This area holds promise for future airport related development and other industrial development in southern Oregon. The elevation of the airport is about 450 feet - higher than other coastal airports and could be a benefit in an emergency as it is the only airport in Curry County that is not located in a tsunami inundation zone. The Airport accommodates approximately 22,000 landing and departures annually.

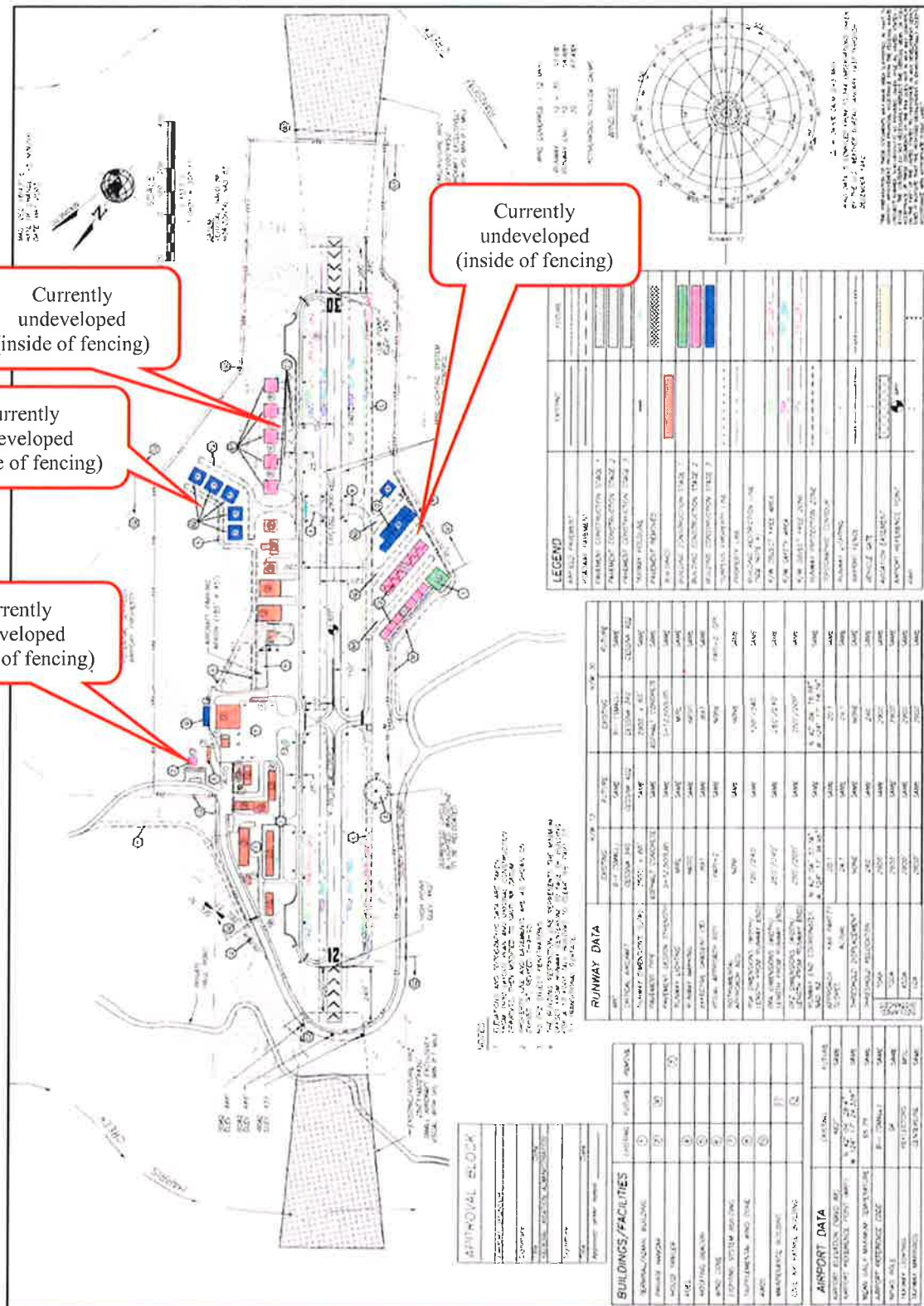
As stated in an August 2012 Brookings City Council Workshop Report, the Airport is used predominately for general aviation by private parties who base their privately-owned aircraft there. There are 35 aircraft based at the Airport, 2 of which are larger corporate aircraft operated by C&K Markets and South Coast Lumber. Cal Ore Life Flight also uses the Airport as a base of operations and occupies a large hangar. Commercial delivery services such as Federal Express and United Parcel Service also use the Airport.

It was recently annexed into the City of Brookings Urban Growth Boundary and per the Comprehensive Plan the subject airport is situated within split zones including the Public Open Space (P/OS) district and the Industrial Park (I-P) district. Based on past discussions, in 2014, with the Brookings Planning Department, "if the Brookings Airport were not there, the entire area would have been zoned Industrial Park"; therefore, we have appraised the subject property in this assignment, as if it were entirely within the Industrial Park District. The irregular shaped site totals 95.88± acres in the "as is" condition and is located on the northeast corner of Brookings. The topography varies from flat runway areas to moderate and steeply sloping terrain in the northeast portion of the subject site. Access is from Parkside Drive.

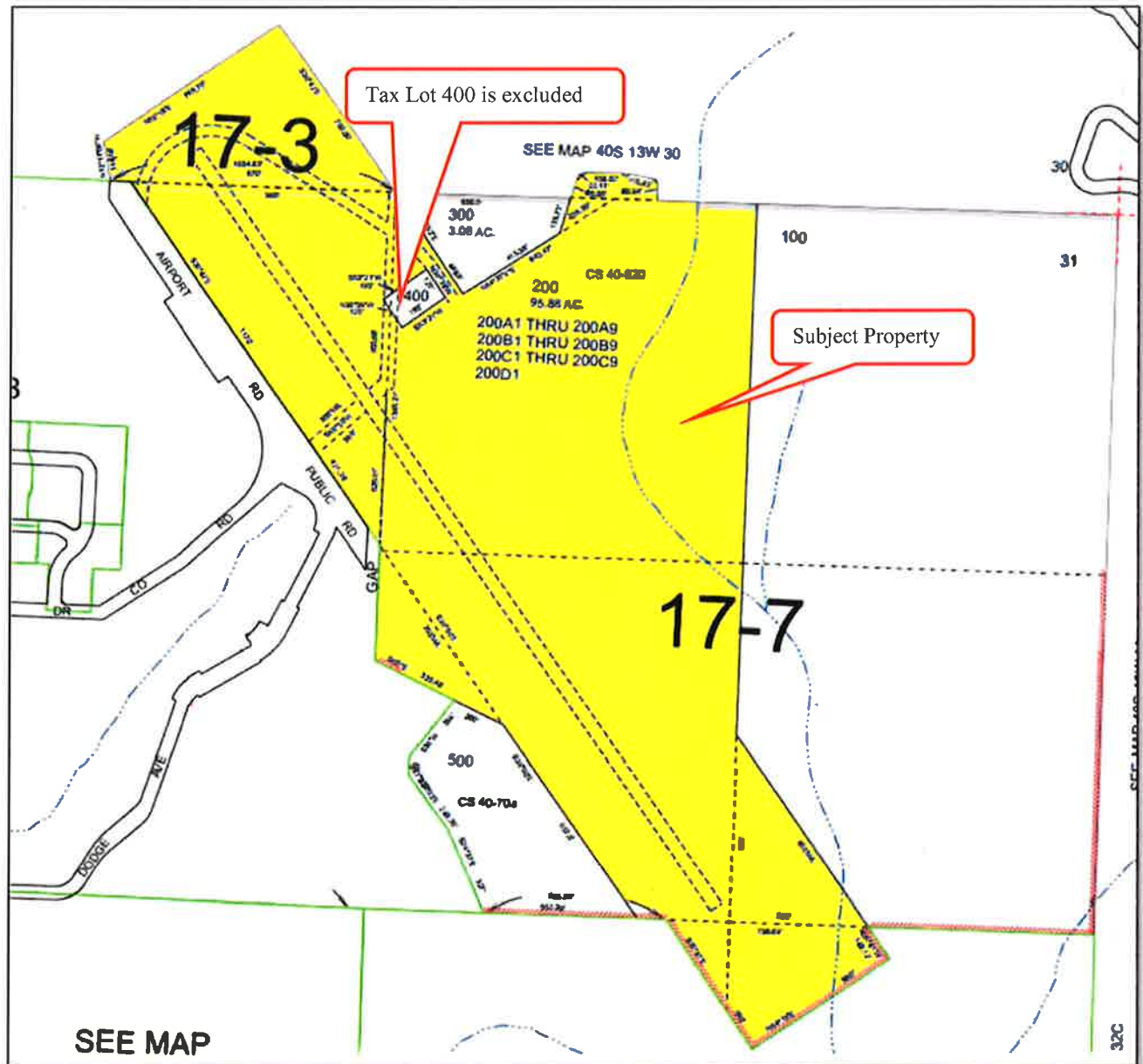
The subject site can be divided by what land is inside the perimeter fencing and the land outside the perimeter fencing. There are approximately 45 acres of land inside the perimeter fencing, of which approximately three or more acres are currently undeveloped, but could be developed for hanger expansion along the airport runways, or other airport structures. The 50.88± acres of land outside of the perimeter fencing is undeveloped with limited development potential due to the steep wooded terrain. Of the land outside the perimeter fencing, four or more acres are developable. Two areas identified as potentially developable are the flat cleared land just outside the east gate and the flat strip of land located on the east side of the existing south hangers (but outside the perimeter fencing).

Subject Land (Based on Google Earth Pro measurements)	
Inside perimeter fence	
Airport Use	42.00
Undeveloped Industrial	3.00
	45.00
Of which, Paved Airport Runway	17.33
Outside perimeter fence	
Cal-Ore Ground Lease	0.30
Undeveloped Buildable Land	3.70
Unbuildable Land	50.58
	54.58

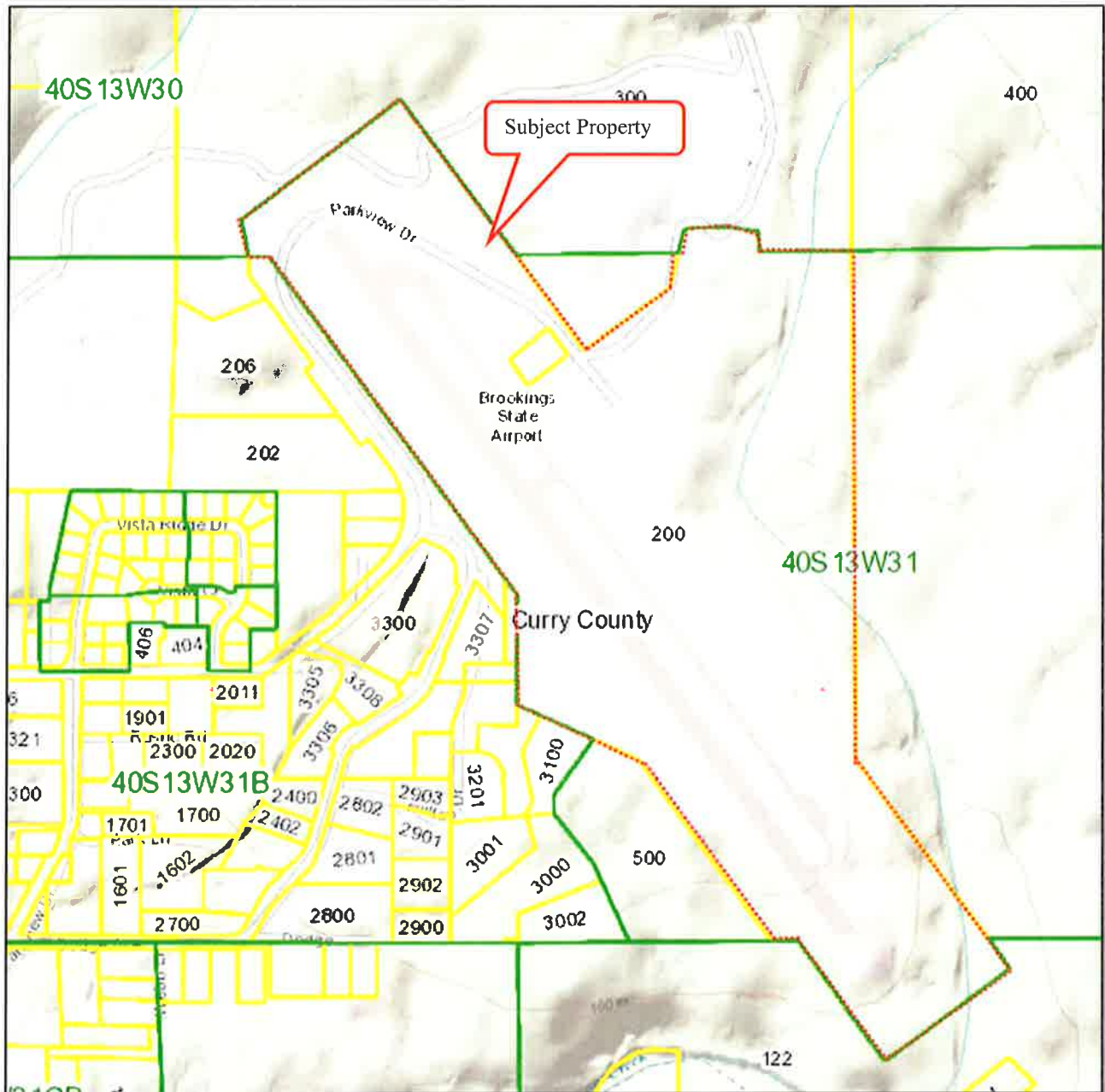
Marineau and Associates



Plat Map of the Subject Property (40-13-31-200)



Topography Map



Easements (Existing as part of the subject property)

A Preliminary Title Report was not provided; however, it appears there may be easements for South Coast Lumber Company, power lines and telephone lines near the existing right-of-way along the southwest property line. The City of Brookings has utility easements on the property; therefore, we assume there are access and maintenance agreements in favor of the City of Brookings.

Water/ Sewer/Storm Water

There is minimal exiting water service to the airport. The City of Brookings currently supplies this service through a one-inch connection at the end of a four-inch main. There is one holding area that serves one building and a few hangars. There is insufficient water pressure or flow through this one inch line that is not in operation, to accommodate additional development at the airport, and the existing service is insufficient to provide fire protection. The City of Brookings has recently constructed a 750,000 gallon water storage reservoir in the vicinity of the airport to improve water service to the Area. The airport sewer system is on-site, which is a severe development constraint. The City has applied for a U.S. EDA fund to construct sanitary sewer service to the airport. The grant would pay 60% of the cost. The City would pay the remainder of the costs from the utility fund. The 2009 Storm Water Facilities Master Plan prepared by HGE Engineering indicates that sections of the Area are located in 3 drainage basins, 14, 16 and 18. There are no storm drainage projects recommended in any of these drainage basins. Drainage in the area is almost entirely by surface, with culverts at roadway intersections and driveways.

Improvements

Improvements include approximately 17.33 acres of paved airport taxiway/runway in good condition, public power, airport lighting, approximately 8,000 linear feet of fencing and there are several hangars and accessory buildings located on the site (owned by the leasehold interests); however, no building improvements are appraised in this assignment.

HIGHEST AND BEST USE ANALYSIS

The function of Highest and Best Use Analysis is to assess the physical qualities of a property in relation to the forces at work in its marketplace. It assists the appraiser in identifying elements of utility and function, and allows for the reasoned prediction of the subject property's performance in the marketplace. The term Highest and Best Use, as defined by the Appraisal Institute, is:

the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest and best use.

The highest use defined above implies a distinction between the Highest and Best Use of land, or a site as though vacant, and the property as improved. In both instances, the economic principles of supply and demand, substitution, balance and conformity are the basis of a valuation for analyzing the interest in both real property and the improvements. These interdependent economic principles influence value based on utility, scarcity, desire and effective purchasing power.

Site “As Vacant Land”

In analyzing the Highest and Best Use for the subject site as vacant, the appraiser attempts to determine the most likely and probable use of the vacant site, which is subject to the following constraints to development.

Legally Permissible Uses: The subject property was recently annexed into the City of Brookings Urban Growth Boundary, and per the Comprehensive Plan, the subject airport is situated within split zones including the Public Open Space (P/OS) district to the southwest portion and the Industrial Park (I-P) district to the northeast. Based on past discussions, in 2014, with the Brookings Planning Department, “if the Brookings Airport were not there, the entire area would have been zoned Industrial Park”; therefore, we have appraised the subject property in this assignment, as if it were entirely within the Industrial Park District.

Permitted uses include Automobile, boat, truck, or trailer sales, service or repair; Implement, machinery, and heavy equipment sales, service, or repair; Automobile service station; Lumber or building materials sales and storage; Contractor's storage; Veterinarians and animal hospitals; Buildings over 40 feet in height; Rental storage units; Day care and nursery schools; Short term rentals; Mortuaries, and cemeteries; On-duty personnel living quarters; Utility substations or pumping stations; Light manufacturing and fabricating of products that is not related to tourism related products; Implement sales, service, repair and rental; Wholesale businesses, storage, warehousing transfer companies and trucking companies; Automobile, boat, truck, or trailer sales, service, and repair; Public and quasi-public utility buildings and service yards; Contractors' offices and equipment storage; Carpenter, electrical, plumbing, sheet metal, welding, electroplating, heating, sign shops, auto and furniture upholstery shops, printing, publishing and lithographing shops, painting and sandblasting; Cold storage plants; Bakery, creamery, soft drink bottling plant, laundry, dry cleaning, dyeing or rug cleaning; Feed, seed and fuel stores; Commercial parking lots; Administrative, educational, and other related activities; Manufacture of food products, pharmaceutical and smaller items; Retail sale of items offered for wholesale; and Existing residential uses, including additions. Appropriate zoning language can be found in the addenda section of this report.

Physically Possible Uses: The 95.88± acre site has approximately 49+ acres of flat to moderate topography land, which is developable for most of the legally permissible uses. The location along Parkview Road provides good access and utility. Overall, the amenities afforded to this parcel, give it good industrial appeal.

Financial Feasibility / Marketability: The subject has an above-average appeal due to its size and utility. The location within the urban growth district of Brookings is good. Appeal of the area is generally above-average and the area is anticipated to experience limited growth in the foreseeable future. Over the long term, real estate values are anticipated to grow. Therefore, the development of an industrial use is considered financially feasible. The surrounding uses are predominately industrial and residential oriented.

Conclusion of Highest and Best Use "As Vacant": In summary, the subject property has good location, size and utility for most industrial uses. The appraiser considers the subject property as well suited for many industrial uses combined with accessory structures.

The subject makes good use of its locational influences and meets all the criteria of Highest and Best Use in the current market. No dramatic changes in market conditions are expected in the immediate future and it is anticipated that as the national economy improves, that the subject's marketability will also improve. Based on the above "As Vacant" discussion, the Highest and Best Use of the subject property is an industrial use, judged to be the Highest and Best Use of this property.

Approximately 3 acres inside the perimeter fencing and 4 acres outside of the perimeter fencing are vacant developable land. The undeveloped land has limited development potential and its Highest and Best Use is to hold for future development.

Conclusion of Highest and Best Use "As Improved": The Highest and Best Use "as improved" is the current use as an airport, with possibilities of some expanded airport related (FAA Requirements) development in the future, inside and outside of the fenced airfield area.

VALUATION

Description of the Approaches to Value

There are three basic approaches to estimating the value of real property. These are generally referred to as the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. The applicability of any of the approaches to a given subject property is directly related to the availability of market data. There are instances when one or more of the approaches may not be reliably developed. Each of the valuation techniques is defined below.

Cost Approach: A set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the existing improvements, deducting for all accrued depreciation in the property and adding the estimated land value.

Sales Comparison Approach: A set of procedures in which an appraiser derives a value indication by comparing the property being appraised to similar properties that have sold recently, applying appropriate units of comparison and making adjustments, based on the elements of comparison, to the sale prices of the comparables.

Income Capitalization Approach: A set of procedures in which an appraiser derives a value indication for income-producing properties by converting anticipated benefits into property value. This conversion is accomplished by either (1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market- derived capitalization rate or a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment; or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate.

Regardless of the income capitalization approach taken, the analysis includes forecasts and predictions of future events as buyers of income-producing property basically trade present dollars for the right to receive future dollars.

The valuation process is composed of integrated and interrelated techniques and procedures designed to produce a reliable and convincing estimate of value. On the following pages are presented the Market Data and Analyses, which form the basis of the final value estimate.

There are no comparable airport sales available; therefore, we estimate the value of the 50.88± acres of land located outside the fenced airport operations using the Sales Comparison Approach. The Income Approach is an important element of an income producing property, and is the approach used in estimating the value of the 45± acres of the subject property, which is located within the perimeter fence and is developed as an airport. The Income Approach is a common measure of value for Airports. The Cost Approach is not included according to our scope of work, nor is it necessary to produce a credible value estimate.

The sale search was focused on Coos and Curry Counties and particularly the Brookings area. Due to soft market conditions and slow market activity, there are no industrial sales similar in size and appeal within Curry County; therefore, the search timespan was extended back to May, 2011 and the search radius was extended to include Lane County, Douglas County and Klamath County. Information on the sales data is presented in this report.

SALES COMPARISON APPROACH – LAND ONLY

The Sales Comparison Approach produces a value estimate based upon the sales and/or listings of reasonably comparable properties. It is a process of making primarily physical comparisons between sold properties and the subject. The reliability of this technique depends on the following:

1. The degree of comparability between the comparison property and the subject.
2. The accuracy of the sales data.
3. The actions of the market in the intervening time since the sale.
4. The absence of unusual conditions affecting the sale.

This approach is the most common and reliable method of estimating the land value. It is a primary approach utilized by us in evaluating the property.

The comparable properties have been inspected and the sales were analyzed in relation to the subject property. The analysis included adjustments for differences accountable in the four above conditions plus location, lot size, utility, and other factors which were relevant. It is noted that larger parcels typically sell for lower dollar prices per square foot than do smaller parcels. The sales used were considered the closest, most recent relevant sales available for comparison to the subject property.

The Sales Comparison Approach is based primarily on the Economic Principle of Substitution in that the value of a site and improvements tends to be the cost of acquiring an equally desirable substitute property. It is the process of analyzing sales of similar, recently sold properties, preferably from the subject immediate neighborhood, in order to derive an indication of the most probable sales price. This approach is most reliable in an active market for property with a high degree of similarity and becomes less effective in an inactive market, or when properties lack homogeneity.

Based on past discussions, in 2014, with the Brookings Planning Department, “if the Brookings Airport were not there, the entire area would have been zoned Industrial Park”; therefore, we have appraised the subject property in this assignment as if it were entirely within the Industrial Park District.

In this analysis, the appraisers have identified the most comparable properties, but it is difficult to compare the subject's large site and good utility to some of the other properties. After reviewing RMLS, speaking to the Curry County Sale Data Analyst, local Realtors, CoStar Group, lenders, appraisers, and searching the internet, the appraiser has chosen the following pending sale and 13 comparable sales, all with similar zoning and potential use. All comparables have good industrial potential somewhat comparable to the subject property. The best available data is used in this analysis.

COMPARABLE LAND SALES MAP



Discussion of Sales

Pending Sale No. P-1 - 63776 Mullen Road, Coos Bay



LOCATION:	Within the Urban Growth District of Coos Bay, South side of the Coos Bay Deep Draft Channel, Coos Bay, Coos County
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Numbers 25-13-35-300, 399 and 25-13-35DB-300
GRANTOR:	ORC Properties LLC (Jim Randall)
GRANTEE:	Pending
DATE OF SALE:	Pending
CONSIDERATION/ TERMS OF SALE:	\$2,500,000 Cash
LAND SIZE:	28.44± acres

UNITS OF COMPARISON:

Industrial Land: \$34,220 per acre
Warehouse: \$30.00 per square foot
Manufacturing: \$25.00 per square foot
Office: \$35.00 per square foot

ZONING:

Coos County Heavy Industrial (IHI)

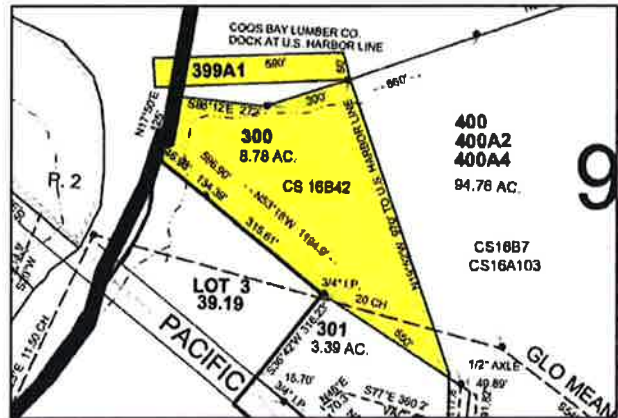
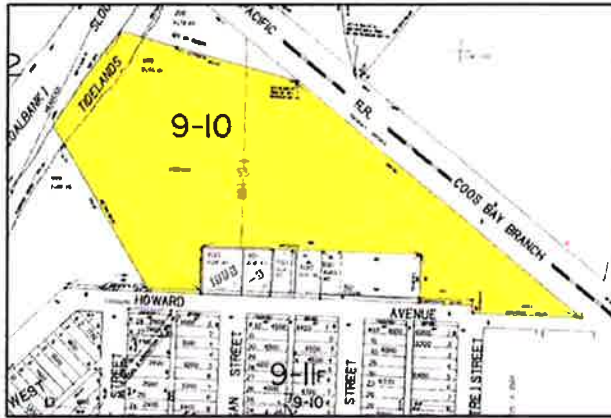
RECORDATION:

Pending

VERIFIED:

Jim Berg, Listing Agent, RMLS #17470715

COMMENTS: GMA Garnet excluded. Located in the business enterprise zone that allows for potential tax benefits. This 28 acre+ industrial complex with 55,000 square foot of buildings includes a large warehouse and manufacturing facility w /multiple loading docks. Property includes a deep water dock, 2 rail spurs and access to rail service. Mostly paved site with good access. 2500 KVA power. Modern water treatment plant. Maintenance shop with locker room and showers. Nice office/lab space. Good site for heavy industrial use. No value is allocated to the large concrete material handling tower.



Sale No. 1 - 68794 Hauser Depot Road, North Bend



Sale No. 1 is outlined in red dotted lines. Lines are approximate.

LOCATION:	US 101, North Bend (Hauser area) Coos County, Oregon. Southwest corner of US 101 and Hauser Road, Approximately 15 miles north of North Bend
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Number 24-13-15A-800 Myrtlewood Gifts
GRANTOR:	DDM Capital, LP
GRANTEE:	Adam Rutherford
DATE OF SALE:	September 22, 2016
CONSIDERATION/ TERMS OF SALE:	\$800,000 Cash Equivalent
LAND SIZE:	12.95± acres
UNITS OF COMPARISON:	Industrial Land: \$14,230 per acre Retail: \$25 per square foot Office: \$20.00 per square foot Warehouse: \$15.00 per square foot Garage: \$15.00 per square foot

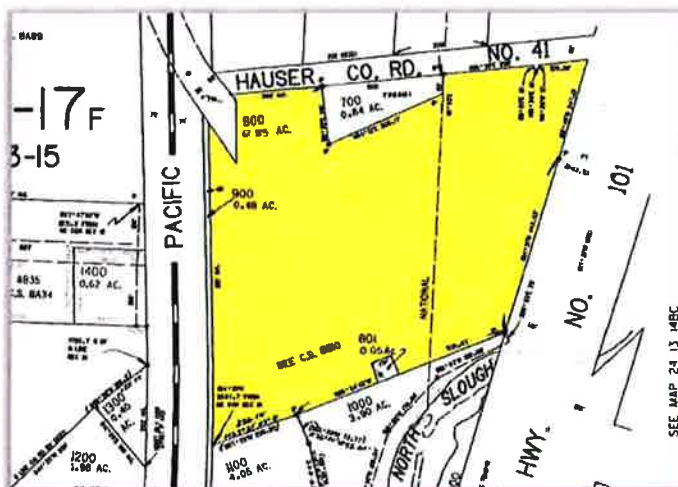
ZONING: IND, Industrial

RECORDATION: 2016-8380

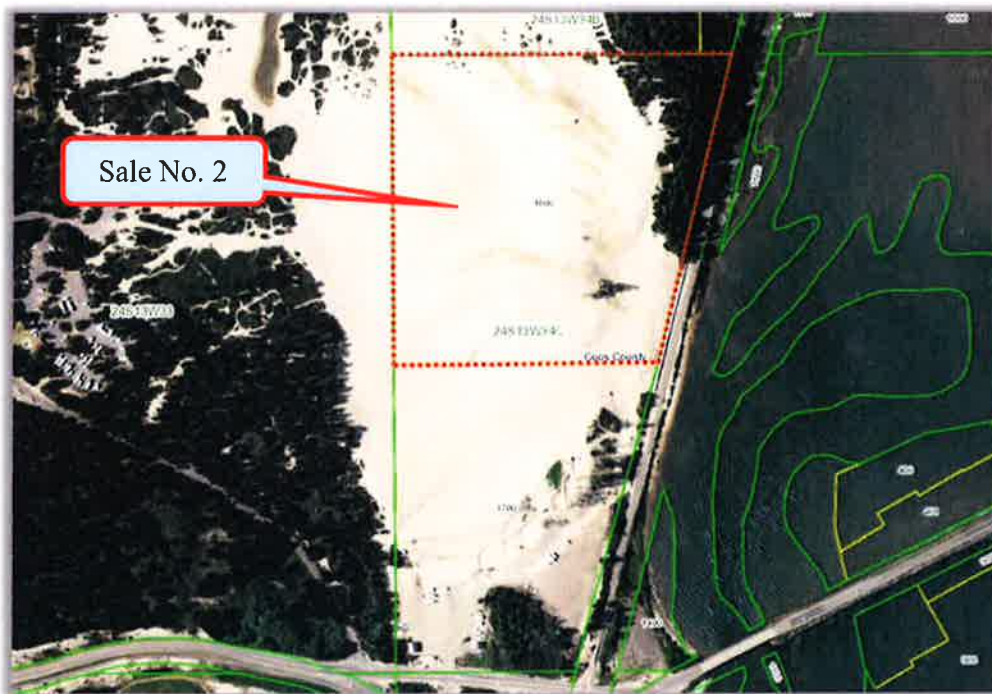
VERIFIED: Sadena Abell, Listing Agent & Appraisal, RMLS #16472064

COMMENTS: This sale is located at the southeast corner of Highway 101 and Hauser Depot Road. The area is labeled 12.95 acres per Coos County, but the area might be slightly larger. The usable portion with IND zoning and 2.85 acres within the ODNRA overlay zone equals 9.35 acres, plus 3.6 non-usable acres. The main building structure was built in 1974 and a smaller building for a total of approximately 31,000 square feet. The main building has carpeted retail space and six bathrooms available according to Coos County Assessor's Office. The appraisers estimate an overall value at \$20.16 per square foot for the two buildings, given good prospective value for the RV patrons. All improvements are estimated at \$615,725 leaving \$184,275 for the total land area or \$14,230 per acre, representing a land area with complex features, much of which is flat and usable. The ownership is corporate and the telephone trail was incomplete.

Of the 12.95 acres, approximately 2.85 acres are within the Oregon Dunes National Recreational Area (ODNRA). Approximately 2.8 acres are situated within the CBEMP area, which includes the pond and green belt at the south end. A creek runs along the north property line, just south of Hauser Depot Road. The eastern section between the paved parking lot and Highway 101 has wetland conditions. Additionally, the western section of the subject shows some wetland conditions. The total unusable wetland-like areas are measured at 3.8 acres, using Google Earth Pro. Public power is installed and the subject has two septic systems. Domestic water is from a well that comes from the ODRNA on a lease/permit basis. The main steel building structure is 16' high at the edge, with a 24' central peak. The main building is 26,250± square feet. The northeast portion of the main building has two retail showrooms (Myrtle Wood Factory & ATV Parts & Accessories). The roof was in need of replacement, estimated to cost \$70,000. The sawmill building, metal clad, with some plastic roof sheeting, is 4,838± square feet, with signs of major water leakage indicating the roof is in need of replacement, estimated to cost \$40,000.



Sale No. 2 - North of Trans-Pacific Parkway, North Spit, Coos Bay



Sale No. 2 is outlined in red dotted lines. Lines are approximate.

LOCATION:	North of Trans-Pacific Parkway, North Spit, Coos Bay, Coos County
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Number 24-13-34C-1600
GRANTOR:	CooSand Corporation
GRANTEE:	Oregon Dunes Sand Park, LLC (Todd Goergen)
DATE OF SALE:	November 26, 2014
CONSIDERATION:	\$206,250
TERMS OF SALE:	Cash
LAND SIZE:	37.5± acres
UNIT OF COMPARISON:	\$5,500 per acre
ZONING:	IND, Industrial
RECORDATION:	2014-9736

Coos County Assessor's Office

SW 1/4 SEC. 34 T.24S. R.15W. W.M. COOS COUNTY

SEE MAP 24 13 34B

1/4 COR.

1700
1500M
17,49 AC
1800M 2
1800M 3

LOT 2 48.36

1700
1700 M
39,48 AC

69-32^F
69-02

LOT 1 34.06

PACIFIC SLOUGH CHANNEL

TIDELANDS

RR

1500
1500M
1,72 AC

100
1,72 ac

ISLAND

SLOUGH CHANNEL

200
1,72 ac

MUNICIPAL PLAT

R.D.

CO.

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSE ONLY.

Sale No. 3 - 92240 North Bank Lane, Coquille



Sale No. 3 is outlined in red dotted lines. Lines are approximate.

LOCATION:	Just outside the city limits of Coquille 92240 North Bank Lane, Coquille, Coos County
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Numbers 27-13-21-DB-01400, 1401 and 2300
GRANTOR:	Morres F. Madsen
GRANTEE:	Hackett Investments, LLC
DATE OF SALE:	November 15, 2014
CONSIDERATION/ TERMS OF SALE:	\$146,000 Cash
LAND SIZE:	40.46 acres according to the MLS Listing Data Sheet, But, 36.24 acres by the Plat Maps.

IMPROVEMENT SIZE: Huge, multi-story, former chromium mill site and processing plant has no economic utility or remaining life.

UNITS OF COMPARISON: Industrial Land: 17,222 per acre
Farm Land: \$1,000 per acre
Homesite: \$25,000 per acre
Buildings: No value
Most value lies in the industrially zoned land, although there are incremental values for the residential tract and the Exclusive Farming Tract.

ZONING: I, RR-2, EFU by Coos County

VERIFIED: Shana Armstrong, Broker at Century 21 Best Realty – 541.267.2221

COMMENTS: This sale³ is identified as Coos County Map and Tax Lot 27-13-21-DB-01400, 1401 and 2300. The property is an irregularly shaped tract with frontage on the North Bank Lane, which connects SR 42 and US Highway 101.

The ownership is an estate, selling out of probate. There are three separate Tax Lots, so a buyer can sell off the separate pieces, but the estate sale was of the entire property as one conveyance. The old building has no utility. The roof has leaked for many years, resulting in mold and mildew throughout the interior. There was approval to install a septic system large enough to accommodate a 3- or 4-bedroom residence. However, that could be used to support an industrial use on the industrially zoned land, instead.

The residential tract is large enough, by nominal size, to be attractive to a residential buyer, but its shape and configuration severely limit its usefulness and appeal. The shape is tear drop, and the frontage is minor highway on one side and railroad tracks on the other. The third frontage is the shallow depth of the residential portion. The industrially zoned tract, although containing over four acres, has limited utility also, due to the railroad tracks severing the portion about in the middle. The westerly portion of the industrially zoned tract could be used as parking or storage for a use that would be located on the site of the present, dilapidated building. Or the development scenario could be reversed, with better visibility, by putting a new building along the railroad track frontage and using the present area of the building as parking and yard storage. The industrially zoned tract is also encumbered with the access easement to the EFU zoned tract to the south. That easement runs along the railroad tracks frontage, mitigating its negative impact.

The EFU (Exclusive Farm Use) zoned tract reportedly has no water rights. It lies in the Coquille River alluvial plane, and should be moderately productive as pasture land. The property has electricity, its own water well and approval for a new septic system. The property was purchased by an excavation contractor who has done extensive excavation work and created an industrial site with much greater utility.

Sale No. 4 - 24800 Modoc Point Road, Chiloquin, Klamath County



Sale No. 4 is outlined in red dotted lines. Lines are approximate.

PROPERTY IDENTITY:	24800 Modoc Point Road, Chiloquin, Klamath County, OR
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Klamath County Map and Tax Lot Numbers 36-07E-15-900, 36-07E-15CA-101 and 200
GRANTOR:	Kathleen J. Donovan
GRANTEE:	Modoc Point Lake Property, LLC
DATE OF SALE:	August 28, 2014
CONSIDERATION:	\$125,000
TERMS OF SALE:	Cash
LAND SIZE:	40.6± acres
ZONING:	Industrial (IND)

IMPROVEMENT SIZE:

Several former lumber mill site structures with no economic Utility or remaining life.

UNIT OF COMPARISON:

\$3,079 per acre for the entire tract.

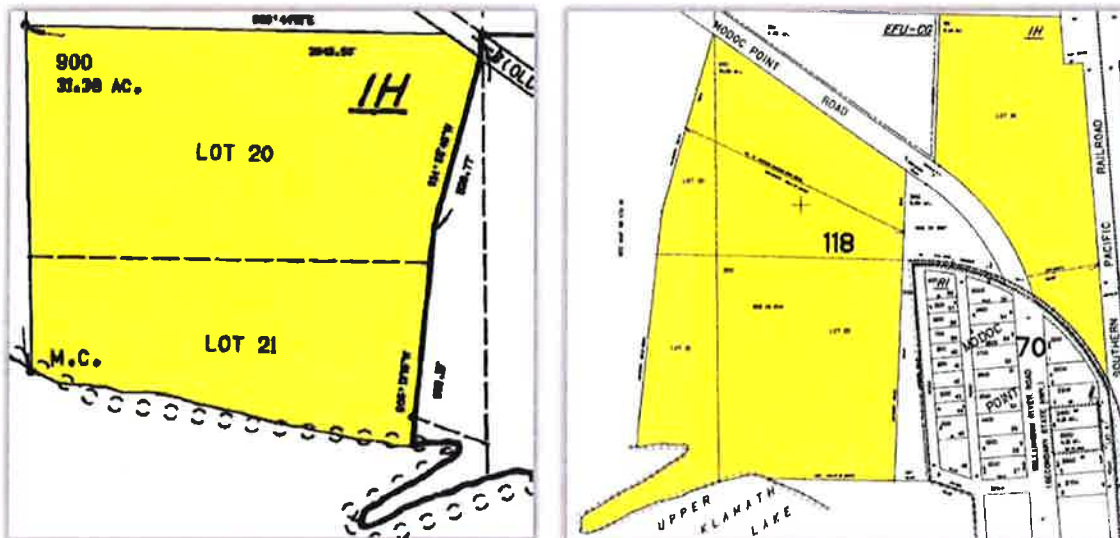
RECORDATION:

2014-9049

VERIFIED:

Verified with CoStar and Public Records

COMMENTS: This sale, formerly Modoc Tie, owned by Klamath Woodlands, is approximately two-thirds of an area formerly occupied by at least three lumber mills that operated during the early to mid-1900s. The Modoc Paint Vencer site is the remaining third. Lamm Lumber operated it from approximately 1916 until 1947. The original steam-powered mill, operated near the shoreline to the southeast corner of the property. Fleishman Lumber purchased the property in 1947 and operated it for at least two years. According to the 1949 Sanborn map, the Lamm Limber buildings in the southwestern portion of the site were destroyed sometime between 1931 and 1949. Mr. Fleishman sold the property to the Modoc Planing Mill in March 1949 and bought it back in 1956. Almost all of the buildings for the Lamm, Fleishman, and Modoc Planing Mill operations were leveled or removed by the early 1960s. Only a burner building, pump and sump houses, and a water tower were identified as existing structures on the 1960 Sanborn map along with the gas tank and transformers. The property was privately owned but reportedly not operated as a mill during the early to mid-1960s. Site operations began again after Gienger Enterprises purchased the property in 1966. Mr. Gienger used part of the site for hay storage and also built a shop for Modoc Ties his railroad tie cutting operation. Mr. Gienger sold the property to Klamath Woodlands in 1988. Modoc Tie ceased operations in 1989 and the site has been inactive since then. According to the former owner, the railroad ties were not treated on-site, but fence posts were treated in a bulled drum and there is a gasoline underground storage tank. The site remains a high priority for DEQ assessment.



Sale No. 5 (31-11-29-203) Powers South County Road, Powers



Sale No. 5 is outlined in red dotted lines. Lines are approximate.

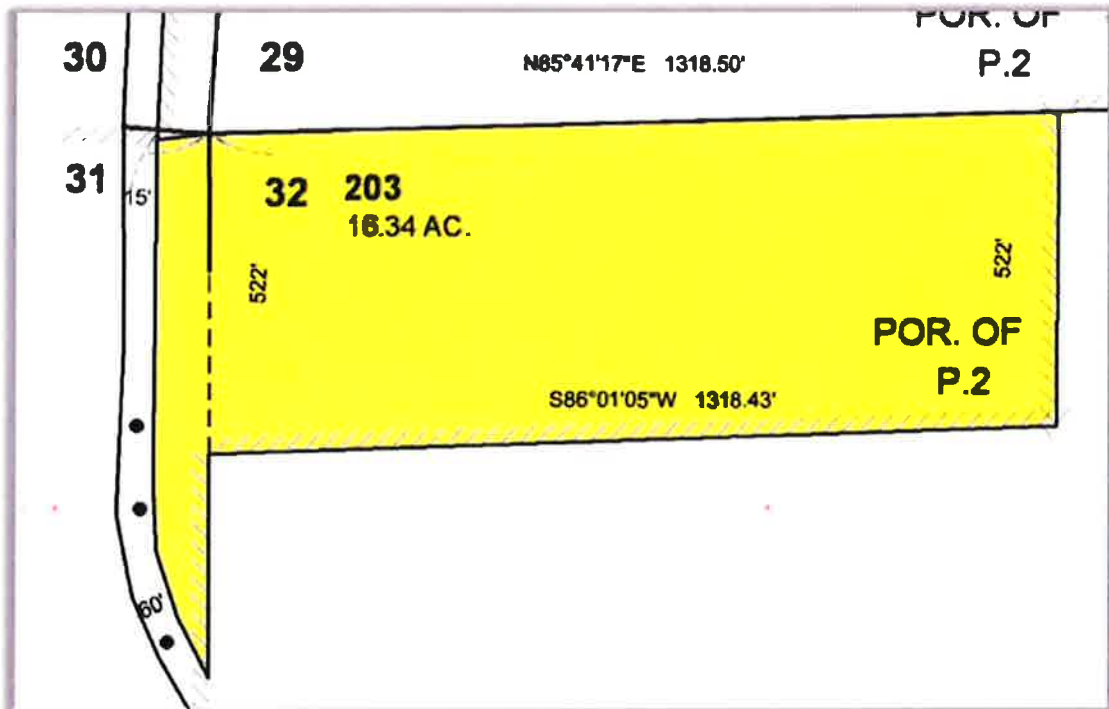
PROPERTY IDENTITY:	Powers South County Road, Powers
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Number 31-11-29-203
GRANTOR:	Dixie Walker
GRANTEE:	Round House Properties, LLC
DATE OF SALE:	July 10, 2014
CONSIDERATION/ TERMS OF SALE:	\$75,000 Cash
LAND SIZE:	16.34± acres
ZONING:	Forest (F) and Exclusive Farm Use (EFU)
IMPROVEMENT SIZE:	Accessory structures with no economic utility or remaining life.

UNIT OF COMPARISON: \$4,590 per acre for the entire tract.

RECORDATION: 2014-05501

VERIFIED: Verified with Public Records

COMMENTS: Land appears to have been a prior industrial use, but was inactive for many years. The site sloped uphill to the east and included 5 or so acres of forestland. There is no river frontage for this sale. Transfer was via a Bargain & Sale Deed.



Sale No. 6 (28-12-32D-700) 12437 Hwy 42, Myrtle Point



Sale No. 6 is outlined in red dotted lines. Lines are approximate.

PROPERTY IDENTITY: 12437 Highway 42, Myrtle Point

**LEGAL DESCRIPTION/
PROPERTY IDENTITY:** Coos County Map and Tax Lot Number
28-12-32D-700

GRANTOR: Norway Auto Recycling, Inc.

GRANTEE: Kelgin, Inc.

DATE OF SALE: April 25, 2014

**CONSIDERATION/
TERMS OF SALE:** \$305,000
Cash

LAND SIZE: 17.82± acres

IMPROVEMENT SIZE: The tract is improved with two metal buildings totaling approximately 3,428 square-foot floor area, including a 576 square-foot office area. The buildings are in average condition, of average quality, and maintained in a reasonably good fashion.

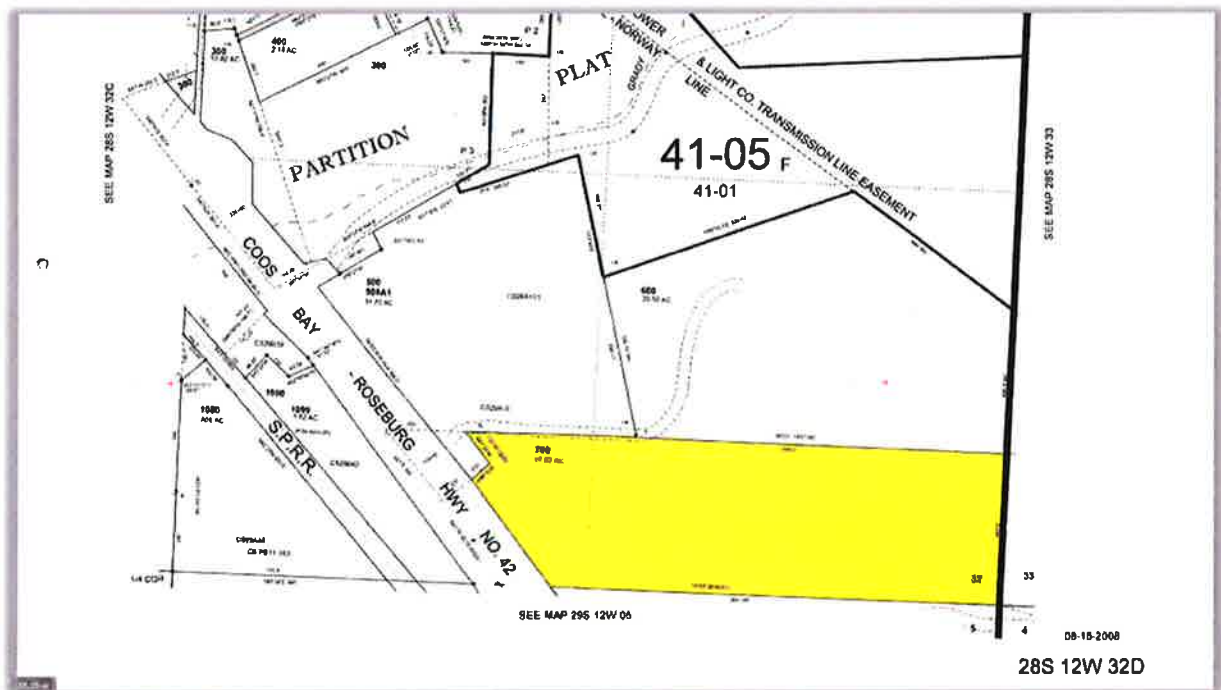
UNITS OF COMPARISON: Land: \$12,166 per acre
Building: \$25.00 per square foot
\$2,500 business and wrecking yard license value

ZONING:

I – Industrial by Coos County

VERIFIED:Sadena Abell, Broker at Windermere/North Point, Inc. –
541.269.1601

COMMENTS: This sale is a very deep tract with forest and a former quarry area in the back and an auto recycling garage and yard in the front along the highway. Ingress and egress is direct from State Route 42, with good visibility on a straight-away section of road, allowing transport trucks safe accessibility, and the site is large enough for good truck maneuverability on-site. The property has its own water well and septic system, with power running in the highway right-of-way. Included in the asking price is a small business value component. The 12.82-acre tract is deep, with the back approximately 10 acres in forest. Reportedly, there is also an old rock quarry behind the buildings. Access to the rear of the site has been established long ago. One of the two buildings has a single, ½ bath and an informal office area.



Sale No. 7 (21-12W-24-801) 2605 Lower Smith River Road, Reedsport



Sale No. 7 is outlined in red dotted lines. Lines are approximate.

PROPERTY IDENTITY:	2605 Lower Smith River Road, Reedsport
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Douglas County Map and Tax Lot Number 21-12W-24-801
GRANTOR:	Home Federal Bank
GRANTEE:	Reinard Pollman
DATE OF SALE:	April 24, 2014
CONSIDERATION:	\$120,000
TERMS OF SALE:	Cash

LAND SIZE: 18.5± acres, of which 5.5± acres are usable, the remaining 13 acres are wetland areas.

ZONING: Industrial (ME)

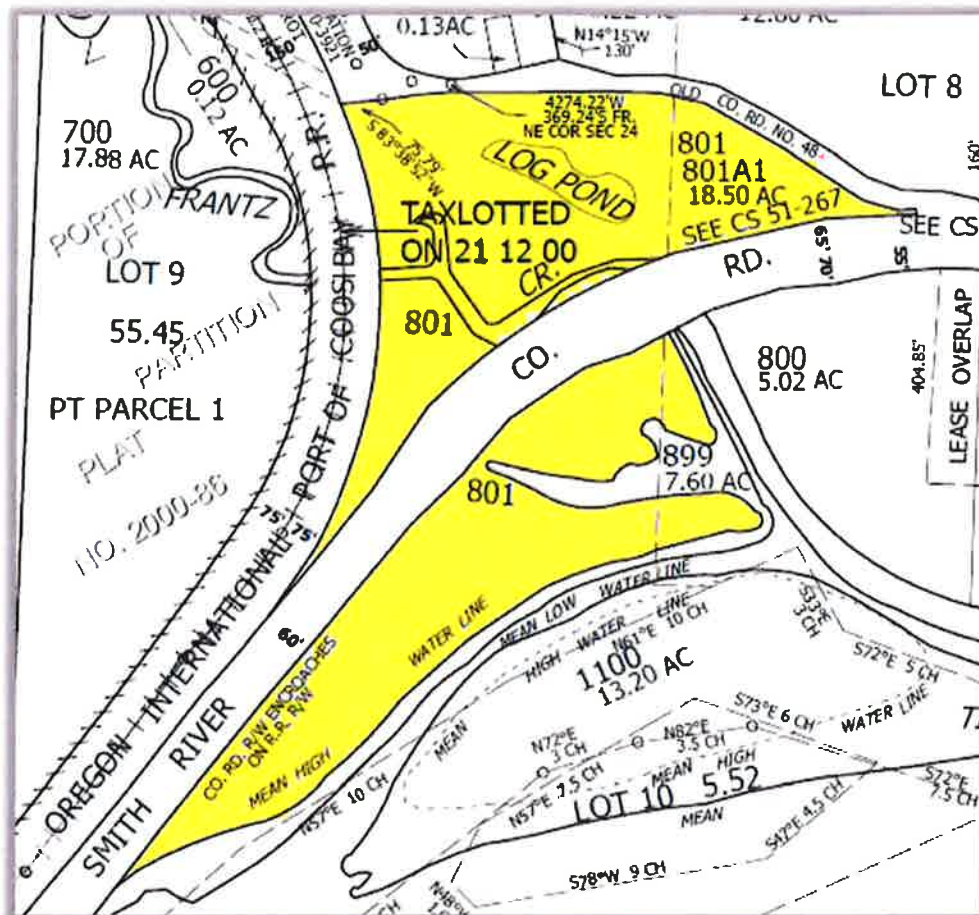
IMPROVEMENT SIZE: Several former lumber mill site structures with no economic utility or remaining life.

UNIT OF COMPARISON: Usable Land: \$20,636 per acre
Wetlands: \$500 per acre

RECORDATION: 2014-09049

VERIFIED: Verified with CoStar and Public Records

COMMENTS: This is a former saw mill with several older structures that have outlived their economic life. Much of the site (approximately 13 acres) are wetlands, while the usable area was measured at approximately 5.5 acres using the Google Earth Pro aerial measurement tool. There is Smith River Road access and a small amount of river frontage.



Sale No. 8 - Highway 42 (west side), south of Coquille



Sale No. 8 is outlined in red dotted lines. Lines are approximate.

LOCATION:	West side of Highway 42, east side of Coquille River, south of Coquille, south of Rink Creek Road, south of Coquille, Coos County
LEGAL DESCRIPTION:	Coos County Map and Tax Lot Numbers
PROPERTY IDENTITY:	28-12-7C-101 & 1000
GRANTOR:	HW3, LLC
GRANTEE:	Ron LaFranchi
DATE OF SALE:	March 3, 2014
CONSIDERATION:	\$300,000
TERMS OF SALE:	Cash
LAND SIZE:	34.78± acres (17.54 & 17.24 acres)

UNITS OF COMPARISON:

Industrial Land: \$14,631 per acre
Wetlands: \$500 per acre

ZONING:

Industrial (IND) and Exclusive Farm Use (EFU)

RECORDATION:

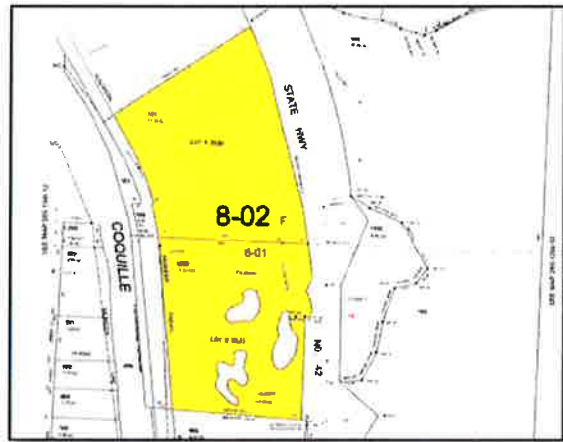
2014-01630

VERIFIED:

Ann Parker, Selling Agent, RMLS #13631390

COMMENTS: This sale has Highway 42 frontage and partial Coquille River frontage. Approximately 14.78 acres of the site are low lying wetlands. Wetlands are allocated at \$1,000 per acre, resulting in a sale price for the 20± acres of usable industrial land at \$14,631 per acre.

The sale was part of an estate sale after the death of Hank Westbrook. The estate was in financial trouble and in need of raising cash to pay off debt. After 123 days on market, this property transferred title on March 3, 2014, from HW3, LLC to Ron LaFranchi for \$300,000.



Sale No. 9 (16-04-05-00-308 & 16-04-08-00-200) 93495 Hwy 99, Junction City



Sale No. 9 is outlined in red dotted lines. Lines are approximate.

LOCATION:	93495 Hwy 99, Junction City, Lane County
LEGAL DESCRIPTION:	Lane County Map and Tax Lot Numbers
PROPERTY IDENTITY:	16-04-05-00-308 & 16-04-08-00-200
GRANTOR:	A&R Lumber Sales, Inc.
GRANTEE:	McCormick, LLC
DATE OF SALE:	January 28, 2014
CONSIDERATION:	\$1,250,000
TERMS OF SALE:	Cash Equivalent
LAND SIZE:	13.87± acres
UNITS OF COMPARISON:	Industrial Land: \$49,048 per acre Building: \$15.00 per square foot
ZONING:	Industrial (M2)
RECORDATION:	2014-03086
VERIFIED:	Jeff Elder, Listing Broker

COMMENTS: This sale has 37,980 square foot 2-story improvement built in 1969. The property was last used as a lumber yard and consists of about 34,000 square feet of industrial space used for saw mills and lumber storage as well as a 3,980 square foot office. The improvements are situated on 13.87 acres of level land in a rural area of Junction City, Oregon. The structure is of average quality and condition. The location of this sale is within Junction City urban services boundary and access is considered good off of Highway 99, about 1/2 mile from the Highway 36 intersection. The site has good utility for the current use with adequate size and shape for the current industrial uses. A new prison and state hospital are located about 3 miles south of this property. The property lies between Union Pacific and Burlington Northern railroads and there are two Burlington Northern spurs onto the property and a rail loading dock. Features include 4 heat pumps, cedar paneling, bar, custom wood finishing, and 2 drive-in doors. The buyers, Superior Forest Products and Alpine Lumber Company (under same ownership) are occupying the property. The property was originally listed for \$1,300,000, and after 96 days on the market, the property transferred title on 1/28/2014 for the amount of \$1,250,000.



Sale No. 10 (28-12-32C-1201, 1202, 1204) 54298 Old Hwy 42, Myrtle Point, Coos County



Sale No. 10 is outlined in red dotted lines. Lines are approximate.

LOCATION:	West side of So. Pacific Right of Way; east side of Coquille River; 54298 Old Hwy 42, Norway area; North of Myrtle Point
LEGAL DESCRIPTION:	Coos County Map and Tax Lot Numbers
PROPERTY IDENTITY:	28-12-32C-1201, 1202 and 1204
GRANTOR:	A&R Lumber Sales, Inc. (Carl Coffman)
GRANTEE:	McCormick, LLC (Michael McCrorey)
DATE OF SALE:	October 8, 2013
CONSIDERATION:	\$325,000
TERMS OF SALE:	\$325,000 Trust Deed to Coffman due October, 2028
LAND SIZE:	53.66± acres
UNITS OF COMPARISON:	Industrial Land: \$10,000 per acre Bottomland: \$2,215 per acre Wetland: \$500 per acre Building: \$10-\$20 per square foot
ZONING:	Industrial (IND) and Residential (R)
RECORDATION:	2013-9960
VERIFIED:	Carl Coffman, Seller

COMMENTS: This sale consists of three separate Coos County Tax Lots numbered as 28-12-32C-01201, 1202, and 01204. Tax Lot 1204 is physically separated from the other two and contains 0.04 acre, or about 1,742 square feet. It has no utility other than the potential to house a billboard, if allowable by zoning and county approval. The subject aggregated site, including Tax Lot 1204, contains 53.7± acres and has the physical address of 54298 Old Highway 42, Myrtle Point, Oregon. The parcel is an irregularly shaped tract that fronts the Southern Pacific Railroad right-of-way, now abandoned, to its east and northeast, the west bank of the Coquille River on its west, Grady Creek on its south, and agricultural tracts to its north and northwest. There is one access point from Old Highway 42 that branches into two separate driveways. The site slopes down gently towards the river to the west. The subject is zoned CREMP (Coquille River Estuarine Management Plan) by Coos County. The industrial land is allocated at \$10,000 per acre; Bottomland is allocated at \$2,215 per acre and wetland is allocated at \$500 per acre. The two buildings are allocated at \$10 per square foot and \$20 per square foot.

There are two buildings, attached by a common, lengthwise wall, that improve the site. Their orientation is parallel to the Southern Pacific Railroad Right-of-Way, now abandoned, with the lengthwise edge of the buildings running northwest/southeast. The original 50 x 100, steel-frame, open-span metal building has a 24-foot roof peak and 20-foot eave heights. This building has a 16-foot-deep mezzanine level running the length of the interior along its northeast wall, and an office area and single restroom at the northeast corner. The addition is 40 x 100 feet with similar eave height at the common wall and 14-foot eave height at the southern wall of the building. The single roof line extends on a 1:12 pitch for the forty feet of addition. This building also has an 8 x 50 foot addition to the southwestern wall that has an estimated year built of 1995. The second building has an office area on the second floor at the northeast corner and no restroom. The 3-phase electrical service runs through a system of five wall panels. Both buildings have wall-mounted, compressed-air piping for pneumatic tool operations on all walls with the exception of office space areas. Both buildings have gas-fired, suspended corner space heaters. At present, there is no on-site LP gas tank. There is a common, dust-collection and removal, blower system that reportedly still operates, although it appears to have not been used for at least a few years. There is a halon-gas fire retardant system in the original building, and hand-held, wall-mounted fire extinguishers are found in the newer building. The first-floor office in the older building has a water-sprinkler system in the ceiling, also.

Site improvements include a potable water well and industrial-design septic system with on-site leach field. The drain field location is far to the southeast of the buildings, beyond the former log storage pond, nearer Grady Creek. There is a replenished gravel driveway from the road to the office entrance, while the rest of the paved area has badly worn asphalt.



Sale No. 11 – (29-15-12-A-00200) Hoopla Drive, south of Bandon



LOCATION: Hoopla Drive off of US Highway 101

**LEGAL DESCRIPTION/
PROPERTY IDENTITY:** Coos County Map and Tax Lot Number
29-15-12-A-00200

GRANTOR: Perry dba Perry Wood Products

GRANTEE: Jeffrey A. McElrath

DATE OF SALE: September 25, 2013

CONSIDERATION: \$140,000

TERMS OF SALE: Unknown

LAND SIZE: 5.52± acres

UNIT OF COMPARISON: \$25,362 per acre

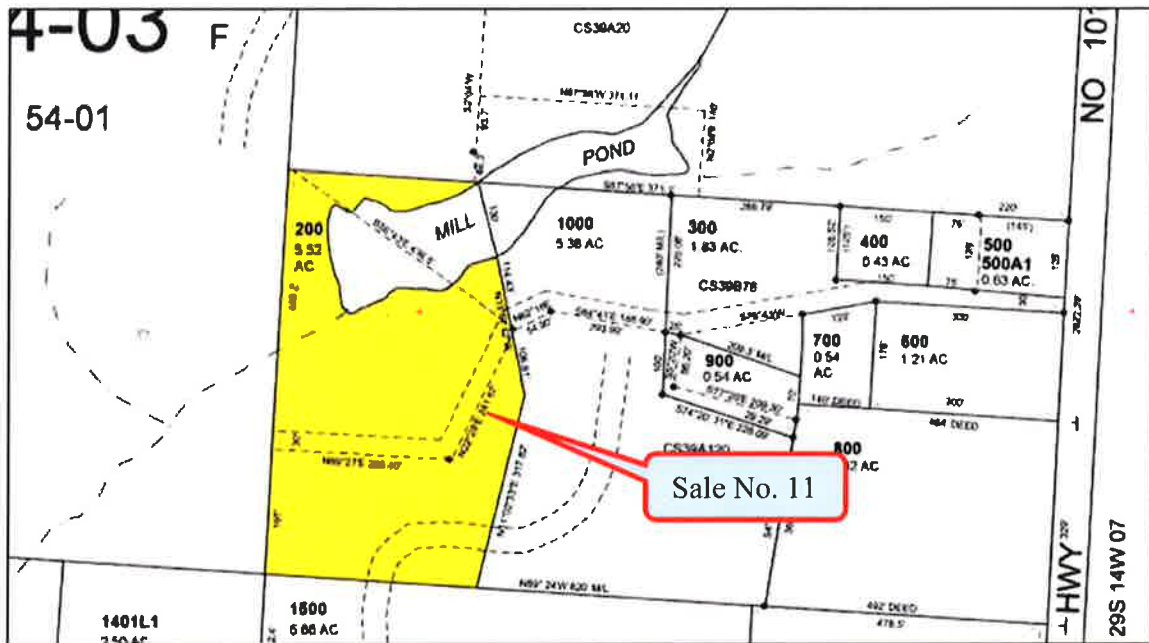
ZONING: F, Forest (formerly IND)

RECORDATION: 2013-9504

VERIFIED: Public Records – repeated attempts to verify with
either buyer or seller were unsuccessful.

COMMENTS: As per the Coos County records, the rectangular shaped site is estimated to have a total site area of 5.52 acres, which includes an area of about one acre consumed by a former mill log pond. We noted a 3-phase power transformer at the property during an earlier observation of neighboring properties. The transformers look new. The old mill buildings have been removed by the buyer. The site is accessed across a neighboring property to the south that has direct accessibility to US Highway 101. We do not know the formal status of the access drive for the new owner, but we did note that the access drive has been gated at the highway. When we attempted to visit the site through another neighbor's land, we were asked to leave right away. The property was previously offered in the Regional MLS system as part of a larger tract, which included the neighboring property with access from US Highway 101, with an asking price of \$495,000 in 2005. The 18.72-acre tract was zoned Forest (F) at that time, even though the historic use had been industrial as a mill site. At the time of the listing, the property was advertised as including a 700-square-foot residence, several outbuildings, an operating septic system and water well.

The property transferred title from Perry dba Perry Wood Products to Jeffrey A. McElrath on 9/25/2013 for the amount of \$140,000, or \$25,362 per acre.



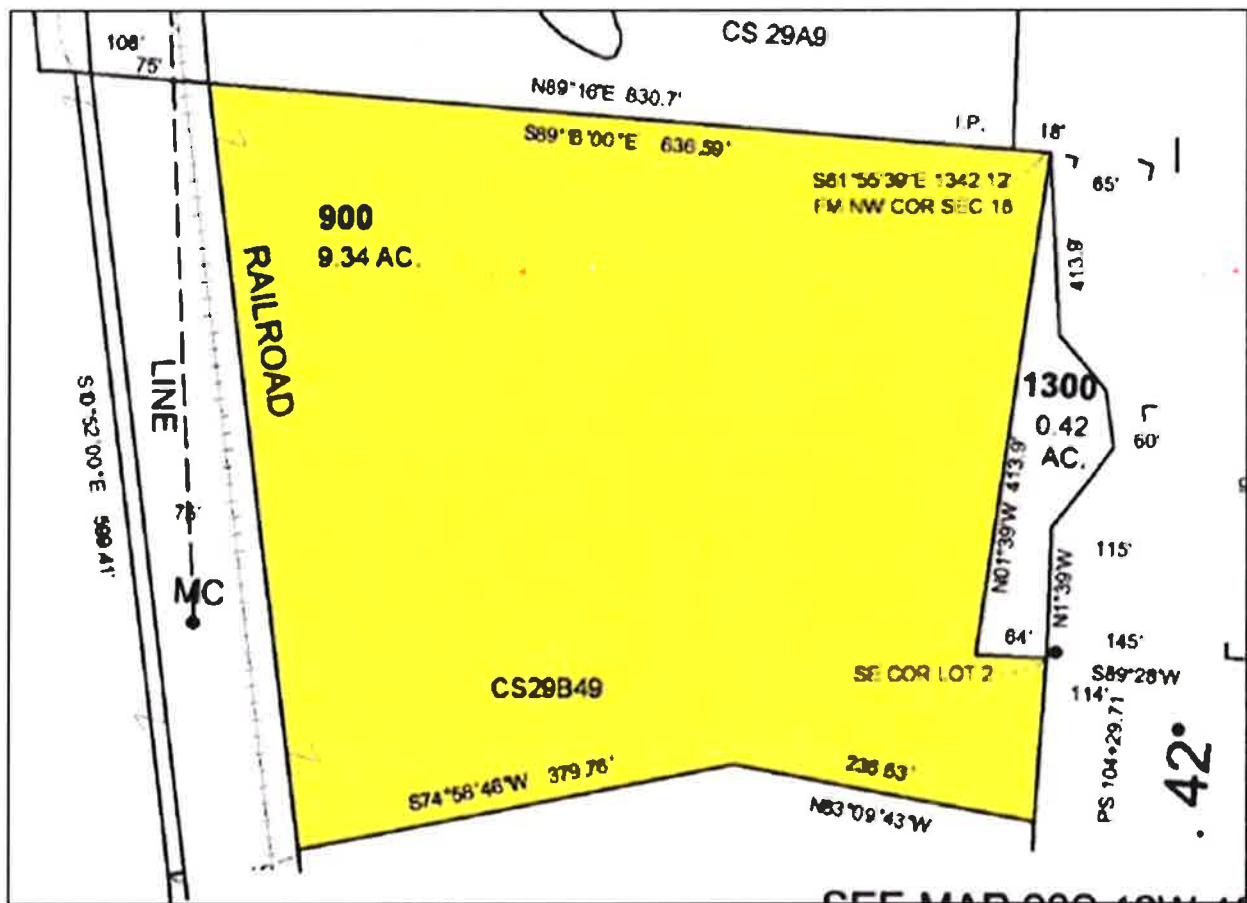
Sale No. 12 – Behind 99964 Highway 42, Coquille, Coos County



LOCATION:	Behind 99964 Highway 42; South of Rink Creek Rd; east side of the Coquille River; touches on west side of Hwy 42; Coquille, Coos County
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Number 28-12-7C-900
GRANTOR:	HW3, LLC
GRANTEE:	LBA Contract Cutting, Inc.
DATE OF SALE:	September 26, 2012
CONSIDERATION/ TERMS OF SALE:	\$250,000 Cash
LAND SIZE:	9.34 \pm acres
UNITS OF COMPARISON:	Land: \$25,696 per acre Building: \$10,000 (\$0.32 per SF)
ZONING:	CREMP, Coquille River Estuary Management Plan and EFU, Exclusive Farm and Forest
RECORDATION:	2012-7603
VERIFIED:	Hank Westbrook, seller

COMMENTS: This sale is identified as Coos County Map and Tax Lot 28-12-07C-900 and is located behind 99964 Highway 42 in Coquille, on the east side of Coquille River, and south of Rink Creek Road. The west side of the property abuts the Coquille River and the Pacific Railroad Line. This site is 9.34 acres with a CREMP zone overlay, of that 5.0 acres are zoned Exclusive Farm Use (EFU) and the remainder is zoned Industrial (IND). This sale was formerly the Westbrook Sawmill and Log Yard and has a 31,284 square foot industrial building that is at the end of its economic life. A small corner of the parcel fronts the west side of Highway 42 on the east side, but is hidden from traffic by a narrow strip of a land that separates the subject parcel from highway frontage. The parcel is located slightly below road grade. The metal industrial mill building and office were built in 1950 with heavy timbers for mill type uses.

Per RMLS Doc # 11647173, the property was listed on 10/09/2011 for \$195,000. After 175 days on the market, the listing expired. The property transferred title from HW3, LLC to LBA Contract Cutting, Inc., the adjacent property owner, on September 6, 2012 for the amount of \$250,000. Due to the age, condition and economic obsolescence of the 31,284 square foot industrial building, it was minimally allocated at \$10,000 or \$0.32 per square foot. The land value is allocated at \$25,696 per acre.



Sale No. 13 - South Port Chipco, Trans Pacific Parkway (North Spit area)



LOCATION:	West side of bay, east of Transpacific Parkway, North Spit of Coos Bay, Coos County
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Numbers 25-13-7-102; portions of 25-13-18-100, 201
GRANTOR:	Oregon International Port of Coos Bay
GRANTEE:	Southport Chipco, LLC
DATE OF SALE:	May 27, 2011
CONSIDERATION/ TERMS OF SALE:	\$1,337,100 Cash
LAND SIZE:	32.88± acres
UNITS OF COMPARISON:	Usable Land: \$50,105 per acre Wetlands: \$1,000 per acre
ZONING:	CBEMP, Coos Bay River Estuary Management Plan
RECORDATION:	2011-4148
VERIFIED:	Jeffrey Bishop, Oregon International Port of Coos Bay

COMMENTS: Sale No. 4 (25-13-7-102 and portions of 25-13-18-100 & 201) is 32.88± acres of vacant industrial land located on Coos Bay's deep water shipping channel in the North Spit area northwest of Coos Bay and North Bend. The parcel is located 3± miles upstream from the entrance to the ocean. Utilities developed near the site include electrical power, facilitated by a transmission facility along the westerly boundary of property. Also, the power company has shown significant willingness to provide power for many uses on the North Spit. The rail line has now been extended down to a point at the entrance to Southport Lumber Co. There now is a high pressure natural gas line to the North Spit at the end of the Trans Pacific Parkway. Telephone service is also available. City water is available at Trans Pacific Parkway; however, it has not been extended onto this parcel. The property is comprised of a mixture of beach grass, vegetated dunes, scotch broom, scrub brush, vegetated hummock, open dunes with some bull pine, fresh water marsh, ponds with willows on the wetland areas, and a few scattered conifers. This parcel has roughly 600 to 700 lineal feet of frontage on Coos Bay's waterfront. The soil conditions are sand and considered stable.

The zoning is IND (Industrial) Coos County zoning district. This property is also located within the Coos Bay Estuary Management Plan (CBEMP) zone. The waterfront is located within the 3-DA (Development Aquatic) zone and the shoreland is located within the 3-WD (Water-Dependent Development Shoreland) and 3-NWD. Per ArcGIS measurements approximately 6.32± acres are considered wetlands and 26.56± acres are usable land. Trans Pacific Parkway and the railway run along its westerly boundary, where access to the site is available. Topography of the site is gentle to moderate and utility for industrial uses is good. Oregon International Port of Coos Bay sold the property to South Port Chipco, LLC on 5/27/2011 for a consideration of \$1,337,100. The wetland areas of the site are allocated at \$1,000 per acre or \$6,320 of the totals sale price. Upland areas of the site are allocated at \$50,105 per acre or \$1,330,780 of the total sale price.

Sales Comparison Summary

INDUSTRIAL LAND SALES										
Sale No.	Date	Zone	Total Price	Type	Value	Land in Acres	Bldg in SF	Price / Unit	Description	Comments
P-1	Pending	IHI	\$ 2,500,000	Land	\$ 973,230	28.44		\$ 34,220	25-13-35-300, 399 25-13-35DB-300	ORC Properties LLC (Jim Randall)
	566 CDOM			Warehouse (2010)	\$ 930,000		31,000	\$ 30.00	63776 Mullen Rd	Pending Sale
				Manufacturing (2006)	\$ 400,000		16,000	\$ 25.00	Coos Bay, OR	
				Office	\$ 196,770		5,622	\$ 35.00		2500 KVA Power
	Verified with Jim Berg, Listing Agent				\$ 2,500,000	28.44	52,622			Truck-docks, Deep-water dock, Paved, Bayfront
1	09/26/16	IND	\$ 800,000	Land	\$ 184,275	12.95		\$ 14,230	24-13-15A-800	The Real Oregon Gift
	304 CDOM			Retail Space	\$ 105,450		4,218	\$ 25.00	68794 Hauser Depot Road	Myrtle Wood Factory
				2nd Floor Office/Finished	\$ 65,620		3,281	\$ 20.00	North Bend (Hauser area), Coos County, Oregon	ATV & RV
				Warehouse/Shop	\$ 368,835		24,589	\$ 15.00		
				Garage	\$ 73,800		4,920	\$ 15.00		
				Sheds	\$ 2,020		404	\$ 5.00		Allocations from our former appraisal
	Verified with Sadena Abell, Listing Agent & Appraisal				\$ 800,000		37,412			
2	11/26/14	IND	\$ 206,250	Land	\$ 206,250	37.5		\$ 5,500	24-13-34C-1600	CooSand Corporation to
	Non-MLS								North of Trans-Pacific Parkway	Oregon Dunes Sand Park, LLC (Todd Goergen)
	Verified through Public Records								North Spit, Coos County, Oregon	Open no-vegetation sand dune
3	09/15/14	IND	\$ 146,000	Industrial Land	\$ 80,600	4.68		\$ 17,222	27-13-21DB-1400, 1401, and 2300	Morris F. Madsen to
	1387 CDOM RR-2, and EFU			Farm Land	\$ 30,150	30.15		\$ 1,000	92240 North Bank Lane	Hackett Investments, LLC
				Small Residential Tract	\$ 35,250	1.41		\$ 25,000	Coquille, Coos County, OR	Original chromite mill built about 1930 has no value.
				Buildings	\$ -		19,290			Property has right to install a septic system,
	Verified with Shana Armstrong, Listing Agent				\$ 146,000	36.24	19,290			capable of a 3 or 4 bedroom home and has a water well.
4	08/28/14	IND	\$ 125,000	Land	\$ 125,000	40.6		\$ 3,079	36-07E-15-900, 36-07-15CA-101, 36-07-15CA-200	Kathleen J. Donovan to
	Non-MLS								24800 Modoc Point Road	Modoc Point Lake Property, LLC
	Verified with CoStar and Public Records								Chiloquin, Klamath County, Oregon	Former lumber mill, DEQ not completed
5	07/10/14	EFU F	\$ 75,000	Land	\$ 75,000	16.34		\$ 4,590	31-11-29-203	Dixie Walker to
	Non-MLS								Powers South County Road	Round House Properties, LLC
	Verified through Public Records								Powers, Coos County, Oregon	
6	04/25/14	IND	\$ 305,000	Industrial Land	\$ 216,800	17.82		\$ 12,166	28-12-32D-700	Norway Auto Recycling - Owner
	480 DOM			Two Metal Bldgs	\$ 85,700		3,428	\$ 25.00	12437 Highway 42	Two metal buildings, one with small office,
				Wrecking Yard License	\$ 2,500				Myrtle Point, Coos County, OR	on industrially zoned land, back part
	Verified through MLS and broker				\$ 305,000		3,428			of property is forested with an old rock quarry.
7	04/24/14	ME	\$ 120,000	Land	\$ 113,500	5.5		\$ 20,636	21-12W-24-801	Home Federal Bank to Pollman Reinard
	197 DOM			Wetlands	\$ 6,500	13.0		\$ 500	2605 Lower Smith River Road	Mostly wetlands
	Verified with Jeff Brooks, Listing Broker					18.5			Reedsport, Douglas County, Oregon	Former saw mill, buildings in poor condition
8	03/03/14	IND	\$ 300,000	Usable Land	\$ 292,610	20.00		\$ 14,631	28-12-7C-101 & 1000	HW3, LLC to
	123 DOM EFU			Wetlands	\$ 7,390	14.78		\$ 500	Highway 42 (west side)	Ron LaFranchi
	Verified with Ann Parker, Listing Agent				\$ 300,000	34.78			south of Coquille, Coos County	Old Mill site, Estate sale
9	01/28/14	M2	\$ 1,250,000	Land	\$ 680,300	13.87		\$ 49,048	16-04-05-00-308 & 16-04-08-00-200	A&R Lumber Sales, Inc. to
	96 DOM			Building (1969)	\$ 569,700		37,980	\$ 15.00	93495 Hwy 99	McCormick, LLC
	Verified with Jeff Elder, Listing Broker				\$ 1,250,000	13.87	37,980	\$ 32.91	Junction City, Lane County, OR	4,000 SF Office, Rail Spurs
10	10/08/13	IND	325,000	Land	\$ 105,000	10.50		\$ 10,000	28-12-32C-1201, 1202, 1204	Coffman Family Trust to
	Non-MLS CREMP			Bottomland	\$ 22,500	10.16		\$ 2,215	54298 Old Hwy 42	Michael McCrorey
				Wetland	\$ 16,500	33.00		\$ 500	Myrtle Point, Coos County, Oregon	
				Building 1	\$ 132,000		6,600	\$ 20.00		
				Building 2	\$ 49,000		4,900	\$ 10.00		
	Verified with the seller				\$ 325,000	53.66	11,500	\$ 28.26		
11	09/25/13	F	\$ 140,000	Land	\$ 140,000	5.52		\$ 25,362	29-15-12A-200	Perry dba Perry Wood Products to Jeffrey A. McElrath
	Non-MLS								Hoopla Drive off Highway 101	Former Industrial land with
	Verified through Public Records								south of Bandon, Coos County, OR	3-phase power transformer
12	09/06/12	IND	\$ 250,000	Land	\$ 240,000	9.34		\$ 25,696	28-12-07C-900	HW3, LLC to
	Non-MLS CREMP, EFU			Bldg GBA	\$ 10,000		31,284	\$ 0.32	Behind 99964 Highway 42	LBA Contract Cutting, Inc.
	Verified by Hank Westbrook, seller								Coquille, Coos County	Old Mill site
13	05/27/11	CBEMP	\$ 1,337,100	Usable Land	\$ 1,330,780	26.56		\$ 50,105	25-13-7-102; portions of 25-13-18-100, 201	Oregon International Port of Coos Bay
	Non-MLS			Wetlands	\$ 6,320	6.32		\$ 1,000	West side of bay, east of Transpacific Parkway	to Southport Chipco, LLC
	Verified by Bob Bradock, Seller representative				\$ 1,337,100	32.88			North Spit, Coos County, Oregon	
Subject	IP-PF			Unusable Land		46.88			40-13-31-200	Brookings Airport
				Industrial Land (usable)		49.00			17330 Parkview Drive	
						95.88			Brookings, Curry County, OR	

Value Conclusions

The comparables are adjusted based on the various physical characteristics. Qualitative adjustments are utilized and are reflected within the Sales Analysis section on the following pages. The adjustments are considered subjective although based on observation of sales in the subject's area and surrounding communities. The appraiser was unable to locate a reasonable recent sale as large as the subject property and larger properties tend to sell for less per acre than smaller properties. There are 17 plus acres of asphalt runway / taxiways, lighting and over 8,000 feet of fencing considered as amenities to the land areas.

Pending Sale P-1 is considered to be located in a superior area when compared to the subject property due to its location in a much larger city and this sale has Deep Draft Channel frontage and is located proximate to U.S. Highway 101 and the price per acre includes a large shipping dock. Therefore, Pending Sale P-1 indicates a land value much lower than \$34,220 per acre for the subject land.

Sale 1 is considered to be located in an inferior neighborhood when compared to the subject property due to its location in a rural neighborhood, north of North Bend. This sale has U.S. Highway 101 and Oregon Dunes National Recreation area frontage; however, Sale 1 indicates a land value greater than \$14,231 per acre for the subject land.

Sale 2 is considered inferior when compared to the subject property due to its location in a more rural neighborhood, irregular topography and sandy soils. This sale has Oregon Dunes National Recreation area frontage; however, Sale 2 indicates a land value much greater than \$5,500 per acre for the subject land.

Sale 3 is considered to be located in an inferior neighborhood when compared to the subject property due to its location in a rural neighborhood in the much smaller City of Coquille. This sale has a potential homesite and river frontage; however, there will be expenses involved in the removal of the former chromium mill and potential cleanup costs from the former mill use. The site's shape and configuration severely limit its usefulness and appeal. The industrially zoned tract, although containing over four acres, has limited utility due to the railroad tracks severing the portion about in the middle. Sale 3 indicates a land value greater than \$17,222 per acre for the subject land.

Sale 4 is considered to be located in an inferior rural area when compared to the subject property due to its remote location in the much smaller City of Chiloquin. The site remains a high priority for DEQ assessment and there will be expenses involved in the removal of the former mill with probable cleanup costs from the former mill use. Sale 4 indicates a land value much greater than \$3,079 per acre for the subject land.

Sale 5 is considered to be located in an inferior neighborhood, and has inferior topography / utility when compared to the subject property due to its remote location in a rural neighborhood in the much smaller City of Powers. This sale includes approximately 5 acres (one third of its site size) of sloped uphill land on its east side, which will be expensive to develop. Sale 5 indicates a land value much greater than \$4,590 per acre for the subject land.

Sale 6 is considered to be located in an inferior community when compared to the subject property due to its location in a rural neighborhood in the much smaller City of Myrtle Point. The tract is deep, with much of the land undeveloped forest, suggesting higher development costs. Sale 6 indicates a land value greater than \$12,166 per acre for the subject land.

Sale 7 is considered to be located in an inferior neighborhood when compared to the subject property due to its location in a rural neighborhood outside of the City of Reedsport. This site has inferior utility and appeal when compared to the subject property and indicates a land value greater than \$20,636 per acre for the subject land.

Sale 8 is considered to be located in an inferior neighborhood when compared to the subject property due to its location in a much smaller city. This sale has Highway 42 and Coquille River frontage; however, it was an estate sale that was in financial trouble and in need of raising cash to pay off debt. Sale 8 indicates a land value greater than \$14,631 per acre for the subject land.

Sale 9 is considered to be located in an inferior neighborhood when compared to the subject property due to its location in the smaller city of Junction City. This sale has Highway 99 frontage and has good utility and appeal, similar to the subject property. Sale 9 indicates a land value slightly lower than \$49,048 per acre for the subject land.

Sale 10 is considered to be located in an inferior neighborhood when compared to the subject property due to its location in a rural neighborhood in the much smaller City of Myrtle Point. The utility and appeal are considered inferior when compared to the subject property. Sale 10 indicates a land value greater than \$10,000 per acre for the subject land.

Sale 11 is considered to be located in an inferior neighborhood when compared to the subject property. The site is much smaller in size and has inferior utility when compared to the subject site. This site has inferior appeal when compared to the subject property. The smaller site size suggests a higher unit price, which is offset by its inferior appeal indicating a value greater than \$25,362 per acre for the subject land.

Sale 12 transpired in 2012 and is an aged sale, but helps provide some support of land value. It has Highway 42 and Coquille River frontage; however, it is considered to be located in a much inferior neighborhood when compared to the subject property due to its location in a much smaller city. Sale 3 indicates a land value greater than \$25,696 per acre for the subject land.

Sale 13 transpired in 2011 and is an aged sale, but helps provide some support of land value. It is considered to be located in a superior area for industrial users when compared to the subject property, due to its location on the North Spit of Coos Bay, a deep draft waterway. This sale is much smaller than the subject site, but has superior utility with excellent roads, water and rail access. Sale 4 indicates a land value lower than \$50,105 per acre for the subject land.

Summary of Sales Used and Land Value Conclusion

The pending sale and 13 closed sales selected all have smaller acreage parcel size when compared to the subject property; however, no reasonable industrial sales with as large a site size could be located. Further, all the land listings have similar utility as the subject parcel. The comparables range from \$3,079 per acre to \$50,105 per acre. Sales 9 and 13 are the most similar to the subject property; however, all sales were considered. Due to the subject's good utility, amenities and location, we believe a value near the upper-end of these limits at \$45,000 per acre is appropriate for the subject usable land. However, the 17 acres of asphalt and 8,000 feet of fencing suggest an additional \$5,000 per usable acre and a total of \$50,000 per acre for all developable industrial land. The unusable subject land is valued at \$1,000 per acre. Therefore, based on our sale data, it is our opinion that the subject land value is \$2,496,880, rounded to \$2,500,000.

SALES COMPARISON APPROACH			
Unusable Land		Price/SF	
	Land in acres	46.88	
	Land Value per acre	\$ 1,000	
Total value of Excess Land			\$ 46,880
Developable Land		Price/SF	
	Land in acres	49.00	
	Land Value per acre	\$ 50,000	
Total value of developable land and improvements			\$ 2,450,000
Total value of Industrial Property (Land and Improvements)			\$ 2,496,880
		Rounded to,	\$2,500,000

Cost to Cure

A portion of the access road on the subject property has a slide condition. The engineer's preliminary estimate for construction of MSE wall slide repair indicates \$91,915.78 to repair the roadway slide.

Airport Assurances

More than 20 years ago, Curry County signed an agreement with the FAA in return for grant funding. The appraisers don't have access to the grant assurances that Curry County signed. FAA Grant Assurances are included with each grant the airport receives and are typically in force for 20 years. They typically require that the airport commits to maintain and operate the airport as an airport for public use for 20 years from when the grant is signed. And it is assumed that the subject property has one or more deed restrictions promised to the State of Oregon, including the promise to use the property only for airport purposes. In order to change the property use to anything other than as an airport, the grant funds (\$150,000 per year) would have to be repaid to the FAA. Curry County is unable to provide the exact amount of the grant monies received; however, we have calculated an approximate dollar figure. Curry County, we believe, presently receives \$150,000 annually from the Federal Aviation Administration (FAA). Based on 20 years of grant money for airport projects, the airport has received more than \$3,000,000 ($\$150,000 \times 20 \text{ years} = \$3,000,000$).

FINAL VALUE CONCLUSIONS

Scenario 1) – Subject Property Airport use changed to Industrial Use.

After discounting the cost to cure the road slide, the estimated value of the entire subject property is \$2,408,084 ($\$2,500,000 - \$91,916 = \$2,408,084$). In order to change the subject property to another use than as an airport (industrial), the FAA grant monies would have to be repaid to the FAA. After deducting the \$3,000,000 plus in grant monies, the value of the subject property would be minus \$591,916. This scenario is considered unrealistic.

Scenario 2) – Continued use as an airport.

The airport is used predominately for general aviation by private parties who base their privately owned aircraft there. There are 35 aircraft based at the Brookings Airport. With continued airport use, the vacant land outside of the fenced area, excluding that 12,900 square feet (0.3 acre) of land, currently leased to Cal-Ore Life Flight (airport tenant), is valued as vacant industrial land, and the land within the perimeter fencing and the leased portion outside of the perimeter fence (airport operations) is valued using the Income Approach.

The vacant land outside of the fenced area, excluding the 0.3-acre ground lease, totals 54.28± acres. Of that land area, approximately 3.7 acres are developable and the remaining 50.58± acres of land have difficult topography and are considered unbuildable due to economics or financial feasibility.

Subject Land (Based on Google Earth Pro measurements)	
Inside perimeter fence	
Airport Use	42.00
Undeveloped Industrial	3.00
	45.00
<i>Of which, Paved Airport Runway</i>	17.33
Outside perimeter fence	
Cal-Ore Ground Lease	0.30
Undeveloped Buildable Land	3.70
Unbuildable Land	50.58
	54.58
Total Site Size	95.88

The land with difficult terrain, which is considered unbuildable area, still holds some value for future use and provides a nice visual amenity and provides a buffer to the site. Previously, we established \$50,000 per acre for all developable industrial land and the unbuildable subject land was valued at \$1,000 per acre. Therefore, based on the land value estimates and assuming the current use as an airport, the land outside of the perimeter fencing, excluding the 0.3-acre area has an estimated value of \$235,580, rounded to \$240,000.

Outside perimeter fence		\$/Acre	Value
Cal-Ore Ground Lease	0.30		
Undeveloped Buildable Land	3.70	\$ 50,000	\$ 185,000
Unbuildable Land	50.58	\$ 1,000.00	\$ 50,580
	54.58		\$ 235,580

NON-AIRPORT USE LAND VALUE
BY THE SALES COMPARISON APPROACH \$240,000

INCOME APPROACH

The Income Capitalization Approach is another method of analysis for the subject property. The Income Approach is an analysis of the property from the standpoint of an investor or a general owner-user. It is made on the premise that the value of the property is the present worth of future anticipated net benefits. These net benefits consist of the right to collect rent, whether daily or monthly, and to have the reconveyance of the property at the completion of the rental period.

An analysis of the income stream is made based upon the quantity and duration of the income stream, as well as the quality of the income expectancy. The capitalization process is the conversion of the income stream into a capital amount utilizing a capitalization rate derived from the market and/or the band of investment method.

There are two preferred methods of capitalization. One is Direct Capitalization and is the preferred method when dealing with stabilized occupancies and operating histories. This process of direct capitalization divides Net Operating Income from one year's ownership by the overall rate of return expected by investors in the marketplace, usually developed from sales of similar properties.

The second method, known as the Discounted Cash Flow Analysis, can be developed to accommodate known or perceived changes in the flow of income that might be experienced by an owner or investor of income producing properties. These changes in the flow of income could be described as overages or specific benchmark increases or decreases in a lease. Additionally, the Discounted Cash Flow Analysis provides for a return on the original investment in the property and improvements by establishing a holding period over which the reasonable increase in the value of the property and improvements can be discounted to a present worth figure. The discounted rate, again, is judged the expected internal rate of return perceived by investors or owners of similar types of properties.

The Income Approach reflects value through the analysis of Net Operating Income, and Direct Capitalization by an overall rate. Net Operating Income is (NOI is defined as income remaining after collection of rents and payment of operating expenses, and also reflects the monies available to an owner of a property for debt service and equity recapture. Overall Capitalization Rate (OAR) is the simple relationship between a commercial properties' selling price and the Net Operating Income attributable to one year of ownership.

The appraiser would prefer to use the Direct Capitalization Analysis, due to the consistency of the perceived income stream. The overall rate of return (OAR) is preferably developed from actual sales data based on recent sales of similar properties used in the Sales Comparison Approach. There are no reasonable airport sales, with income data; however, we have sufficient data using known and attributed income and expense information to develop a reasonably supported overall capitalization rate for industrial properties in the Southern Oregon market area.

In the Income Capitalization Approach, the income of the subject property is estimated along with deductions for estimated vacancy/credit loss and expenses. The prospective net operating income of the property is then estimated. To support this estimate, operating statements for comparable properties have been reviewed along with several years of actual operating costs from the subject property tax returns.

ACTUAL INCOME

Financial data, including income and expense details (Revenue and Expenses Report by Curry County for the 2015-2016 fiscal year) used in this report, were provided to the appraiser by Gary Milliman, City Manager, City of Brookings. Although Curry County has not provided confirmation of the data, the data obtained from Gary Milliman is the best available and is assumed reliable in the determination of the net operating income.

The actual income data provides an indication of income, but may have some unusual occurrences that were not budgeted and may not be continued into the future; therefore, we blended the 2015-2016 Budget and the 2015-2016 Fiscal Year to Date (YTD) actual data ending June 30, 2016, to arrive at the reported income as follows:

Income Summary		Calculation
	Landing Fees	\$ 1,511
	Airport Tie-down	\$ 411
	Fuel Flowage Fee	\$ 852
	Aircraft Hangars	\$ 22,399
	Miscellaneous	\$ 1,575
	Total	\$ 26,748
Projected Annual Effective Gross Income		\$ 26,748

PROJECTED EXPENSES

Once the projected effective gross income has been calculated, we look at typical expense items from comparable properties similar to the subject. Data from actual operating statements on many similar properties in the Coastal Oregon area have been reviewed from past appraisals of industrial properties on the Oregon coast, and actual expenses of the subject property (Revenue and Expenses Report by Curry County) provided to this office by Gary Milliman, City Manager, City of Brookings. Although Curry County has not provided confirmation of the data, the data obtained from Gary Milliman is the best available and is assumed reliable in the determination of the net operating income.

The income and expense report for the subject property has been carefully reviewed for this portion of the analysis, as well. The actual expense data provides a good indication of expenses, but may have some unusual occurrences that were not budgeted and may not be continued into the future; therefore, we blended the Budget and the Year To Date (YTD) Actual data ending June 30, 2016, to arrive at the reported expenses as follows:

\$	4,543	Insurance
\$	4,183	Legal and Professional Fees
\$	9,505	Maintenance & Repair
\$	5,333	Utilities

Other typical expenses, which have not been reported by Curry County are included in a miscellaneous account for supplies, etc. and a management account. Each of the expense categories are detailed on the following pages.

Advertising Costs

Advertising costs include the cost of running directory ads, newspaper ads, signage, plus printed and electronic advertising materials. Typically, well-operated commercial properties spend 1% to 3% of annual gross income on advertising. Per the actual expenses reported by the current owner, this expense was \$0 and \$100 was budgeted for the 2015-2016 fiscal year, ending on June 30, 2016. Using the budgeted \$100 annual budget, this category was budgeted at 0.4% of the 2015-2016 EGI. New owners would most likely increase the advertising budget to 0.5% of EGI; therefore, the advertising cost is estimated at \$134, or 0.5% of the projected 2017 EGI.

Insurance

This category includes liability and property insurance. Per the blended actual/budgeted expenses reported by the current owner, this expense was \$4,543 for the 2015-2016 fiscal year. Therefore, the Insurance cost is estimated at \$4,543, or 17% of the projected 2017 EGI.

Legal & Professional

Legal and Professional costs include attorneys, accounting, and other professional fees paid. Per the blended actual/budgeted expenses reported by the current owner, this expense was \$4,183 for the 2015-2016 fiscal year. Therefore, the Legal and Professional cost is estimated at \$4,183, or 15.6% of 2017 EGI.

Maintenance and Repair

This item includes the replacement of real estate components and upkeep of the common areas including mowing and road maintenance. Per the blended actual/budgeted expenses reported by the current owner, this expense was \$9,505 for the 2015-2016 fiscal year. Therefore, the Maintenance and Repair cost is estimated at \$9,505, or 35.5% of 2017 EGI.

Utilities

This category includes the actual cost of utilities, including water and sewer, waste removal and electricity. Per the blended actual/budgeted expenses reported by the current owner, this expense was \$5,333 (19.9% of EGI) for the 2015-2016 fiscal year. Therefore, the Utilities cost is estimated at \$5,333, or 19.9% of 2017 EGI.

Miscellaneous

Miscellaneous includes other fees such as bank fees, dues & subscriptions and uncategorized expenses. This category was not reported by the Curry County Revenues and Expense report. The miscellaneous cost is estimated at 1.0% of the projected 2017 EGI, or \$267 for 2017.

Supplies & Office Expense

Supplies include desk items, shipping, freight & delivery charges, general and office supplies. This category was not reported by the Curry County Revenues and Expense report. The miscellaneous cost is estimated at 0.5% of the projected 2017 EGI, or \$134 for 2017.

Wages (Payroll)

Wages include management, payroll, and other employee expenses. Examples are wages, benefits, contractors, and employee relations. However, there are no expected wages to be paid; therefore, there are no expenses for this category.

Property Taxes

The public use as an airport exempts the subject property from property taxation. Therefore, there are no expenses for this category.

Management Fee

Management fees were not reported by the current owners; however, management fees typically average 3% to 5% of estimated gross income for income properties. Curry County has reported some inter-governmental services expenses to this category, but it is assumed a new owner would allocate 3% of the EGI to this category. Therefore, we estimate a management fee of 3% of the projected 2017 EGI, or \$802 for 2017.

Reserve for Replacement

This is not an actual expense on an annual basis; however, individual components of the property deteriorate and should be replaced on a periodic basis. Industry averages indicates reserves for replacement expense should be approximately 1% to 5% of the gross income; however, improvements on the subject property in the "As-Is" condition are limited to site improvements and an expense for this category is not relevant at this time. As hangars are constructed in the future this category will need to be considered.

SELECTION OF OVERALL CAPITALIZATION RATE

The overall condition of the subject property is fair to average, which increases risk and increases the desirability of ownership. Location amenity is more rural in the coastal Oregon market area and this results in decreased interest from potential investors. Capitalization rates along the Central and Southern Oregon coast vary widely depending on the type of business located on the real estate. Low rates of 4% and 5% are common for farms and ranches, while motels and RV Parks indicate more risk by showing rates in the 10% to 15% range. Offices and apartments are much more stable and less risky, exhibiting rates from 6% to 9%. Therefore, based on the above analysis, we believe a Capitalization rate of **8.00%** is reasonable and supported.

Projected 2017 Net Operating Income (NOI)

The Projected Gross Income for 2017 is estimated at \$26,748. After deducting the Operating Expenses totaling the estimated Net Operating Income (NOI) is \$1,847.

Projected Operating Statement of 2017			
Income Summary		Calculation	
	Landing Fees	\$	1,511
	Airport Tie-down	\$	411
	Fuel Flowage Fee	\$	852
	Aircraft Hangars	\$	22,399
	Miscellaneous	\$	1,575
	Total	\$	26,748
Projected Annual Effective Gross Income		\$	26,748
Expense Summary			
Less Expenses			
	Advertising Cost	0.5% \$	134
	Insurance	17.0% \$	4,543
	Legal and Professional Fees	15.6% \$	4,183
	Maintenance & Repair	35.5% \$	9,505
	Utilities	19.9% \$	5,333
	Miscellaneous	1.0% \$	267
	Supplies & Office Expense	0.5% \$	134
	Wages (Payroll)	0.0% \$	0
	Property Taxes	0.0% \$	0
	Management	3.0% \$	802
	Reserve for Replacement	0.0% \$	0
Total Operating Expenses		93.0% \$	24,901
Projected 2017 Net Operating Income		\$	1,847

VALUE SUMMARY BY THE INCOME APPROACH

We estimated the capitalization rate at 8%. After dividing the NOI by a Capitalization rate of 8%, the estimated value, by the Income Approach, results in a value of \$23,088, rounded to \$25,000.

Projected 2017 Net Operating Income	\$	1,847
8% CAP Rate		8.0%
NOI / CAP Rate	\$	23,088
Valuation By the Income Approach	Rounded to, \$	25,000

After careful consideration of all pertinent data, we estimate the value of the area inside the fencing of the airport, by the Income Approach, at \$23,088, rounded to \$25,000.

Based on the land value estimates previously determined in the Sales Comparison Approach on page 68 of this report and assuming the current use as an airport, the land outside of the perimeter fencing, excluding the 0.3-acre area has an estimated value of \$235,580, rounded to \$240,000. After combining that land value with the value of the airport operations (Income Approach), the estimated value of the subject property is \$265,000 (\$240,000 + \$25,000 = \$265,000).

VALUE BY THE INCOME APPROACH

\$265,000

FINAL VALUE RECONCILIATION

In summary, the Income Approach and the Sales Comparison Approach are both considered reliable and are given consideration in the final value reconciliation, as of August 8, 2017. After careful consideration of all available information and analyzing all factors pertinent to the fee simple valuation, the appraiser believes the estimated market value, as of August 8, 2017, is **TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS.**

FINAL VALUE CONCLUSION

\$ 265,000

CERTIFICATION OF THE APPRAISER

I certify that, to the best of my knowledge and belief,

- *the statements of fact contained in this report are true and correct.*
- *the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.*
- *my engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.*
- *as of the date of this report, Jeffrey L. Marineau, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.*
- *my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).*
- *I have made a personal inspection of the property that is the subject of this report.*
- *Marineau and Associates completed an appraisal of the subject property (land only) on July 3, 2014 and has performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.*
- *David S. Olson, provided significant, professional assistance in the preparation of this report to the person signing this report.*



August 16, 2017.

Jeffrey L. Marineau, MAI

Date

ADDENDA

Curry County Zoning Ordinance for Industrial Park Zone (I-P)

17.04.010 Purpose.

This district is designed to provide for a combination of wholesale, heavy commercial and light industrial uses in a manner that will have minimal impact on surrounding areas in relation to noise, odor, vibration, or visual nuisance and to provide a suitable and stable environment for such uses [Ord. 09-O-627 § 2, Ord. 93-O-446 M § 4, Ord. 89-O-446 § 1.]

17.04.020 Permitted uses.

The following uses are permitted:

- A. Any use listed as a conditional use in the C-3 district, with the exception of BMC 17.52.040(A) (G), (I) and (J)
- B. Implement sales, service, repair and rental
- C. Wholesale businesses, storage, warehousing transfer companies and trucking companies
- D. Automobile, boat, truck, or trailer sales, service and repair with display areas more than 20,000 square feet and less than 100,000 square feet
- E. Public and quasi-public utility buildings and service yards
- F. Contractors' offices and equipment storage yard or storage and rental of equipment commonly used by contractors
- G. Carpenter, electrical, plumbing, sheet metal, welding, electroplating, heating, sign shops, auto and furniture upholstery shops, printing, publishing and lithographing shops, painting and sandblasting
- H. Cold storage plants
- I. Bakery, creamery, soft drink bottling plant, laundry, dry cleaning, dyeing or rug cleaning
- J. Feed, seed and fuel stores
- K. Commercial parking lots, subject to Chapter 17.02 BMC
- L. Administrative, educational and other related activities and facilities in conjunction with a permitted use
- M. Light manufacturing, assembly, fabricating or packaging of products from previously prepared materials such as cloth, plastic, wood (not including saw, planing or lumber mills or molding plants), paper, cotton, precious or semi-precious metals or stone
- N. Manufacture of electric, electronic or optical instruments and devices
- O. Manufacture of food products, pharmaceutical and similar items, but not including the production of materials having significant potential for odor or the rendering of fats or oils
- P. Retail sale of items offered for wholesale, retail sale of items produced by any permitted manufacturing use, lumber yards (including sales of ancillary hardware) and sales of heavy equipment and other similar heavy bulk items
- Q. Printing, publishing and book binding
- R. Rental storage units and similar type storage areas, provided they are used exclusively for storage purposes
- S. Day care facilities when associated with any permitted or conditional uses
- T. Existing residential uses, including additions, without any increase in the number of dwelling units [Ord. 09-O-627 § 2, Ord. 00-O-446 II § 4, Ord. 84-O-446 R § 2, Ord. 93-O-446 M § 4, Ord. 89-O-446 § 1.]

17.04.030 Accessory uses.

A. Any uses, buildings or structures customarily appurtenant to a permitted use, such as incidental storage facilities

B. Accessory Uses for Dwelling Units

- 1. Home occupations, subject to the provisions of Chapter 17.10 BMC
- 2. Other accessory uses and accessory buildings and structures, such as noncommercial greenhouses, customarily appurtenant to a permitted use [Ord. 09-O-627 § 2, Ord. 93-O-446 M § 4, Ord. 89-O-446 § 1.]

17.04.040 Conditional uses.

The following uses may be permitted subject to a conditional use permit:

- A. Service commercial uses such as banks, offices, restaurants, food services, bars, taverns or other convenience establishments designed to serve developed permitted uses
- B. Kennels and other animal boarding facilities, not abutting any residential district and subject to BMC 17.124.010
- C. Buildings over 40 feet in height
- D. Wireless communication facilities, pursuant to BMC 17.124.030 and Chapter 17.16 BMC
- E. Utility substations or pumping stations subject to BMC 17.124.030
- F. Short-term rentals in existing dwellings subject to BMC 17.124.170
- G. Automobile, boat, truck, or trailer sales, service or repair with display areas of 100,000 square feet or more
- H. Retail businesses [Ord. 09-O-627 § 2, Ord. 99-O-446 GG § 3, Ord. 93-O-446 M § 4, Ord. 89-O-446 § 1.]

17.04.050 Yard, height and lot coverage requirements.

- A. The minimum front yard shall be 20 feet, and said area shall be landscaped in compliance with BMC 17.02.100(H)
- B. The minimum side and rear yard setback shall be 10 feet when directly across the street or abutting a residential district and such side or rear yard shall be increased by one-half foot for each foot the building height exceeds 20 feet
- C. Maximum building height shall be 40 feet, except as allowed as a conditional use, and as provided in BMC 17.124.030
- D. The maximum lot coverage by buildings and structures shall not exceed 60 percent of the total lot area [Ord. 09-O-627 § 2, Ord. 93-O-446 M § 4, Ord. 89-O-446 § 1.]

17.04.060 Signs.

Signs shall be permitted in accordance with Chapter 17.88 BMC [Ord. 09-O-627 § 2, Ord. 93-O-446 M § 4, Ord. 89-O-446 § 1.]

17.04.070 Parking.

Off-street parking shall be provided in accordance with Chapter 17.02 BMC [Ord. 09-O-627 § 2, Ord. 93-O-446 M § 4, Ord. 89-O-446 § 1.]

17.64.060 Other required conditions.

A Site plan approval required as provided in Chapter 17.80 B/MC

B All uses in this district shall be carried on entirely within an enclosed building except for conditional uses, outdoor equipment, outdoor furniture, dispensers, vehicle and boat sales, and bus stations, provided that outdoor storage may be permitted when enclosed by a six-foot-high, sight-obscuring fence, wall or landscaping. If the fence will be located in the front yard landscaped setback area, it must be set back at least 10 feet from the front property line.

C In addition, temporary sales of products allowed either as a permitted or a conditionally permitted use, for no more than seven consecutive days, may be conducted outside on private property. These sales may occur no more than four times during a calendar year. The seller must have a current city business license and required parking spaces must remain available for use by vehicles.

D Any use or portion thereof causing noise, vibration, or producing intense heat or glare shall be performed in such a manner as not to create a nuisance or hazard on adjacent property.

E There shall be no emission of odorous, toxic, noxious matter, or dust in such quantities as to be readily detectable at any point along or outside property lines so as to produce a public nuisance or hazard.

F Access points from a public road to properties in an I-P district shall be so located as to minimize traffic congestion and to avoid directing traffic onto local access streets of a primarily residential character.

G Openings to structures on sides adjacent to or across the street from a residential district shall be prohibited if such access or openings will cause glare, excessive noise or other conditions such as to have adverse effects on property in the residential district.

H All side or rear yards directly across the street from or abutting a lot in a residential district shall be landscaped in compliance with B/MC 17.82.100(H).

I All businesses shall be conducted from a structure anchored to a permanent foundation unless specifically exempted by the provisions of this title or other city ordinances.

J Prior to any development activity on the property, the applicant must comply with B/MC 17.100.030 General mitigation.

K An accessway to a new proposed off-street parking area shall be improved from the public roadway to the parking area to a minimum width of 20 feet for two-way traffic. If the accessway is a one-way in or one-way out, it shall be a minimum width of 10 feet and have appropriate signage.

L Provide for the improvement of an existing dedicated alleyway which is intended to be used for egress and ingress, or backup space of off-street parking for the development.

M Screen from view all roof-, wall-, or ground-mounted mechanical equipment and devices, in addition to propane tanks.

N Refuse receptacles or dumpsters shall be appropriately positioned, colored or screened to minimize visibility to vehicular traffic or pedestrians. [Ord. 09-O-627 § 2, Ord. 00-O-446 JJ § 7, Ord. 93-O-448 II § 4, Ord. 86-O-446 § 1.]

QUALIFICATIONS OF THE APPRAISER

Jeffrey L. Marineau, MAI

STATE CERTIFIED APPRAISER #C000029; Expiration April 30, 2018

Education

Graduate of the University of Oregon, Bachelor of Science Degree in Business Administration - Real Estate Major, 1973

Appraisal Institute:

Course I-Part A	:	Successfully challenged examination
Course I-Part B	:	Successfully challenged examination
Course II	:	Successfully completed course
Litigation Valuation	:	Successfully completed course
Market Analysis	:	Successfully completed course
Standards of Professional Practice, Part A (USPAP)	:	Successfully completed course - 2001
Standards of Professional Practice, Part B (420)	:	Successfully completed course - 2001
Condemnation Appraising Course SE710	:	Successfully completed course - 1999
Condemnation Appraising Course SE720	:	Successfully completed course - 1999

Seminars:

Lease and Leasehold Valuation - 1987	Americans w/Disabilities Act - 1992
Wetlands Evaluation Issues - 1992	Hotel/Motel Valuation - 1993
Income Producing Properties - 1987	Income Property Valuation - 1993
R41-c Memorandum (FHLBB) - 1987	Professional Timber Cruising - 1994
Construction Cost Seminar - 1987	Subdivision Analysis - 1994
Highest and Best Use - 1988	Hotel/Motel Valuation - 1993
Cash Equivalency - 1988	The Internet and Appraising - 1997
Cash Flow Analysis - 1989	Eminent Domain - 1998
Hazardous Wastes & Toxic Materials - 1989	Oregon Wetlands - 2001
Real Estate Risk Analysis - 1989	Federal Land Exchanges - 13505
Mineral Valuation - 1990	Federal Land Acquisition - 2002 and 2007
UC/IAR Form - 1989	Easement Valuation - 1990
Legal/Professional Topics - 2003	Uncertainties of Measure 37 - 2005
USPAP Update - 2006	GIS Applications - 2006
Federal Land Acquisition - 2007	New Technology for Foresters - 2007
USPAP Update 2008, 2010, 2012, 2014	Industrial and Flex Buildings-2012
Office Buildings-Mortgage Underwriting 2012	Sustainability of Real Estate-2012
Online Cool Tools Appraisal Institute 2014	USPAP Update 2014
Problems in Valuation of Partial Acquisitions 2014	Supporting Adjustments 2014
Right of Way Appraisals 2015	Timberland Appraisals 2015
Right of Way Maps 2015	Temporary Construction Easement 2015
Right of Way Symposium 2015	Business Practices and Ethics 2016
Supervisor-Trainee Course 2016	Eminent Domain - 2017

Southwestern Oregon Community College:

Residential Blueprint Reading & Sketching Commercial Blueprint Reading & Sketching
Residential Electrical Wiring

Appraisal Experience

Eminent Domain:	Full and partial takings, Air rights, Microwave beam paths, Highway right-of-way, etc.
Industrial:	Wood products manufacturing plants, Warehouses, Deep draft water frontage, Shipyards, Seafood processing plants, Log yards, Industrial lands.
Commercial:	Retail store buildings, Office buildings, Restaurants, Service stations, Supermarkets, Shopping centers, Medically related facilities.
Residential:	Single-family dwellings, Multi-family dwellings, Condominiums
Special	Governmental structures, Timberland, Sand dunes, Assisted Living Projects, Motels
Purpose:	Recreational vehicle parks, Churches, Hospitals, Cranberry Bogs, Ranch, and farm land, Subdivisions.

06/20/2017

QUALIFICATIONS OF THE APPRAISER (continued)
Jeffrey L. Marineau, MAI

STATE CERTIFIED APPRAISER #C000029; Expiration April 30, 2018

Employment

Apprentice Appraiser: 1968 to 1973. Appraisal experience working with Fred J. Marineau, limited to non-school days.

Licensed Real Estate Appraiser: Employed since 1973 with Fred J. Marineau, Real Estate Appraisers and Consultants

Owner: Marineau and Associates - July 1986 to present

State Certified Appraiser: # C000029

Professional Organizations

Member, Appraisal Institute-MAI Designation since 1981

Member, Rotary International

Member, Coos County Board of Realtors

Court Appearances

District Court - Coos, Curry and Lincoln Counties

Circuit Court - Coos, Curry and Douglas Counties

Oregon Tax Court

Federal Bankruptcy Court - Eugene

Department of Revenue - Coos and Lincoln Counties

Board of Equalization - Coos County

REPRESENTATIVE LIST OF APPRAISAL/CONSULTATION CLIENTS

Corporate Clients

Weyerhaeuser Corporation

Georgia Pacific Corporation

Menasha Corporation

International Paper Corporation

Roseburg Forest Products

Al Pierce Company

Coos Head Timber Company

South Coast Lumber Company

Lloyd Corporation

Chevron Corporation

Union Oil of California

Jordan Cove Energy

Stuntzner Engineering & Forestry

Lesan and Finneran

Hough, MacAdam and Wartnik, LLC

Gould Law Firm, LLC

Westbrook Land and Timber

Ocean Terminals

Bald Knob Land and Timber Co.

Coast Distributors, Inc.

Moore Mill Lumber Company

Sause Bros. Ocean Towing, Inc.

Financial Clients

Wells Fargo Bank

U. S. Bancorp

Bank of America

Oregon Bank

Umpqua Bank

Seafirst Mortgage Corporation

Oregon Pacific Bank

Siuslaw Valley Bank

First Community Credit Union

Evergreen Federal Bank

Banner Bank

Chetco Federal Credit Union

Rainier Financial Services

Frontier Investment Corporation

First Farwest Capital Fund, Inc

Union Bank

Public Clients and Institutions

City of Coos Bay

Coos County

City of North Bend

City of Reedsport

City of Bandon

City of Coquille

State of Oregon:

Oregon Department of Forestry

State Lands Division

Oregon Dept. of Transportation-ODOT

University of Oregon

Oregon State University

Southwestern Oregon Community College

North Bend School District 13

U. S. Bureau of Land Management

U. S. Forest Service

Bonneville Power Administration

General Services Administration

U. S. Postal Service

Oregon International Port of Coos Bay

Federal Deposit & Insurance Corp. (FDIC)

Federal Savings & Loan Ins. Corp (FSLIC)

Coos Bay School District 9

Trust for Public Lands

Natural Resources Conservation Service

Nature Conservancy

U. S. Small Business Administration

U. S. Corps of Engineers

Ports of Bandon, Brookings and Gold Beach

06/20/2017



MEMO

To: Gary Milliman, City Manager

From: Century West Engineering

Date: July 21, 2017

Re: Brookings Airport Cost Estimate Summary

The purpose of this memo is to summarize the assumptions utilized to prepare cost estimates for the select improvements identified on the Brookings Airport (Airport) current Airport Layout Plan (ALP). See Attachment 1 for the highlighted ALP identifying the proposed projects considered.

Project Description

Projects were split based on their location from the runway: northeast and southwest. Projects on the northeast side of the Airport include a grading project, utility extension, taxiway construction, hangar pad preparation, and access road. Projects on the southwest side of the Airport include a utility extension, taxiway construction, hangar pad preparation, and access road. It was anticipated a single Environmental Assessment would be prepared covering all of the proposed projects. A summary of each cost estimate is included in Attachment 2.

Northeast Projects

Each project identified on Attachment 1 on the northeast side of the Airport is described in detail below.

Grading Project

A single grading project was anticipated to bring the slope northeast of the Airport to a grade suitable to construct on. The contours from the ALP and select points from Google Earth were utilized to provide an order-of-magnitude estimate of the approximate earthwork quantities. A topographic survey was not utilized to make this estimate.

Cost Estimate: \$6,000,000

Utility Extension

It was anticipated underground power would be extended from an existing transformer at the end of the access road to serve the future hangar development. Water, Sewer, Gas, and other utilities are not included with this estimate.

Cost Estimate: \$300,000

Taxiway Construction

The new taxiway was estimated to be built out based on Attachment 1 using a pavement section of 3" of hot mix asphalt, 4" of crushed aggregate base rock, and 8" of subbase rock, which is similar to other recent projects at the



Airport. The cost for the taxiway includes design and construction of the pavement section and any minor grading associated with the work. The bulk of the embankment grading required to complete this project is included with the Grading Project above.

Cost Estimate: \$700,000

Hangar Pad Preparation

This project only accounted for minor grading to bring hangar pads to a constructible grade. The bulk of embankment grading required to complete this project is included with the Grading Project above. This estimate does not include the cost of building construction. Estimating the costs of a hangar can widely vary for large box hangars because the hangars are generally built for specific users, and each user may have different specifications for their hangar. An additional \$100-\$200/Square Foot can be utilized to estimate the cost of hangar construction.

Cost Estimate (without Hangar Construction): \$200,000

Hangar Construction Estimate (\$100/SF): \$4,000,000

Hangar Construction Estimate (\$200/SF): \$8,000,000

Access Road

This project accounted for continuing the access road from its current location on the northeast side of the Airport to serve the future proposed hangars. The bulk of the embankment grading required to complete this project is included with the Grading Project above.

Cost Estimate: \$300,000

Southwest Projects

Each project identified on Attachment 1 on the southwest side of the Airport is described in detail below.

Utility Extension

It was anticipated that the existing water line off Parkview Drive would be tapped into for future hangar use. The estimate includes a water line extension with associated fittings and hydrants spaced as necessary.

Cost Estimate: \$600,000

Taxiway Construction

The new taxiway was estimated to be built out based on Attachment 1 using a pavement section of 3" of hot mix asphalt, 4" of crushed aggregate base rock, and 8" of subbase rock, which is similar to other recent projects at the Airport. The cost for the taxiway includes design and construction of the pavement section and any minor grading associated with the work. No significant grading effort is anticipated with this project.

Cost Estimate: \$800,000



Hangar Pad Preparation

This project only accounted for minor grading to bring hangar pads to a constructible grade. No significant grading effort is anticipated with this project. This estimate does not include the cost of building construction. Estimating the costs of a hangar can widely vary for large box hangars because the hangars are generally built for specific users, and each user may have different specifications for their hangar. An additional \$100-\$200/Square Foot can be utilized to estimate the cost of hangar construction.

Cost Estimate (without Hangar Construction): \$200,000

Hangar Construction Estimate (\$100/SF): \$4,600,000

Hangar Construction Estimate (\$200/SF): \$9,200,000

Access Road

This project accounted for continuing the access road from its current location on the northeast side of the Airport to serve the future proposed hangars. No significant grading effort is anticipated with this project.

Cost Estimate: \$400,000

Environmental Assessment

It is anticipated an Environmental Assessment (EA) would be required for new construction to satisfy National Environmental Protection Act (NEPA) requirements. One EA was assumed to cover all of the projects identified on Attachment 1. The Federal Aviation Administration (FAA) will determine what project(s) may be covered under a single EA.

Cost Estimate: \$400,000

Summary

Cost estimates were prepared based on the projects identified on Attachment 1. Estimated hangar construction costs were utilized to identify potential hangar build-out costs. The cost estimates to complete all of the projects identified in Attachment 1 are included below. A summary of the items identified for each cost estimate are included in Attachment 2.

Cost Estimate (All Projects, without Hangar Construction): \$9,900,000

Cost Estimate (All Projects, \$100/SF Hangars): \$18,500,000

Cost Estimate (All Projects, \$200/SF Hangars): \$27,100,000

DMG INDEX:
205-187-575-967



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ATTACHMENT 2



CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE

CITY OF BROOKINGS

BROOKINGS AIRPORT
NORTHEAST SIDE - GRADING PROJECT

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$399,000.00	\$399,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$5,000.00	\$5,000.00
3	Construction Staking	LS	1	\$25,000.00	\$25,000.00
4	Embankment in Place (Import)	CY	230,000	\$17.00	\$3,910,000.00
5	Temporary Erosion and Pollution Control	LS	1	\$50,000.00	\$50,000.00
Construction Cost Estimate					\$4,389,000.00
Contingency (30%)					\$1,316,700.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					-
Administration					\$5,000.00
Design and Construction Engineering					\$300,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$6,010,700.00



CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE

CITY OF BROOKINGS

BROOKINGS AIRPORT
NORTHEAST SIDE - UTILITY CONSTRUCTION

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$18,000	\$18,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$5,000	\$5,000.00
3	Construction Staking	LS	1	\$5,000	\$5,000.00
4	Electrical Trench (Conductor, Counterpoise, & Conduit)	LF	2,200	\$55.00	\$121,000.00
5	Electrical Vault	EA	9	\$5,000.00	\$45,000.00
Construction Cost Estimate					\$194,000.00
Contingency (30%)					\$58,200.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					-
Administration					\$5,000.00
Design and Construction Engineering					\$50,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$307,200.00



CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE

CITY OF BROOKINGS

BROOKINGS AIRPORT
NORTHEAST SIDE - TAXILANE CONSTRUCTION

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$37,000.00	\$37,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$5,000.00	\$5,000.00
3	Construction Staking	LS	1	\$10,000.00	\$10,000.00
4	Clearing & Grubbing	AC	4	\$1,500.00	\$6,000.00
5	Unclassified Excavation	CY	4,000	\$10.00	\$40,000.00
6	Embankment in Place	CY	1,000	\$10.00	\$10,000.00
7	Geotextile Fabric	SY	4,950	\$1.50	\$7,425.00
8	Geogrid	SY	4,950	\$2.00	\$9,900.00
9	Temporary Erosion and Pollution Control	LS	1	\$10,000.00	\$10,000.00
10	P-154 Subbase (8")	CY	1,200	\$30.00	\$36,000.00
11	P-209 Crushed Aggregate Base Course (4")	TON	1,900	\$25.00	\$47,500.00
12	P-403 HMA (3")	TON	900	\$125.00	\$112,500.00
13	Bituminous Prime Coat	TON	6	\$1,000.00	\$6,000.00
14	Pavement Marking (First Application)	SF	500	\$2.00	\$1,000.00
15	Pavement Marking (Second Application)	SF	500	\$2.00	\$1,000.00
16	4" Perf. Corr. PE Underdrain	LF	2,825	\$15.00	\$42,375.00
17	12" HDPE Storm Drain	LF	200	\$75.00	\$15,000.00
18	Inlet	EA	2	\$1,500.00	\$3,000.00
19	Outfall	EA	1	\$2,500.00	\$2,500.00
20	Elevated Reflector	EA	18	\$150.00	\$2,700.00
Construction Cost Estimate					\$404,900.00
Contingency (30%)					\$121,470.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					-
Administration					\$5,000.00
Design and Construction Engineering					\$165,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$696,370.00



CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE

CITY OF BROOKINGS

BROOKINGS AIRPORT
NORTHEAST SIDE - HANGAR PREPARATION

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$11,000.00	\$11,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$2,500.00	\$2,500.00
3	Construction Staking	LS	1	\$5,000.00	\$5,000.00
4	Unclassified Excavation	CY	1,500	\$30.00	\$45,000.00
5	Embankment in Place	CY	1,500	\$30.00	\$45,000.00
6	Temporary Erosion and Pollution Control	LS	1	\$10,000.00	\$10,000.00
Construction Cost Estimate					\$118,500.00
Contingency (30%)					\$35,550.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					-
Administration					\$5,000.00
Design and Construction Engineering					\$40,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$199,050.00



CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE

CITY OF BROOKINGS

BROOKINGS AIRPORT
NORTHEASE SIDE - ACCESS ROAD

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$16,000.00	\$16,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$5,000.00	\$5,000.00
3	Construction Staking	LS	1	\$10,000.00	\$10,000.00
4	Clearing & Grubbing	AC	1	\$1,500.00	\$1,500.00
5	Unclassified Excavation	CY	2,500	\$10.00	\$25,000.00
6	Embankment in Place	CY	1,300	\$10.00	\$13,000.00
7	Temporary Erosion and Pollution Control	LS	1	\$10,000.00	\$10,000.00
8	3/4"-0" Crushed Aggregate Base Course (8")	TON	1,400	\$25.00	\$35,000.00
9	Hot Mix Asphalt (3")	TON	500	\$100.00	\$50,000.00
10	12" HDPE Storm Drain	LF	100	\$75.00	\$7,500.00
11	Inlet	EA	2	\$2,000.00	\$4,000.00
12	Outfall	EA	1	\$3,000.00	\$3,000.00
Construction Cost Estimate					\$180,000.00
Contingency (30%)					\$54,000.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					-
Administration					\$5,000.00
Design and Construction Engineering					\$65,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$304,000.00



**CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE**

CITY OF BROOKINGS

**BROOKINGS AIRPORT
SOUTHWEST SIDE - UTILITY CONSTRUCTION**

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$33,000	\$33,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$5,000	\$5,000.00
3	Construction Staking	LS	1	\$10,000	\$10,000.00
4	12" DI Potable Water Pipe	LF	2,000	\$125.00	\$250,000.00
5	Hydrant Assembly	EA	5	\$3,000.00	\$15,000.00
6	12"x12"x6" Tee Assembly	EA	5	\$4,000.00	\$20,000.00
7	6" D.I. Hydrant Line	LF	100	\$75.00	\$7,500.00
8	12" 45° MJ Bend	EA	6	\$1,000.00	\$6,000.00
9	12" DI Butterfly Valve	EA	6	\$3,000.00	\$18,000.00
Construction Cost Estimate					\$364,500.00
Contingency (30%)					\$109,350.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					
Administration					\$5,000.00
Design and Construction Engineering					\$110,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$588,850.00



CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE

CITY OF BROOKINGS

BROOKINGS AIRPORT
SOUTHWEST SIDE - TAXILANE CONSTRUCTION

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$42,000.00	\$42,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$5,000.00	\$5,000.00
3	Construction Staking	LS	1	\$10,000.00	\$10,000.00
4	Clearing & Grubbing	AC	4	\$1,500.00	\$6,000.00
5	Unclassified Excavation	CY	4,000	\$10.00	\$40,000.00
6	Embankment in Place	CY	1,000	\$10.00	\$10,000.00
7	Geotextile Fabric	SY	5,850	\$1.50	\$8,775.00
8	Geogrid	SY	5,850	\$2.00	\$11,700.00
9	Temporary Erosion and Pollution Control	LS	1	\$10,000.00	\$10,000.00
10	P-154 Subbase (8")	CY	1,400	\$30.00	\$42,000.00
11	P-209 Crushed Aggregate Base Course (4")	TON	2,100	\$25.00	\$52,500.00
12	P-403 HMA (3")	TON	1,050	\$125.00	\$131,250.00
13	Bituminous Prime Coat	TON	7	\$1,000.00	\$7,000.00
14	Pavement Marking (First Application)	SF	500	\$2.00	\$1,000.00
15	Pavement Marking (Second Application)	SF	500	\$2.00	\$1,000.00
16	4" Perf. Corr. PE Underdrain	LF	2,825	\$15.00	\$42,375.00
17	12" HDPE Storm Drain	LF	200	\$75.00	\$15,000.00
18	Inlet	EA	2	\$1,500.00	\$3,000.00
19	Outfall	EA	1	\$2,500.00	\$2,500.00
20	Elevated Reflector	EA	22	\$150.00	\$3,300.00
21	Guidance Sign	EA	3	\$4,000.00	\$12,000.00
22	Electrical Trench	LF	200	\$15.00	\$3,000.00
23	Duct Bank Crossing	LF	50	\$75.00	\$3,750.00
24	#8 5kV Ppower Cable	LF	200	\$1.50	\$300.00
25	#6 Counterpoise	LF	200	\$1.50	\$300.00
Construction Cost Estimate					\$463,750.00
Contingency (30%)					\$139,125.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					-
Administration					\$5,000.00
Design and Construction Engineering					\$175,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$782,875.00



CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE

CITY OF BROOKINGS

BROOKINGS AIRPORT
SOUTHWEST SIDE - HANGAR PREPARATION

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$10,000.00	\$10,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$2,500.00	\$2,500.00
3	Construction Staking	LS	1	\$5,000.00	\$5,000.00
4	Unclassified Excavation	CY	1,700	\$25.00	\$42,500.00
5	Embankment in Place	CY	1,700	\$25.00	\$42,500.00
6	Temporary Erosion and Pollution Control	LS	1	\$5,000.00	\$5,000.00
Construction Cost Estimate					\$107,500.00
Contingency (30%)					\$32,250.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					-
Administration					\$5,000.00
Design and Construction Engineering					\$40,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$184,750.00



**CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE**

CITY OF BROOKINGS

**BROOKINGS AIRPORT
SOUTHWEST SIDE - ACCESS ROAD**

July 21, 2017

Bid Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
1	Mobilization	LS	1	\$23,000.00	\$23,000.00
2	Temporary Flagging Marking and Signing	LS	1	\$5,000.00	\$5,000.00
3	Construction Staking	LS	1	\$10,000.00	\$10,000.00
4	Clearing & Grubbing	AC	1	\$1,500.00	\$1,500.00
5	Unclassified Excavation	CY	3,900	\$10.00	\$39,000.00
6	Embankment in Place	CY	1,900	\$10.00	\$19,000.00
7	Temporary Erosion and Pollution Control	LS	1	\$10,000.00	\$10,000.00
8	3/4"-0" Crushed Aggregate Base Course (8")	TON	2,100	\$25.00	\$52,500.00
9	Hot Mix Asphalt (3")	TON	750	\$100.00	\$75,000.00
10	12" HDPE Storm Drain	LF	100	\$75.00	\$7,500.00
11	Inlet	EA	2	\$2,000.00	\$4,000.00
12	Outfall	EA	1	\$3,000.00	\$3,000.00
Construction Cost Estimate					\$249,500.00
Contingency (30%)					\$74,850.00
Environmental (Included as 1 overall Environmental Assessment for All Proposed Improvements)					-
Administration					\$5,000.00
Design and Construction Engineering					\$75,000.00
ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration)					\$404,350.00



**CENTURY WEST ENGINEERING
PRELIMINARY COST ESTIMATE**

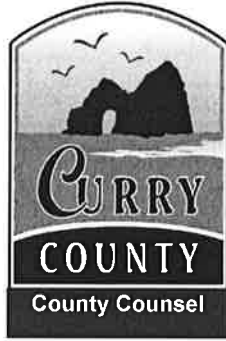
CITY OF BROOKINGS

**BROOKINGS AIRPORT
ENVIRONMENTAL ASSESSMENT**

July 21, 2017

Administration	\$5,000.00
Environmental Assessment	\$395,000.00

ESTIMATED TOTAL PROJECT COST (Engineering, Construction, Administration) \$400,000.00



MEMORANDUM

FROM John R. Huttli, Curry County Counsel

TO Board of Commissioners; Interim County Administrator

RE: Counsel Administrative Time for Airport Sample Month

DATE: October 13, 2017

INTRODUCTION

This memorandum describes county counsel time to administer tasks related to the Brookings Airport. It then compares that time to the costs allocated to County Counsel and Board of Commissioners Office in the current budget. The goal is to inform the Board when it considers questions of the airport's future with the County.

SEPTEMBER 2017 TIME-TRACKING COUNTY COUNSEL AIRPORT MANAGEMENT Tasks tracked in September

For close to a year now, County Counsel has been managing the Brookings Airport. There are several tasks related to the airport. The improvement, maintenance and upkeep of the airport are accomplished through a combination of grant-funded projects and county staff work and contractors, including the Brookings Flying Club. Staff typically works with the Federal Aviation Administration (FAA) and the Oregon Department of Aviation (ODA). Staff is supported by contract engineering consulting firm WH Pacific.

Projects worked in the month of September were: the fence grant and the airport GIS system grant, tasks identified in the annual ODA inspection report, the ODA pavement management program work, the extension of the City of Brookings water main, some forest-fire related work, the public noticing to airmen (NOTAM) of the same, and some lease work.

Some of the September tasks were ongoing, others were one-time events. The one-time events were related to the Chetco Bar Fire and the Brookings water main extension. Half-way through October, counsel time spent managing the airport has been reduced. Therefore, without significant one-time events, such as a fire or a construction project, management staff time dedicated to administer the airport will be less than 20 hours a month.

Results of Time Tracking

The results of the September time-tracking were that County Counsel spent approximately 12.5% of his time administering to the airport. Counsel believes this is on the high end of time required for airport management administration, but still can be a reasonable expectation of time required to administer to the airport. County Counsel's salary range is \$69209-\$88313 per year. Assuming a rate of \$7350 per month, 12.5% is \$919 per month. Times 12 months is \$11,028 per year staff time to administer the airport work. This represents the high end of management time costs.

Still, this figure does not include other staff work related to the Airport. Typical staff work is: Eric Hanson trips to and from airport, time on the grounds, meetings, emails and phone calls; John Jezuit phone calls, meetings, emails, mail and claims processing; Brenda Starbird phone calls, meetings, emails, leases, document and file review, claims processing; County Accountant emails, phone calls, meetings, file and document review, grant financial analysis and claims processing. Roads Department and Juvenile Department expenses for maintenance items are included in the budget.

Conservatively assuming that BOC and Legal office staff dedicate half of the time to the airport as does the airport administrator, we can estimate that 6% of each of their salaries per year is dedicated to the airport. For Eric Hanson, I would estimate about the same 12% as Counsel, and for County Accountant I would estimate somewhere between 6% and 12%.

Accountant	9% x \$5479 / month	= \$ 493.11 / month x 12	= \$ 5917.32 / yr
Maintenance	12% x \$4086 / month	= \$ 490.32. / month x 12	= \$ 5883.84 / yr
Legal Staff	6% x \$3988 / month	= \$ 239.28 / month x 12	= \$ 2871.36 / yr
BOC Staff	6% x \$3202 / month	= \$ 192.12 / month x 12	= <u>\$ 2305.44 / yr</u>
ESTIMATE			\$16,977.96 / yr

Added to the above \$11,028 for counsel work equals \$28,005.96 per year in estimated total staff time to administer the airport operations.

Airport Budget¹

The airport budget pages are attached for review. As you can see, the airport non-capital revenue is a reflection of lease revenue and tie-downs and other miscellaneous fees. The expenses are intergovernment service (IGS) accounts, utilities, maintenance and insurance.

The IGS allocations for Finance, Counsel, BOC Office and Commissioners combined is \$1360.

Looking at the above, this shows that the airport budget does not accurately reflect staff time and expense related to the airport. The Board may want to consider increasing fees to cover staff costs if the Board decides to continue airport ownership and operation.

Rules for Airport Finances

The FAA licenses all airports. FAA licensing regulations require all licensed airports to re-invest all airport revenues for airport purposes. This means that revenues generated by the airport cannot be used for non-airport purposes.

¹ This memorandum is not intended to criticize the budget or budget process. Information in this memo was not available at the time of the budget process.

If the County retained the airport and raised its fees to cover expenses, it could not raise them above airport expenses in order to pay for non-airport County functions.

Conclusion

This information is provided to the Board and County Administrator to assist in determining future steps for the County ownership and operation of the Brookings Airport.

If you have any questions, please give me a call.

A handwritten signature in blue ink, appearing to read "John R. Huttl", with a stylized flourish at the end.

John R. Huttl
Curry County Counsel
(541) 247 - 3218

L I N E #	HISTORICAL DATA				L I N E #	Account Number	Account Description	Budget for Next Year 2017-2018				#	
	Actual		Adopted Budget This Year 06/30/17	1									
	Second Preceding Year 06/30/15	First Preceding Year 06/30/16		2017-2018				Approved by Budget Committee	Adopted by Governing Body				
				Proposed by Budget Officer									
Tab 16													Tab 16
1	1,460	1,522		1,500	1	1.30-419.98-341.90-000-00	FUND - Brookings Airport - Operations Dept.						1
2	283	422		400	2	1.30-419.98-341.91-000-00	Fees - Landing/Freight Handler						1,500
3	840	1,204		1,000	3	1.30-419.98-341.95-000-00	Fees - Airport Tie-Down						400
4	24,706	25,797		25,000	4	1.30-419.98-362.10-000-00	Fees - Fuel Flowage Fee						1,400
5	-	-		-	5	1.30-419.98-362.30-000-00	Rents - Aircraft Hangar						25,000
6	22,300	2,850		-	6	1.30-419.98-380.00-000-00	Rents - Brookings Water						25,000
7	-	-		-	7	1.30-419.98-391.12-000-00	Misc Revenue						-
8	-	262		-	8	1.30-419.98-391.99-000-00	Tran In - 1.10 General Fund						-
9	16,027	8,305		6,308	9	1.30-419.98-399.01-000-00	Allocated Interest						-
10	65,616	40,363		34,208	10		Assigned Fund Balance						-
11	-	-		-	11	1.30-419.98-490.00-110-00	TOTAL RESOURCES						28,300
12	-	-		-	12	1.30-419.98-490.00-213-00	Sal - Regular						28,300
13	-	-		-	13	1.30-419.98-490.00-214-00	Ben - Health Insurance						28,300
14	-	-		-	14	1.30-419.98-490.00-220-00	Ben - Life Insurance						28,300
15	-	-		-	15	1.30-419.98-490.00-230-00	Ben - FICA						28,300
16	-	-		-	16	1.30-419.98-490.00-235-00	Ben - PERS - County Portion						28,300
17	-	-		-	17	1.30-419.98-490.00-260-00	Ben - PERS - Employee Portion						28,300
18	-	-		-	18	1.30-419.98-490.00-290-00	Ben - Worker's Compensation						28,300
19	-	-		-	19		Ben - OR W/C Assessment						28,300
							TOTAL PERSONAL SERVICES						28,300

L I N E #	HISTORICAL DATA			L I N E #	RESOURCE/REQUIREMENT DESCRIPTION ADOPTED	Account Number	Account Description	Budget for Next Year 2017-2018			L I N E #
	Actual		Adopted Budget This Year 06/30/17					2017-2018 Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding Year 06/30/15	First Preceding Year 06/30/16									
1	100	-	-	1	1.30-419.98-490.00-310-00	Pro Svcs - Training & Ed	Pro Svcs - Training & Ed	-	-	-	1
2	6,945	-	-	2	1.30-419.98-490.00-330-00	Pro Svcs - General	Pro Svcs - General	-	-	-	2
3	371	1,428	500	3	1.30-419.98-490.00-411-00	Util - Water & Sewer	Util - Water & Sewer	1,000	1,174	1,174	3
4	552	1,158	650	4	1.30-419.98-490.00-421-00	Util - Waste Disposal	Util - Waste Disposal	1,500	1,500	1,500	4
5	-	52	600	5	1.30-419.98-490.00-431-00	Rep & Maint - Building	Rep & Maint - Building	600	600	600	5
6	5,000	-	-	6	1.30-419.98-490.00-431-05	IGS - 2.33 R&M Building	IGS - 2.33 R&M Building	-	-	-	6
7	600	7,306	10,000	7	1.30-419.98-490.00-431-10	R&M - General / Grounds	R&M - General / Grounds	10,347	2,000	2,000	7
8	-	5,000	-	8	1.30-419.98-490.00-431-11	IGS - 2.33 R&M Grounds	IGS - 2.33 R&M Grounds	-	-	-	8
9	805	252	974	9	1.30-419.98-490.00-431-20	R&M - General / Taxilane	R&M - General / Taxilane	1,000	1,000	1,000	9
10	3,019	3,196	4,585	10	1.30-419.98-490.00-521-00	Ins - Liability - General	Ins - Liability - General	3,039	3,039	3,039	10
11	1,143	1,441	2,018	11	1.30-419.98-490.00-524-00	Property Insurance	Property Insurance	1,480	1,480	1,480	11
12	-	651	-	12	1.30-419.98-490.00-581-00	IGS - 2.21 Assigned Vehicles	IGS - 2.21 Assigned Vehicles	-	-	-	12
13	8	-	-	13	1.30-419.98-490.00-583-00	Travel - Mileage Allowance	Travel - Mileage Allowance	-	-	-	13
14	1,155	350	300	14	1.30-419.98-490.00-615-00	Other Materials & Services	Other Materials & Services	400	400	400	14
15	3,252	3,693	3,500	15	1.30-419.98-490.00-622-00	Util - Electricity	Util - Electricity	2,400	2,400	2,400	15
16	12,164	3,133	-	16	1.30-419.98-490.00-820-00	IGS - 2.20 Finance	IGS - 2.20 Finance	522	453	453	16
17	-	-	3,132	17	1.30-419.98-490.00-821-00	IGS - 2.20 Payroll/HR	IGS - 2.20 Payroll/HR	-	-	-	17
18	3,073	854	1,239	18	1.30-419.98-490.00-822-00	IGS - 2.20 Counsel	IGS - 2.20 Counsel	482	415	415	18
19	-	-	-	19	1.30-419.98-490.00-824-00	IGS - 2.20 Occupancy	IGS - 2.20 Occupancy	-	-	-	19
20	3,133	1,000	-	20	1.30-419.98-490.00-826-00	IGS - 2.20 Info Tech	IGS - 2.20 Info Tech	-	-	-	20
21	5,837	2,166	-	21	1.30-419.98-490.00-828-00	IGS - 2.20 BOC Office	IGS - 2.20 BOC Office	134	336	336	21
22	10,153	1,833	2,710	22	1.30-419.98-490.00-830-00	IGS - 1.11 Commissioners	IGS - 1.11 Commissioners	396	156	156	22
23	-	-	-	23	1.30-419.98-490.00-840-00	IGS - 1.10 GF Juv Mowing	IGS - 1.10 GF Juv Mowing	5,000	5,000	5,000	23
24	-	-	4,000	24	1.30-419.98-490.00-841-00	IGS - 1.15 Road (Spraying)	IGS - 1.15 Road (Spraying)	-	-	-	24
25	57,310	33,514	34,208	25	TOTAL MATERIALS & SERVICES		TOTAL MATERIALS & SERVICES	28,300	19,953	19,953	25
26	-	-	-	26	Cap Outlay- Other Airport		Cap Outlay- Other Airport	-	-	-	26
27	-	-	-	27	Cap Outlay- Rotating Beacon		Cap Outlay- Rotating Beacon	-	-	-	27
28	-	-	-	28	TOTAL CAPITAL OUTLAY		TOTAL CAPITAL OUTLAY	-	-	-	28
29	-	-	-	29	Tran To- Admin Svcs		Tran To- Admin Svcs	-	-	-	29
30	-	-	-	30	Tran To- General Fund-NonDept		Tran To- General Fund-NonDept	-	8,347	8,347	30
31	-	-	-	31	TOTAL INTER-FUND TRANSFERS		TOTAL INTER-FUND TRANSFERS	-	8,347	8,347	31
32	-	-	-	32	Operating Contingency		Operating Contingency	-	-	-	32
33	-	-	-	33	TOTAL OPERATING CONTINGENCY		TOTAL OPERATING CONTINGENCY	-	-	-	33
34	57,310	33,514	34,208	34	TOTAL REQUIREMENTS		TOTAL REQUIREMENTS	28,300	28,300	28,300	34
35	8,306	6,849	-	35	CONTRIBUTION TO/(FROM) FUND		CONTRIBUTION TO/(FROM) FUND	-	-	-	35

Brookings Airport Time Sheet

Sept 1, 2017 through Sept 30, 2017

John HuttI

Common Abbreviations

MG	Meeting
DR	Document Review
MT	Memo To
MF	Memo From
ET	Email To
EF	Email From
PC	Phone Call
LMTCM	Left Message to Call Me
VM	Voice Mail

Date	Activity	Hours
09/01/2017	DR Water main file review	.1
09/01/2017	EF Milliman re FAA fire assistance offer	.1
09/01/2017	ET Brenda re Brookings EDA grant county copy	.1
09/01/2017	EF COAR re grant; et WHPac re COAR grant	.1
09/01/2017	ET EF ET Brenda re DBE language	.2
09/02/2017	EF Brattain re address inquiry for new project	.1
09/05/2017	EF Brookings re water main signed agreement	.1
09/05/2017	ET Brattain re single address with suite numbers etc	.1
09/05/2017	PC McLennan plumbing re water main status	.1
09/05/2017	ET Brookings re ack agreement water main status	.1
09/05/2017	ET EF Milliman re water agreement and main work status	.1
09/05/2017	ET Kendall re USFS use agreement	.1
09/05/2017	ET & EF BFC City Fire et al re USFS agreement	.1
09/07/2017	Water main	.1
09/08/2017	PC w Ivory at USFS re airport use agreement facilities	.1
09/08/2017	MG w/ Brenda re Blue sale of hangar and new lease	.1
09/08/2017	TC w support for AWUS	.1
09/09/2017	AWUS meet with Ray from Harris re: entry to FAA building	1.5
09/09/2017	Water main inspect water main call with Ringulet	1.5
09/09/2017	EF Louise re fwd et WHP and et FAA re grant 13 & 14	.2
09/10/2017	EF Ivory at USFS re draft agreement	.1
09/11/2017	EF WHP Shute re status of AGIS and sched	.1
09/11/2017	Water main discuss with Eric Hanson position of works	.1
09/11/2017	AWUS discuss with Eric Hanson situation with AWUS	.1
09/11/2017	Review airport use contract from USFS	.1
09/11/2017	ET accountant re airport use contract to county accountant	.1

09/11/2017	ET USFS suggest change re possible water this week	.1
09/11/2017	ET AWUS et BFC, Hanson, FAA re AWUS scrub	.1
09/11/2017	EF Rice AWUS working	.1
09/11/2017	Vm to Ray at Harris AWUS working	.1
09/11/2017	Pc w Ray at Harris re he will do nothing until further notice	.1
09/11/2017	Et FAA and BFC and Hanson re AWUS working; cc Hitt	.1
09/11/2017	ET Brookings, hanson, Brattain re photos of water main	.1
09/11/2017	MG w/ hanson re location of water line	.1
09/11/2017	EF WH pac re airport DBE program	.1
09/11/2017	ET Brenda re do we have an airport DBE program	.1
09/11/2017	EF Brenda re existing DBE program	.1
09/11/2017	ET Brenda re need update any MSWord lease	.1
09/11/2017	EF Sprague ODA inspect request	.1
09/11/2017	EF Brenda re DBE policies airport grant	.2
09/12/2017	EF Ivory USFS re use agreement; DR use agreement	.2
09/12/2017	EF Brenda re Hangar 2D county owned	.1
09/13/2017	MG Hanson ODA inspect	.1
09/13/2017	ET Hanson BFC re USFS use	.2
09/14/2017	EF Brenda re Moore Hangar 10 sale inquiry	.1
09/14/2017	ET ODA re inspect report	.1
09/14/2017	EF ODA inspect report	.1
09/14/2017	Rev ODA annual inspect report	.1
09/14/2017	EF ODA re photos	.2
09/14/2017	ET FAA re ODA request for runway bearing change	.1
09/14/2017	ET Hanson Robbins re facilities maintenance at airport	.1
09/14/2017	EF Hanson re fwd ef Sprague Airport report	.1
09/14/2017	ET WH Pacific re airport approach tree work	.1
09/14/2017	MG Hanson re water main	.1
09/14/2017	MT Brenda Airport Lease Revenue figures	.1
09/15/2017	MG hanson Matteson re light bulb vendor question	.1
09/15/2017	DR file re airport lightbulb vendor	.1
09/15/2017	MG hanson re keep me informed on at the airport	.1
09/15/2017	MG Starbird hangar lease blue and moore	.1
09/15/2017	DR moore lease and airport rates manual	.2
09/15/2017	MG Starbird tenant lease	.1
09/15/2017	DR efiles re tenant status boice Kudlac	.1
09/15/2017	ET shala Starbird boice re two weeks to recommence	.1
09/15/2017	ET all re airport general information summary sheet	.1
09/15/2017	MG Jezuit re air nav	.1
09/15/2017	MG BOC LEGAL re airport duties cancelled no Hitt	.1
09/15/2017	ET BOC LEGAL re airport meeting cancelled	.1
09/18/2017	EF Cena re light bulb vendors; save info; ET cena re ack same	.1
09/19/2017	MG Hanson re airport beacon bulb out; JJ to order	.1
09/19/2017	MT w JJ re bulb ordering work BOC not maint CA will decide	.1
09/19/2017	EF Hanson need NOTAM beacon bulb out PC to NOTAM ET all	.2
09/19/2017	ET Hanson re water meter status	.1

09/20/2017	Lmtcm James at century west engineering 503 887 9061	.1
09/20/2017	PC w james century west	.2
09/20/2017	Airport runway work USFS & BFC and ack from same	.2
09/20/2017	Airport runway work NOTAM and cc all	.2
09/20/2017	EF & EF Hanson re windsocks replaced & fwd to ODA	.2
09/20/2017	ET Hanson re water	.1
09/21/2017	ET Sprague re no interference USFS pavement	.1
09/21/2017	EF USFS re ack no interference with ops	.1
09/21/2017	MT file airport NOTAM and Management	.2
09/22/2017	ET Hanson Airport water inquiry	.1
09/22/2017	EF Brookings Airport water	.1
09/22/2017	NOTAM pavement work	.1
09/22/2017	DR FAA management regs 14 cfr part 139 and 157	.2
09/22/2017	ET EF w AN at BFC re markings and windsocks	.2
09/22/2017	PC w AN re markings signs charts etc	.2
09/22/2017	PC t JK at CW eng re markings LMTCM	.1
09/22/2017	EF Hanson ET Hitt re water ET BOC re water	.1
09/22/2017	ET Brookings, Hanson, BFC Sprague re water status	.1
09/25/2017	EF Robbins EF hanson re inspect weeds and brush	.1
09/25/2017	VM J Kirby Civ West (971) 200 7461 re don't paint numbers	.1
09/25/2017	VM from D Stewart OK to paint lines	.1
09/25/2017	EF Stewart cc Civ West ODA etc. don't paint lines	.1
09/25/2017	ET Stewart et al re ok to not paint lines	.1
09/25/2017	Draft LT Brookings re thank you	.1
09/25/2017	ET Hitt re Brookings letter for Board review	.1
09/25/2017	EF Hanson re water should be done this week	.1
09/25/2017	EF & ET Hanson w photo re pavement work photo source q	.1
09/25/2017	ET & EF Hanson re BFC access to FAA room and tower	.2
09/26/2017	EF & ET Schaub USFS re tracking sheets	.1
09/26/2017	MT Schaub re rev agreement sign sheets discuss payables	.3
09/26/2017	PC w james Kirby at civil west one more day notam runway	.3
09/26/2017	PC Update notam one more day runway work	.1
09/26/2017	ET BFC cal ore re one more day	.3
09/26/2017	EF ET Robbins re KBOK mow	.1
09/27/2017	ET & EF WHPac ET & EF BFC & Hanson re pavement	.5
09/27/2017	EF ODA matt re COAR grant PC WHpac John PC ODA Matt	.7
09/27/2017	ET Kallstrom re COAR grant matching	.1
09/27/2017	EF Stewart FAA grants 13 & 14 fwd to Hitt	.1
09/27/2017	EF WHpac re grants & fwd to Hitt	.1
09/27/2017	MG hanson re water flowing and runway condition & AGIS	.1
09/27/2017	MG trost re juvenile costs for mowing and NOTAM	.1
09/27/2017	ET WH Pac re quotes for PAPI work	.1
09/27/2017	ET Brenda re airport budget mowing weeds juvenile	.1
09/27/2017	MG DR Brenda airport budget revenues carry over juvenile	.2
09/27/2017	ET Brenda re payment \$5000 to Brookings	.1
09/27/2017	ET EF Milliman Brenda Cena re water line and billing	.2

09/28/2017	PC J Shute WHP ac grant follow up; PC w Lawyer at ODA re status and efforts; PC w all re follow up cc Kallstrom Hitt	.7
09/28/2017	EF Brookings bill and ET Brenda re fwd for payment claim	.1
09/28/2017	ET AN BFC re runway not being re-numbered	.1
09/29/2017	MG Hitt re status of brookings negotiations	.1
09/29/2017	MG Milliman re ack water, time tracking, budget & workshop	.1
09/29/2017	DR tenant file et Shala follow up past due and lease needed	.1
09/29/2017	EF Shala re ack follow up and calendar and save emails	.1
09/29/2017	ET ODA and WHP re re-consider county denial	.3

Total approximate September

19.7 hours

Rounded

20 hours per month

CURRY COUNTY BOARD OF COMMISSIONERS**AGENDA ITEM ROUTING SLIP**

FORM 10-001.1 Rev. 01-13-2017

PART I – SUBMITTING DEPARTMENT: RETURN TO BOC_OFFICE@CO.CURRY.OR.US**AGENDA ITEM TITLE:** "Wild Horse Fire Brigade"**AGENDA DATE^a:** 10/25 **DEPARTMENT:** BOC **TIME NEEDED:** 25 minutes^aSubmit by seven days prior to the next General Meeting (eight days if a holiday falls within that seven day period)**CONTACT PERSON:** Court Boice **PHONE/EXT:** 3229 **TODAY'S DATE:** 10/18/17**BRIEF BACKGROUND OR NOTE^b:** The possible use of wild horses to clear "ladder fuels" and address the current imbalances in our forest ecosystem was discussed at the 10/18 meeting. This agenda is a follow-up with, hopefully, the author of the attached report, in attendance.^bIndicate if more than one copy to be signed**FILES ATTACHED:****SUBMISSION TYPE:** Discussion/Decision

(1)National Wildfire Abatement & Protection

(2)

Are there originals in route (paper copies with pre-existing signatures) Yes ☐ No ☒**QUESTIONS:**1. Would this item be a departure from the Annual Budget if approved? Yes ☐ No ☒
(If Yes, brief detail)2. Does this agenda item impact any other County department? Yes ☐ No ☒
(If Yes, brief detail)3. If Land Transaction, filed with the clerk? Yes ☐ No ☐ N/A ☒**INSTRUCTIONS ONCE SIGNED:**☒ No Additional Activity Required

OR

☐ File with County Clerk

Name:

☐ Send Printed Copy to:

Address:

☐ Email a Digital Copy to:

City/State/Zip:

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PART III - FINANCE DEPARTMENT REVIEW**EVALUATION CRITERIA 1-4:**1. Confirmed Submitting Department's finance-related responses Yes ☐ No ☐
Comment:2. Confirmed Submitting Department's personnel-related materials Yes ☐ No ☐ N/A ☒
Comment:3. If job description, Salary Committee reviewed: Yes ☐ No ☐ N/A ☒4. If hire order requires an UA, is it approved? Yes ☐ No ☐ Pending ☐ N/A ☒**PART IV – COUNTY COUNSEL REVIEW****AGENDA ASSIGNMENT TYPE:** (Select)**LEGAL ASSESSMENT:** Does this agenda item have a legal impact? Yes ☐ No ☒

(If Yes, brief detail)

PART V – BOARD OF COMMISSIONER REVIEW/COMMENT**LIAISON COMMISSIONER AGREES TO ADD TO AGENDA:**Commissioner Thomas Huxley Yes ☐ No ☐Commissioner Sue Gold Yes ☐ No ☐Commissioner Court Boice Yes ☒ No ☐Not applicable to Sheriff's Department since they do not have a liaison ☐

Natural Wildfire Abatement And Forest Protection Plan

'Wild Horse Fire Brigade'

A Proposal by William E. Simpson II
6 pages total



Wildfire: A Serious And Growing Problem Impacting America And Its Citizens

The nature and characteristics of wildfires in America have changed dramatically over the past decades as a result of several factors including a warmer climate. Excessive amounts of ground fuels (grasses and brush), which act as the kindling needed to ignite other forest debris such as dead and dying timber and previous fire-damaged trees have accumulated in and around most forests and present a new risk. This fundamental problem is a direct result of large declines in the populations of large herbivores (deer, elk, moose and caribou, aka: *cervids*) that historically had controlled these grasses and brush via their ubiquitous

grazing. By reducing these now prodigious super-hot burning ground fuels back to previous normal levels, the frequency and severity of wildfires would be much different, resulting in a more normal fire-cycle.

1) Over the past 40-years, large herbivores such as deer, elk, moose and caribou in North America have seen significant drops in their populations from historic norms. For instance in California, the deer population has steeply declined from over 2-million deer to just about 350,000 deer in 2016 according to DeerFriendly.com (<http://www.deerfriendly.com/deer/california/long-term-trends-in-california-s-deer-population>). The populations of deer, elk and other herbivores have suffered significant declines in many areas as a result of several factors, including but not limited to disproportionately high predator populations, disease, poor hunting management policies and vehicular incidents, as well as losses via wildfires.

2) Under recent historic conditions in and around forests, deer and other large herbivores kept the ground fuels (grasses and brush) grazed-down (***natural grass & brush mowers***), which significantly mitigated wildfire frequency and severity. Extensive incontrovertible research shows that whenever an herbivore population is depleted, catastrophic wildfires take over, to wit:

According to Science Magazine: "By altering the quantity and distribution of fuel supplies, large herbivores can shape the frequency, intensity, and spatial distribution of fires across a landscape. There are even unique interactions among large herbivore populations that can influence fire regimes. For example, facilitative interactions between white rhinoceros and mesoherbivores result in reduced fuel loads and fuel continuity, and consequently fewer large, intense fires (71). Other factors can influence the frequency and intensity of fires, particularly in locations where the total area burned is strongly related to ungulate population size.

The problem is the ecosystem is out of balance; for instance: On average a single black-tail deer will consume about 7-8 pounds of grasses and brush daily. Considering the deer population depletion in CA of approximately 2-million deer (net loss) over past few decades, ***the loss in ground fuel abatement (grasses and brush) in and around forests amounts to about 18-million pounds of fuel per day*** (grasses-brush)! That is 18-million pounds in a day in and around CA forests, which annualized is ***3.3-million tons of grass and brush that is no longer being abated by natural means, just in CA.***

3) The massive and growing annual deforestation of America by highly-fueled super-hot wildfires, now known as ***megafires*** (defined as 100,000 acres or more in size), presents as a grave threat to America's core natural resources and extends well beyond the loss of forests and trees. These megafires are also a threat to the national security of the United States of America, since they pose significant economic threats and also threaten critical infrastructure (roads, bridges, power transmission lines, communications, etc). Recently, the U.S. Coast Guard had to shut down vessel traffic on the Columbia River due to wildfire.

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4) The health, lives and property of Americans are now under grave threat from wildfires. Thousands of homes and structures have been gutted and hundreds of lives taken by wildfire annually. A National Institute of Health study 'Non-Accidental Health Impacts of Wildfire Smoke' said; "Wildfires take a heavy toll on human health worldwide" (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4245643>). Thousands of Americans across the country who are and have been subjected to long-term wildfire smoke inhalation are falling ill, some requiring urgent medical care. "People are getting sick. That's the whole long and short of it," said Sarah Coefield, an air quality specialist at the Missoula City-County Health Department in western Montana. Wildfire smoke is especially dangerous to people with chronic heart and lung problems, said Julie Fox, an environmental epidemiologist with the Washington State Department of Health.

5) Populations of wildlife and habitat are being decimated by wildfires as millions of animals ranging from frogs to elk are vaporized in these wildfires annually. Watersheds and fisheries are also being devastated and ground water stores and surface waters are adversely affected as well.

6) According to the National Interagency Fire Center (<https://www.nifc.gov/fireInfo/nfn.htm>) American forests were being devastated at the average rate of 5.7-million acres per year, for the past ten years 2006-2016. In 2017 alone, we have already lost 8.5-million acres.

7) According to one 2009 fire-cost report by By Bob Zybach, Michael Dubrasich, Greg Brenner, John Marker (<http://www.iawfonline.org/FIRE%20COSTS%20REPORT.pdf>):

"US Forest Service and other local, State, Federal, and Tribal government wildfire suppression costs have also escalated dramatically, to nearly \$2 billion/year. Preliminary research indicates that USFS suppression costs may represent only 2-10% of the total "cost-plus-loss" damages to burned forests, however; recent public losses attributable to major forest wildfires may total \$20 billion to \$100 billion/year (or possibly more)."

8) According to a 2014 white paper titled; 'Twenty Years of Forest Service Land Management Litigation', by Amanda M.A. Miner, Robert W. Malmshemer, and Denise M. Keele (<http://forestpolicypub.com/wp-content/uploads/2014/03/Twenty-Years-of-Forest-Service-Land-Management-Litigation-JoF-Jan.-2014.pdf>)

"This study provides a comprehensive analysis of USDA Forest Service litigation from 1989 to 2008. Using a census and improved analyses, we document the final outcome of the 1,125 land management cases filed in federal court. The Forest Service won 53.8% of these cases, lost 23.3%, and settled 22.9%. It won 64.0% of the 669 cases decided by a judge based on cases' merits. The agency was more likely to lose and settle cases during the last 6 years; the number of cases initiated during this time varied greatly. The Pacific Northwest region along with the Ninth Circuit Court of Appeals had the most frequent occurrence of cases. Litigants generally challenged vegetative management (e.g., logging) projects, most often by alleging violations of the National Environmental Policy Act and the National Forest Management Act. The results document the continued influence of the legal system on national forest management and describe the complexity of this litigation."

9) There is abundant evidence to support the position that when any forest project posits vegetative management in forests as a pretense for a logging operation, salvage or otherwise, litigation is likely to ensue, and in addition to NEPA, the USFS uses the Property Clause to address any potential removal of 'forest products'. Nevertheless, the USFS currently spends more than 50% of its total budget on wildfire suppression alone; approximately \$1.8-billion annually, while there is scant spending for wildfire prevention.

10) The implementation of vegetative abatement of **exclusively grasses and brush** by large herbivores (native species wild horses) would be consistent with managing the ecosystem in and around selected forests in a manner consistent with a *naturally operating ecosystem*, where re-introduced of native

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Figure 2 - Cow's hoof has two pointed claws and penetrates deeply into the same soil as photo above



Figure 3 - Cattle tracks in a native pasture; above pasture damage is the result of two cows and one calf

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wild horses could pick-up the grazing slack for the absent or depleted deer and elk. In post-burned forest areas, this methodology may be extremely effective in limiting re-burns. We have observed serious re-burns in many locales: I.E. Kalmopsis Wilderness 'Biscuit Fire 2002' – same area re-burned due to excessive grasses and brush in '2017 Chetco Bar Fire'. Six Rivers National forest burned in 2014, re-burned 2017... excess ground fuels.

Cattle are not well-suited for 'fire grazing' for several reasons, including but not limited to; (i) they are ruminants with multiple stomachs and tend to deplete native pastures since they digest most of the plant and grass seeds they consume, and therefore do not reseed the pastures they graze; and, (ii) their evolutionary hoof design that incorporates two claws has a serious impact on range land and riparian areas. Unlike cattle, wild horses that coevolved here in North America with cervids (deer-elk, etc.) have a single stomach and are *incomplete digesters* and therefore pass most plant and grass seeds they eat intact (viable) back out onto the soils in the ecosystem where they graze, thus reseeding the pastures they graze. This combined with their soil-building humus-rich manure helps to restore fire damaged soils and quickly reestablish the native plants and grasses needed to control post-fire erosion. Cattle cannot accomplish this.

Another positive evolutionary feature of North American wild horses is that their hoof design is unique and is essentially circular and concave on the underside which traps moist soils under the horses hoof (Fig. 1), and this combined with a relatively large surface area distributes the weight of the horse evenly and with lower ground loading (pounds per square inch) than cattle, as we see in the following images.

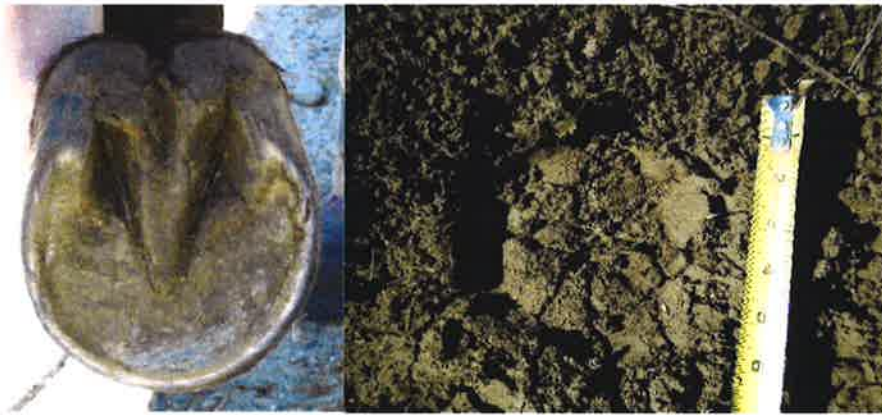


Figure 1- Horse's round hoof design allows it to 'float' hydraulically on the soil surface

On the other hand, cattle have an evolutionary hoof design that includes two pointed claws that provided an adaptive advantage in Africa where they evolved (Fig. 2 – herein below). The hoof design of cattle which is comprised of two pointed claws and relatively low surface area on the underside of the cow hoof subjects soils to much greater force loading (pounds per square inch is higher) since the weight is applied to the ground via a much smaller surface area. This increased ground loading by cattle hooves significantly damages and disrupts soils thereby increasing the effects of erosion by rains in areas defoliated by fires and creates excessive turbidity in streams and rivers thereby adversely affecting the watershed. This evolutionarily evolved clawed hoof design arguably provided added traction in and around riparian areas where cattle prefer to homestead as they evolved in Africa.

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Figure 4 - A family of wild horses grazed-in a fire-break in a forest

A Solution providing acceptable compromises for all sides: 'Wild Horse Fire Brigade' ('WHFB')

This plan posits the redistribution of approximately 50,000 wild horses held in BLM and USFS corrals in and around selected wilderness forest areas via proportionate allocations based upon established carrying capacity of the land, specifically areas where no conflicting livestock grazing issues exist or are anticipated as well as areas not suited to livestock grazing for various reasons including but not limited to issues related to terrain and management access, *predators* and sensitive ecosystems not suited to livestock management. This initiative addresses three exigent issues of significant importance to the DOI, USDA, BLM & USFS:

1. The current and future disposition of the free-roaming native American wild horses *that have been removed* from herd management areas (HMAs) and are currently being warehoused by BLM in corrals costing \$70-million/yr. must be addressed. Any effort to dispose of these treasured wild horses via slaughter or euthanasia would result in a political firestorm and extensive litigation by horse and burro advocates. Deploying the native species wild horses for fire abatement is optimal from both a political and economic standpoint, since each horse will abate 30-lbs. of grass and brush daily and due to their unique gastric systems, most seeds they consume are redeposited into the soil intact via their droppings, which rebuilds damaged soils. Fifty thousand wild horses allocated in and around selected forests would abate approximately 1.2-million pounds of ground fuels daily, which using any other abatement methodology would cost tens of millions of dollars annually. Horses don't drip fuel or make sparks as they continue to abate even dry grasses and brush during the heat of summer. (Video of wild horses consuming dry native grasses/brush: <https://drive.google.com/file/d/0B5zON7zDatuqX0RsNngyLUNwZIk/view>)
2. The current and ongoing serious population declines in deer and elk (and other *cervids*) across America, which is to some extent attributable to disease (chronic wasting disease: 'CWD') and excessive predation by disproportionately abnormally large populations of predators, *primarily* mountain lions and coyotes is naturally mitigated by this plan. The re-introduction of native species wild horses into carefully selected areas in and around forests addresses two aspects of the decline in cervids; a) Horses are immune to the deadly prion disease (Chronic Wasting Disease) that is vectored into deer and elk via grasses and brush; and, b) wild horses would absorb some of the predator pressure on deer and elk by apex predators (a natural evolutionary event in a balanced North American ecosystem), thus allowing some relief for declining deer and elk populations in the United States. This aspect of the plan is a big plus for the \$10-billion dollar/yr. U.S. hunting industry.
3. The redistribution of the corralled wild horses provides an exigent cost-effective pilot solution that embodies an all-natural alternative pre-fire management/prevention methodology that can be used alone or integrated with other mechanized pre-fire management methods in some areas to save American forests and watersheds, and would; (i) alleviate the costs of holding the horses; and (ii) sidestep the potential political firestorm if these horses were to be killed; and (iii) help limit 'fire-borrowing' in the USFS budget. There is zero doubt that these horses would reduce fuel-loading in and around forests at risk once

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deployed. They evolved as a North American species alongside deer, elk and other cervids doing that job.

4. **Authority** for the Secretary's (DOI and/or USDA) implementation of any *emergency measure(s)*, which may include using WHFB to protect forests, may already reside under existing law including but not limited to; 16 U.S. Code § 551 - Protection of national forests; and/or 16 U.S. Code § 594 - Protection of timber owned by United States from fire; and/or 43 CFR 46.205 - Actions categorically excluded from further NEPA review. **However this plan could be enacted via Executive Order.**

5. The Scharader-Simpson Wildfire Disaster Funding Act (a bill) currently cites allocating additional funding for mechanized pre-fire management to abate excess fuels in and around forests and for fire-attack.

Even though the WHFB initiative could mitigate wildfire to some extent as a 'stand-alone' program, it could also add an **environmentally-friendly** and **cost-effective dimension** to the Scharader-Simpson bill, or provide the basis for a new bill. Wild horses would abate fuel-loading in and around selected forests (including those recently burned which become at-risk for re-burn once grasses and brush reestablish (I.E. Six Rivers/Klamath Nat. Forest and Kalmiopsis Wilderness Forest) and would perform this service year-round. Wild horses can safely abate excess fuels (grass-brush) *even in fragile or difficult-terrain forest ecosystems* not suited to any mechanized methods. As we see in many European forests, including the royal forests in Sweden and Norway, horses are used in forest management because they don't have an adverse impact on the forest floor.

According to this article: <https://www.theguardian.com/environment/2009/apr/22/horse-power>

"The Forestry Commission, National Trust and many wildlife trusts have all used horse loggers in recent years. Nick Walmsley, a forestry adviser for the Forestry Commission, says people are choosing horse logging more and more, "not just because the carbon footprint is lower, but because horses are better in environmentally sensitive areas."

Mr. William E. Simpson II and his wife are well-known in wild horse advocacy circles as a result of their living among wild (feral) horses for the past 4-years in a privately-owned forested ecosystem (near the Soda Mountain Wilderness Area), which they protect. Mr. Simpson has a background in business, science and livestock, and has a working understanding of the behavior and habits of wild horses in the wilderness.

More information here: <https://www.horsetalk.co.nz/author/billsimpson>