

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

469



FROM: Waste Management Department

SUBMITTAL DATE:
November 26, 2013

SUBJECT: Approval of Landfill Lease Agreements between the County of Riverside and the County Waste Management Department, All Districts, [No ongoing cost to County]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and File the attached landfill appraisal report by Valentine Appraisals and Associates; and;
2. Authorize the Chairman to execute the landfill lease agreements on behalf of the Board; and
3. Authorize the Auditor Controller to transfer the amounts set forth in the landfill leases from the Waste Management Enterprise Fund to the General Fund.

BACKGROUND:

Summary

As part of the County's effort to seek new General Fund revenue from the County's landfill system, the Board directed staff to appraise active, inactive and closed landfills in order to establish an annual landfill lease payment for landfills owned by the County, yet originally purchased with General Fund revenue. (continued)

Hans Kernkamp
General Manager-Chief Engineer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 8.48M	\$ 1.82M	\$ 53.9M	\$ 1.82M	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: Waste Management Fund
 Budget Adjustment: No
 For Fiscal Year: FY13-14

C.E.O. RECOMMENDATION:

APPROVE
 BY:
 Alex Gann

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY:
 DATE: 11/14/13

DEPARTMENTAL CONCURRENCE
 BY:
 DATE: 11/14/13
 DALE A. GARDNER

A-30
 4/5 Vote
 Positions Added
 Change Order

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Approval of Landfill Lease Agreements between the County of Riverside and the County Waste Management Department, All Districts, [No ongoing cost to County]

DATE: November 26, 2013

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

Under the authority of the Economic Development Agency, the County procured the services of Valentine Appraisal & Associates, to perform a valuation appraisal on twenty (20) County landfills (which were originally purchased with General Fund revenue) in order to determine the fair market value of each landfill. An annual lease rate was then established based on the fair market values determined by the appraisal. The total amount of annual rent as established by the appraisal report is \$1.82 million. The results of the appraisal report are summarized in Attachment A. County Counsel has prepared the attached landfill leases, which have a 30-year term to coincide with the State regulatory landfill performance period. Per the recommendation of Counsel, the leases should have an effective date of no more than four years in arrears. Therefore, the total amount to be transferred to the General Fund by today's recommended action is \$8.48 million (2/3 pro-rated back rent from November FY 09/10, FY10/11, FY 11/12, FY12/13 and FY 13/14). Staff is recommending that the Board execute the leases.

Impact on Citizens and Businesses

The lease agreements have been reviewed and determined to be exempt from CEQA pursuant to CEQA Guidelines 15061(b)(3). It can be seen with certainty that there is no possibility that the activity in question could have a significant effect on the environment; therefore, the activity is not subject to CEQA. Furthermore, the land lease agreements will not result in an increase in rates charged to landfill customers.

SUPPLEMENTAL:

Additional Fiscal Information

There is no cost to the General Fund related to this action. The lease agreements will generate new annual revenue of \$1.82 million for the next 30 years, for a total of \$53.9 million.

Contract History and Price Reasonableness

The appraisal contract was competitively bid and the appraisal was conducted by a certified licensed appraiser in accordance with the requirements set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, California State law, and federal regulations.

EXHIBIT A

NAME	Appraisal	Per Acre	Appraisal Report	Lump Sum Payment
	Acres	Rent	Annual Rent	FY09/10 (partial) to FY12/13
ANZA	51.65	\$12,000	\$34,100	\$125,033
BADLANDS	1,096.38	\$8,500	\$512,600	\$1,879,533
BEAUMONT	10.69	\$12,000	\$7,100	\$26,033
BLYTHE	326.98	\$6,000	\$107,900	\$395,633
BUNDY CANYON	83.87	\$8,500	\$39,200	\$143,733
CORONA	18.91	\$13,000	\$13,500	\$49,500
DESERT HOT SPRINGS	200.00	\$6,000	\$66,000	\$242,000
DOUBLE BUTTE	574.07	\$8,500	\$268,400	\$984,133
HIGHGROVE	190.48	\$8,500	\$89,000	\$326,333
HOMELAND	4.26	\$8,000	\$1,900	\$6,967
IDYLLWILD	25.83	\$8,000	\$11,400	\$41,800
LAKEVIEW	7.10	\$12,000	\$4,700	\$17,233
LAMB CANYON	784.85	\$8,500	\$366,900	\$1,345,300
MEAD VALLEY	240.00	\$8,500	\$112,200	\$411,400
MECCA 1	20.00	\$12,000	\$13,200	\$48,400
MECCA 2	77.75	\$12,000	\$51,300	\$188,100
MENIFEE	19.09	\$8,000	\$8,400	\$30,800
MIRA LOMA	8.11	\$8,000	\$3,600	\$13,200
OASIS	154.47	\$7,000	\$59,500	\$218,167
WEST RIVERSIDE	70.69	\$12,000	\$46,700	\$171,233
Total	3,965.18		\$1,817,600	\$6,664,533

APPRAISAL REPORT

of

RIVERSIDE LANDFILLS:

- 1. Anza**
- 2. Badlands**
- 3. Beaumont**
- 4. Blythe**
- 5. Bundy Canyon**
- 6. Corona**
- 7. Desert Hot Springs**
- 8. Double Butte**
- 9. Highgrove**
- 10. Homeland**
- 11. Idyllwild**
- 12. Lakeview**
- 13. Lamb Canyon**
- 14. Mead Valley**
- 15. Mecca I**
- 16. Mecca II**
- 17. Menifee**
- 18. Mira Loma**
- 19. Oasis**
- 20. West Riverside**

VAA File No. 113-936

DATE OF VALUE: June 19, 2013

DATES OF INSPECTION: July 18 and 19, 2013

DATE OF REPORT: July 31, 2013

PREPARED FOR

County of Riverside
Economic Development Agency
Real Estate Division
3403 Tenth Street, Suite 500
Riverside, CA 92501

PREPARED BY

VALENTINE APPRAISAL & ASSOCIATES
23942 Lyons Avenue, Suite 212
Santa Clarita, California 91321



23942 Lyons Avenue, Suite 212
Santa Clarita, CA 91321
Ph (661) 288-0198
Fax (661) 288-0197
www.valentineappraisal.com
email: gsv@valentineapp.com

VAA File #: 113-936

July 31, 2013

Jim Force
Economic Development Agency
Real Estate Division
County of Riverside
3403 Tenth Street, Suite 500
Riverside, CA 92501

RE: Appraisal of 20 County of Riverside Landfill Sites, Riverside County, California

Dear Mr. Force:

At your request and authorization, I, Gary Valentine, MAI, ASA, SR/WA, CCIM, have prepared a summary appraisal report of the fair market value of 20 landfill sites located in the County of Riverside.

The appraisal has accordingly been completed under the assumptions and limiting conditions and certifications presented in the report, conforming to the requirements set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, California State law, and federal regulations. The properties were inspected on July 18 and 19, 2013, when I was accompanied by Robert Istik of the County of Riverside Waste Management Department.

As part of the scope of this assignment, I consider all three typically recognized approaches to value, including the Cost, Income, and Sales Comparison, unless otherwise stated in the report. The improvements and land value estimates are shown separately if they contribute to the sites' highest and best use. The appraisal report also includes supporting documentation for all data, information, and analysis presented.

This report may be reviewed by you, the client, County of Riverside, and counsel. If it is used for any other purpose or valuation date, it may invalidate the appraisal.

There are several extraordinary assumptions and hypothetical conditions utilized in this appraisal report. First, that the title for each property is free, clear, and marketable. Title reports were requested but not made available. Second, all associated landfill and post-landfill responsibilities and costs will be

maintained in perpetuity with the current owners. I reserve the right to revise this report if additional information is made available to me.

Based on the data and conclusions presented in this report, and based on my experience in the field of real estate appraising, it is my opinion that the fair market values of the subject properties, as of June 19, 2013, are as follows:

Real Estate Fair Market Values and Annual Market Lease Rates								
Name	Land Size (Acres)		Unit Price Per Acre		RE FMV (Fee Simple) (Rounded)	Land Rate	Annual Lease Rental Rate (Rounded)	H&BU
1. Anza	51.65	@	\$12,000	=	\$620,000	5.50%	\$34,100	Hold for Solar Development
2. Badiands	1096.38	@	\$8,500	=	\$9,319,000	5.50%	\$512,600	Current landfill use or Open Space Conservation
3. Beaumont	10.69	@	\$12,000	=	\$128,000	5.50%	\$7,100	Hold for Solar Development
4. Blythe	326.98	@	\$6,000	=	\$1,962,000	5.50%	\$107,900	Open Space Conservation
5. Bundy Canyon	83.87	@	\$8,500	=	\$713,000	5.50%	\$39,200	Open Space Conservation
6. Corona	18.91	@	\$13,000	=	\$246,000	5.50%	\$13,500	Hold for Solar Development
7. Desert Hot Springs	200.00	@	\$6,000	=	\$1,200,000	5.50%	\$66,000	Open Space Conservation
8. Double Butte	574.07	@	\$8,500	=	\$4,880,000	5.50%	\$268,400	Open Space Conservation
9. Highgrove	190.48	@	\$8,500	=	\$1,619,000	5.50%	\$89,000	Open Space Conservation
10. Homeland	4.26	@	\$8,000	=	\$34,000	5.50%	\$1,900	Open Space Conservation
11. Idyllwild	25.83	@	\$8,000	=	\$207,000	5.50%	\$11,400	Open Space Conservation
12. Lakeview	7.10	@	\$12,000	=	\$85,200	5.50%	\$4,700	Hold for Solar Development
13. Lamb Canyon	784.85	@	\$8,500	=	\$6,671,000	5.50%	\$366,900	Current landfill use or Open Space Conservation
14. Meed Valley	240.00	@	\$8,500	=	\$2,040,000	5.50%	\$112,200	Open Space Conservation
15. Mecca I	20.00	@	\$12,000	=	\$240,000	5.50%	\$13,200	Hold for Solar Development
16. Mecca II	77.75	@	\$12,000	=	\$933,000	5.50%	\$51,300	Hold for Solar Development
17. Menifee	19.09	@	\$8,000	=	\$153,000	5.50%	\$8,400	Open Space Conservation
18. Mira Loma	8.11	@	\$8,000	=	\$65,000	5.50%	\$3,600	Open Space Conservation
19. Oasis	154.47	@	\$7,000	=	\$1,081,000	5.50%	\$59,500	Hold for Solar Development
20. West Riverside	70.69	@	\$12,000	=	\$848,000	5.50%	\$46,700	Hold for Solar Development

I reserve the right to revise the appraisal report if more reliable information becomes available to me.

If you have any questions concerning the analysis, or if I can be of further assistance, please contact me.

Respectfully submitted,



Gary Valentine, MAI, ASA, SR/WA, CCIM
 California State Certification No. AG006526

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ADDENDA

◆ Comparable Land Sales	
◆ Market Trends	
◆ Waste Permits	
◆ Company Qualifications	
◆ Personal Professional Qualifications	



Aerial Photograph
Anza



Anza entrance



Anza looking across landfill top cover



Anza looking down across landfill area



Anza transfer site



Anza birdseye view looking north



Anza birdseye view looking south



Aerial Photograph
Badlands



Badlands looking south across active landfill



Badlands looking southeast across the crown of active landfill



Badlands waste tipping



Badlands birdseye view looking north



Badlands birdseye view looking south



Aerial Photograph
Beaumont



Beaumont entrance



Beaumont looking west across site



Beaumont looking east across site



Beaumont birdseye looking east



Beaumont birdseye looking west



Aerial Photograph
Blythe



Blythe entrance



Blythe landfill crown or top area



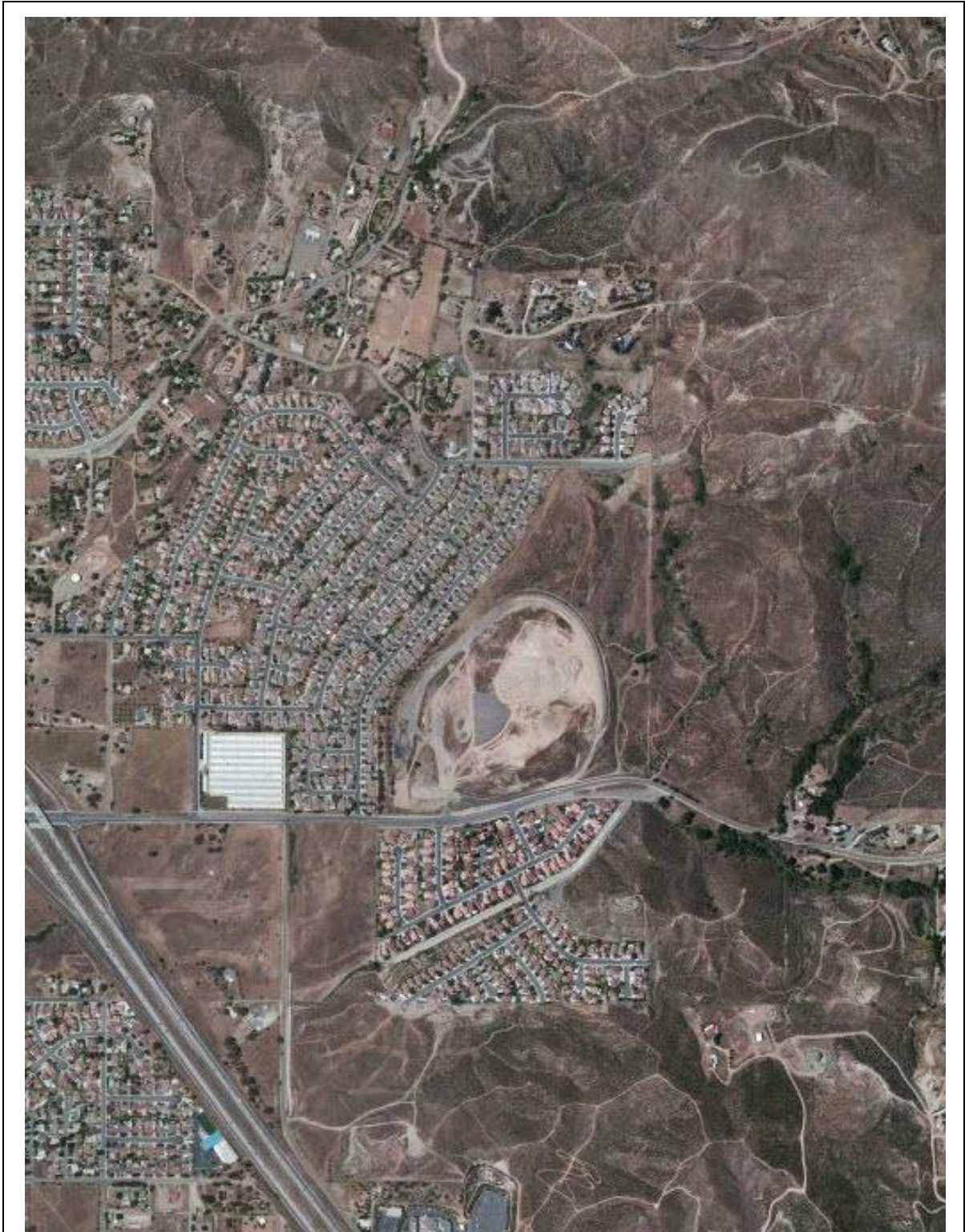
Blythe active site dump area



Blythe birdseye view looking north



Blythe birdseye view looking south



Aerial Photograph
Bundy Canyon



Bundy Canyon entrance



Bundy Canyon side wall



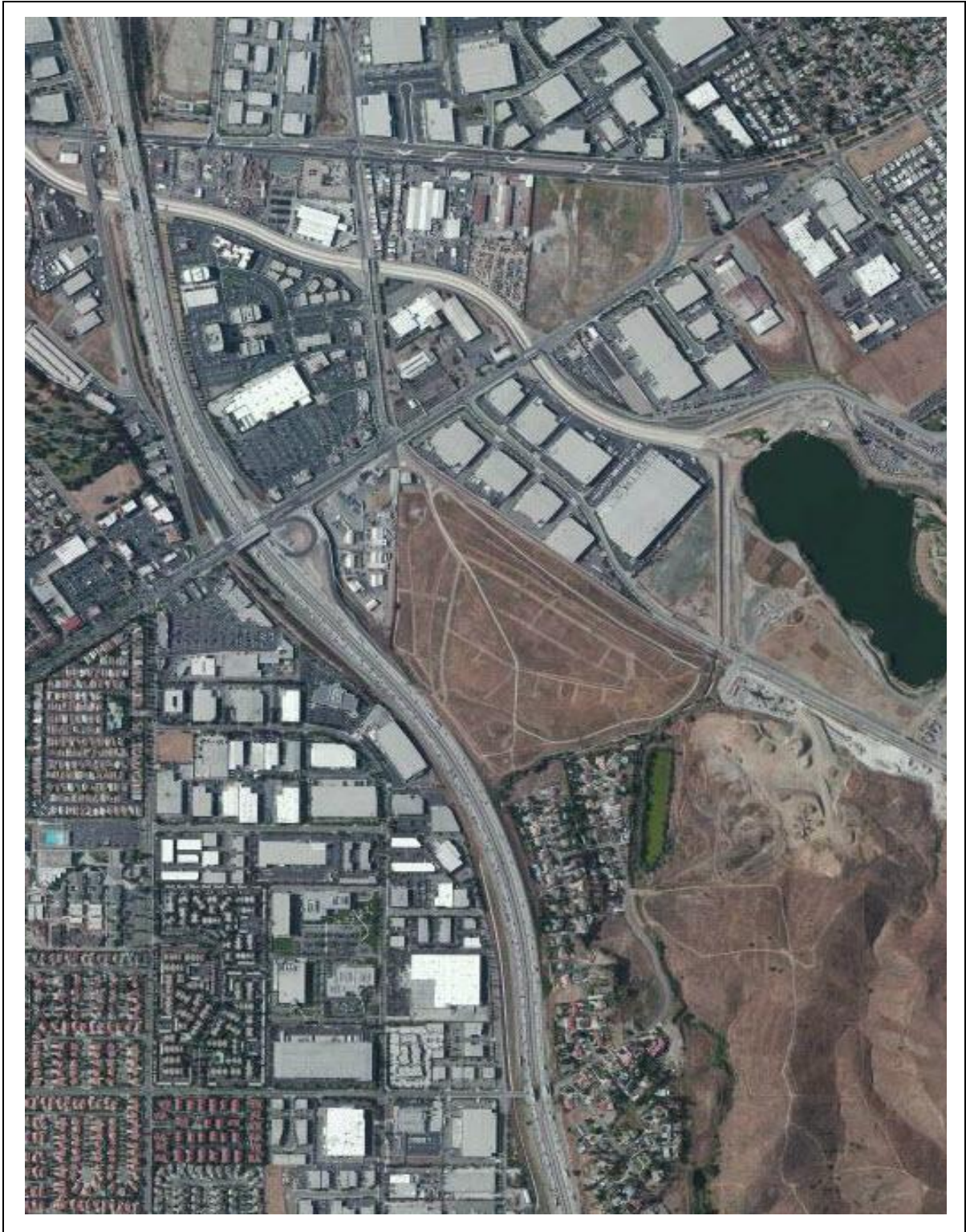
Bundy Canyon view from access road



Bundy Canyon birdseye view looking north



Bundy Canyon birdseye view looking south



Aerial Photograph
Corona



Corona entrance looking south at landfill



Corona looking across top of landfill



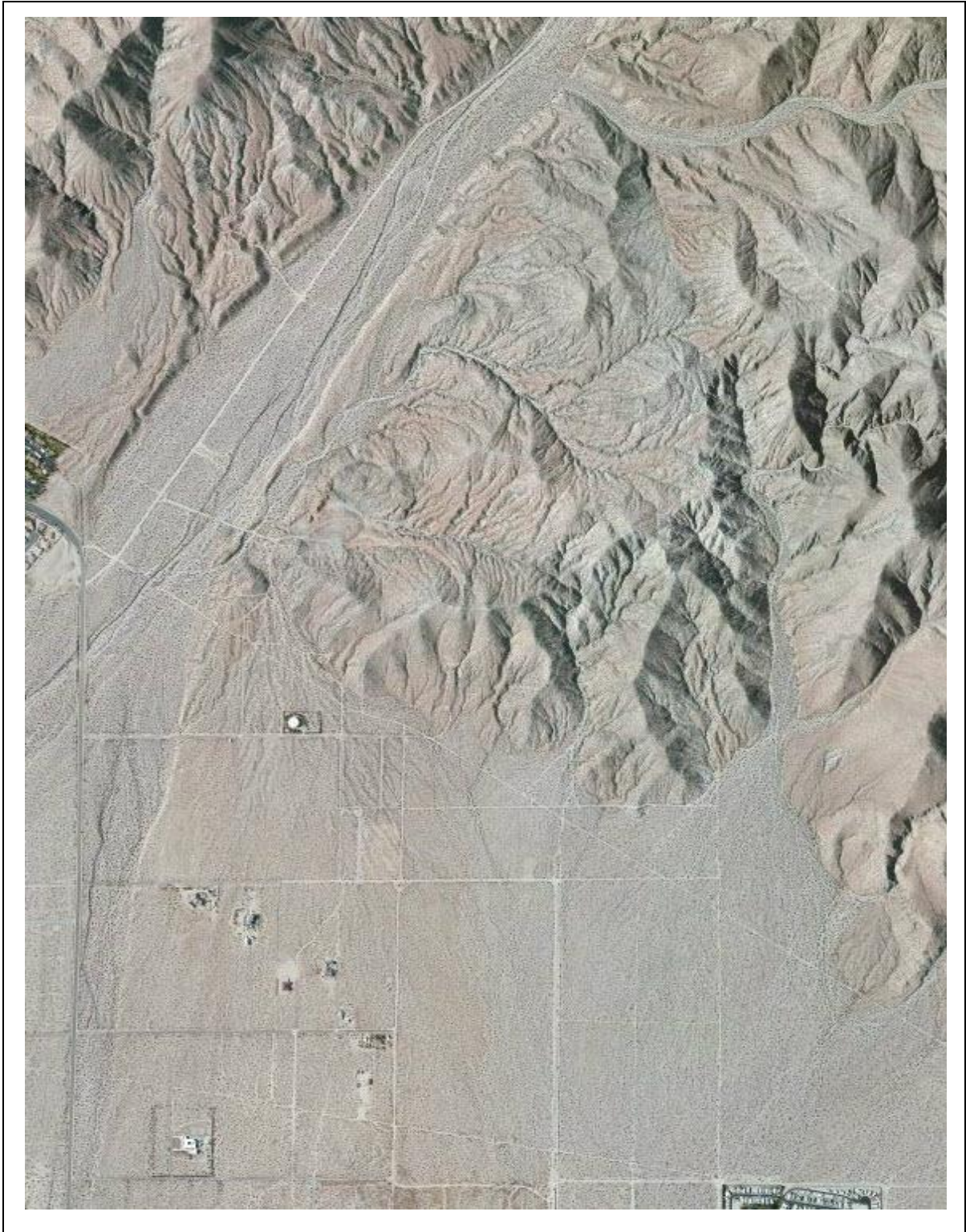
Corona view looking southwest along northern perimeter



Corona birdseye view looking north



Corona birdseye view looking south



**Aerial Photograph
Desert Hot Springs**



Desert Hot Springs entrance



Desert Hot Springs view looking across top of landfill



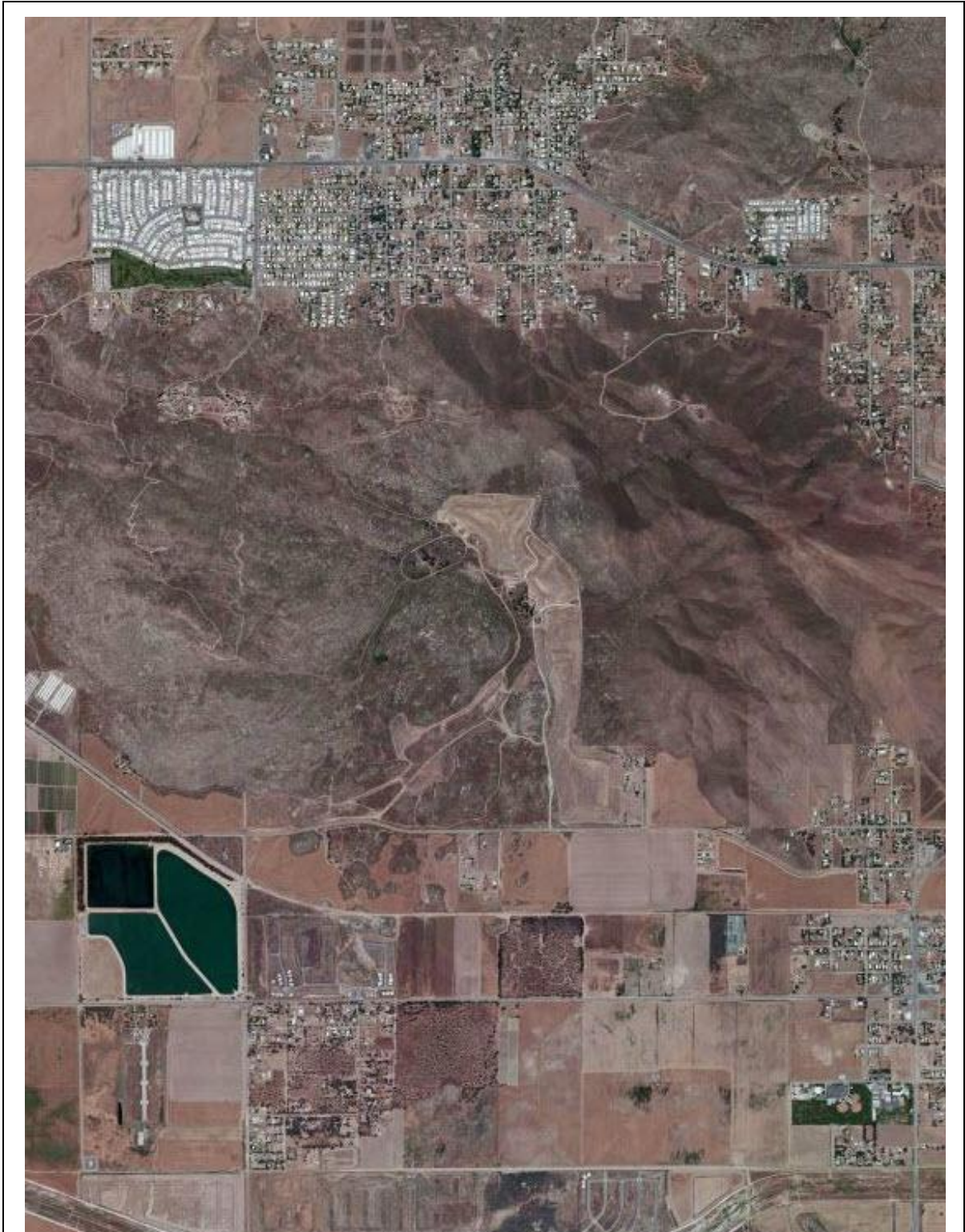
Desert Hot Springs looking across top of site



Desert Hot Springs birdseye view looking north



Desert Hot Springs view looking south



**Aerial Photograph
Double Butte**



Double Butte entrance



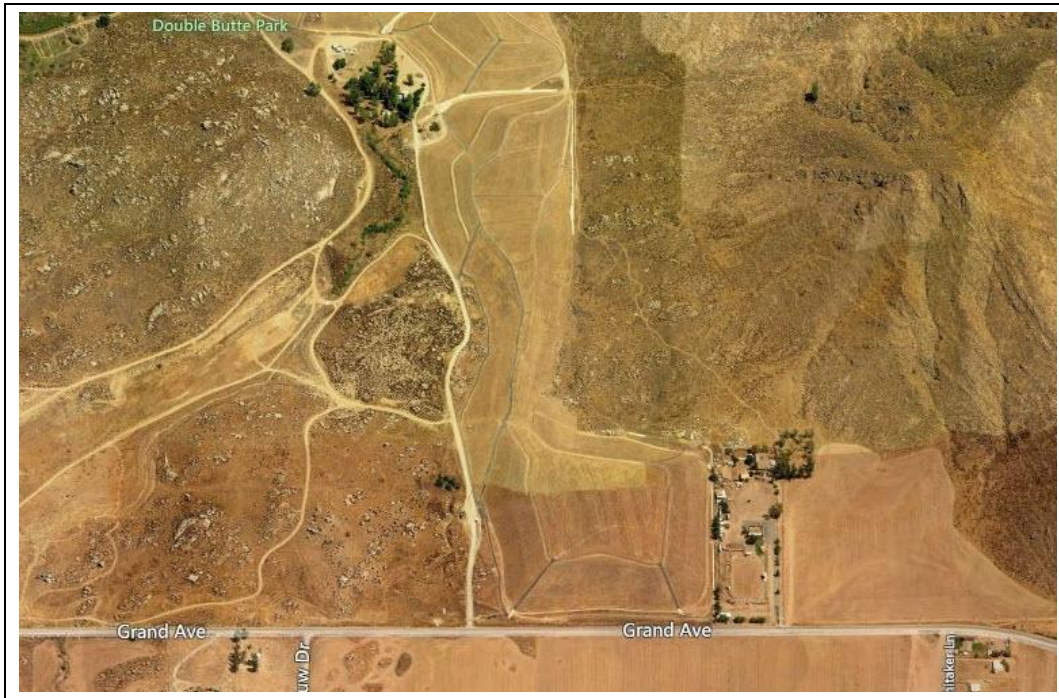
Double Butte landfill



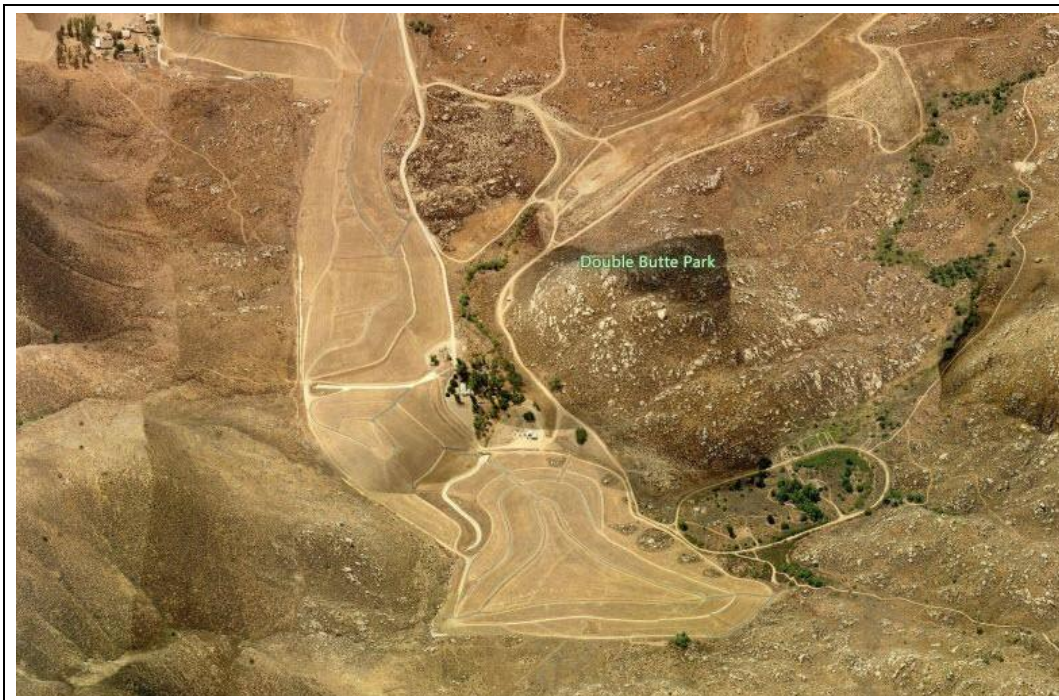
Double Butte landfill



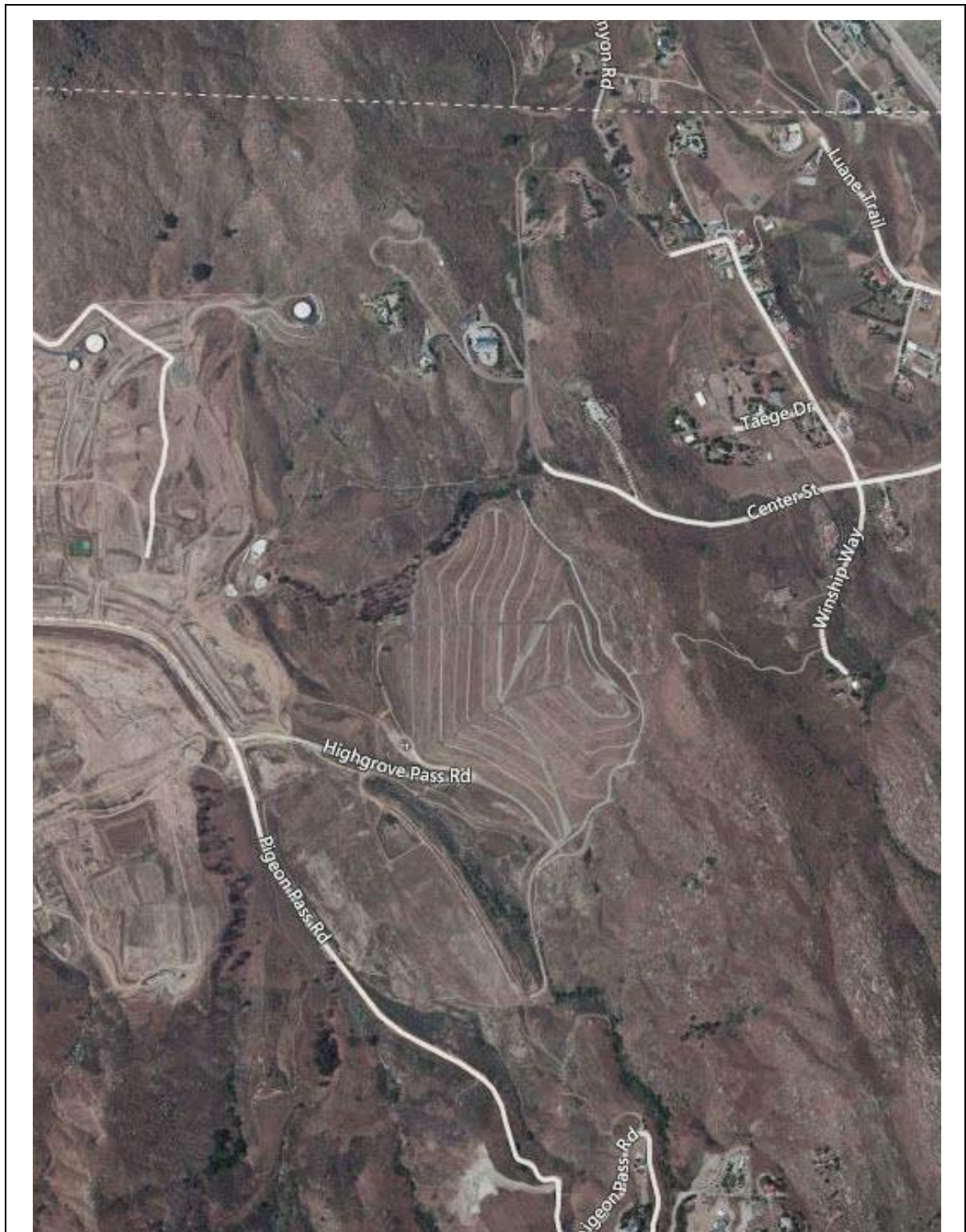
Double Butte environmentally sensitive area



Double Butte birdseye view looking north



Double Butte birdseye view looking south



Aerial Photograph
Highgrove



Highgrove entrance



Highgrove access road



Highgrove looking at the easternmost point of landfill



Highgrove landfill containment slope



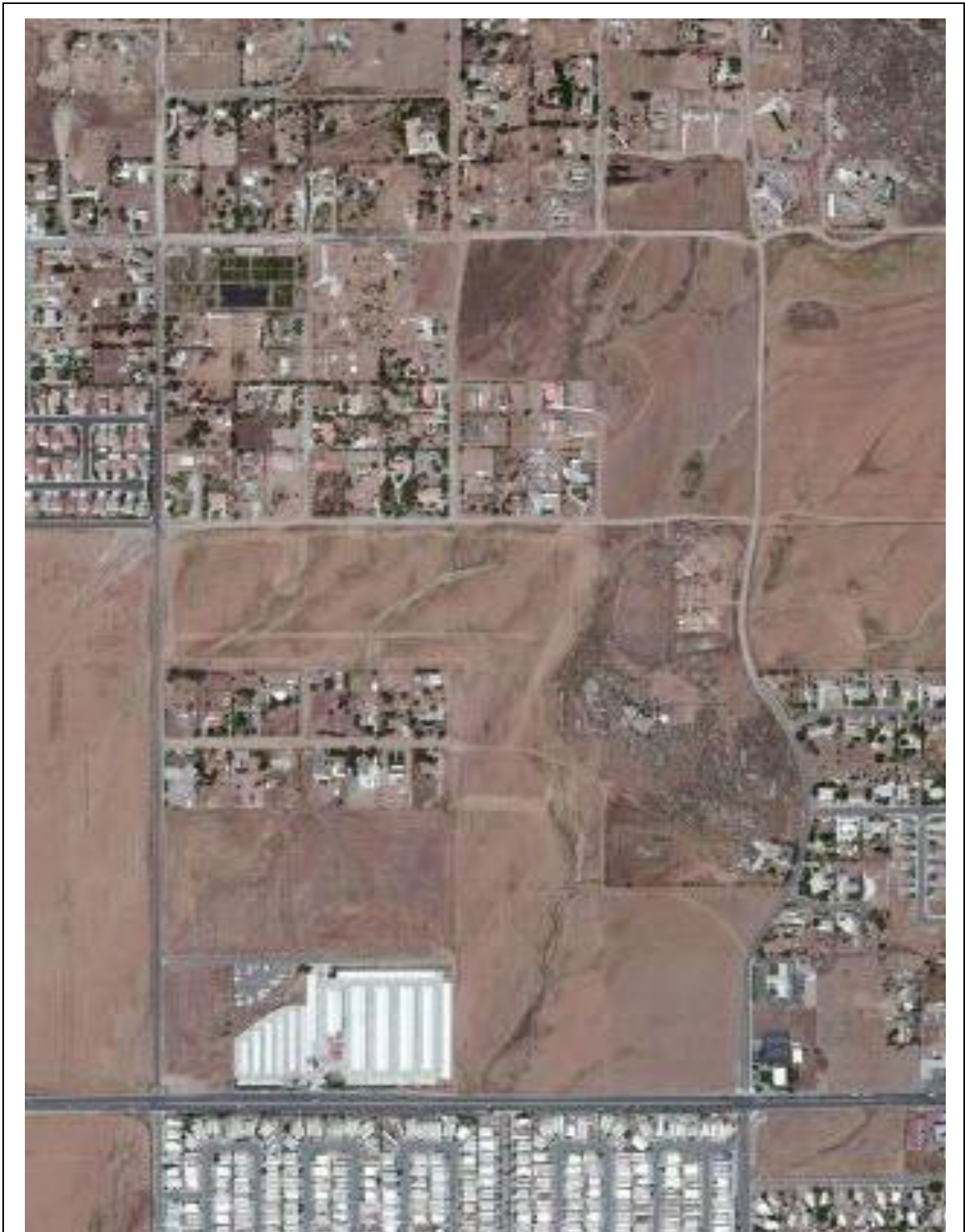
Highgrove from crown looking south



Highgrove birdseye view looking north



Highgrove birdseye view looking south



**Aerial Photograph
Homeland**



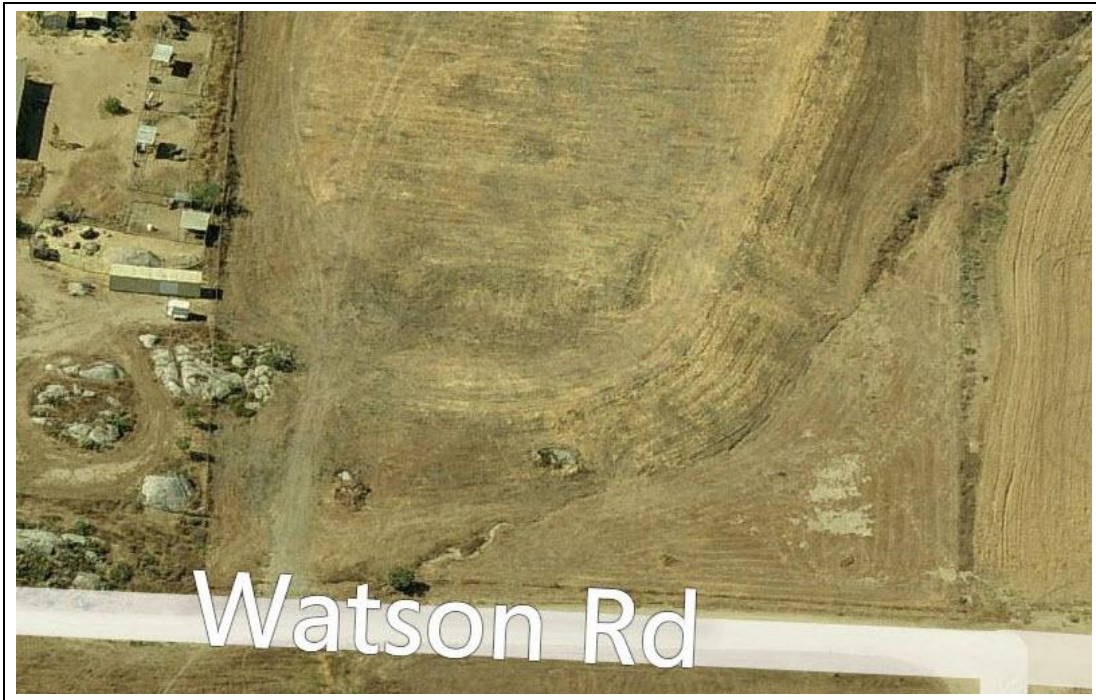
Homeland landfill looking southeast from Watson Road



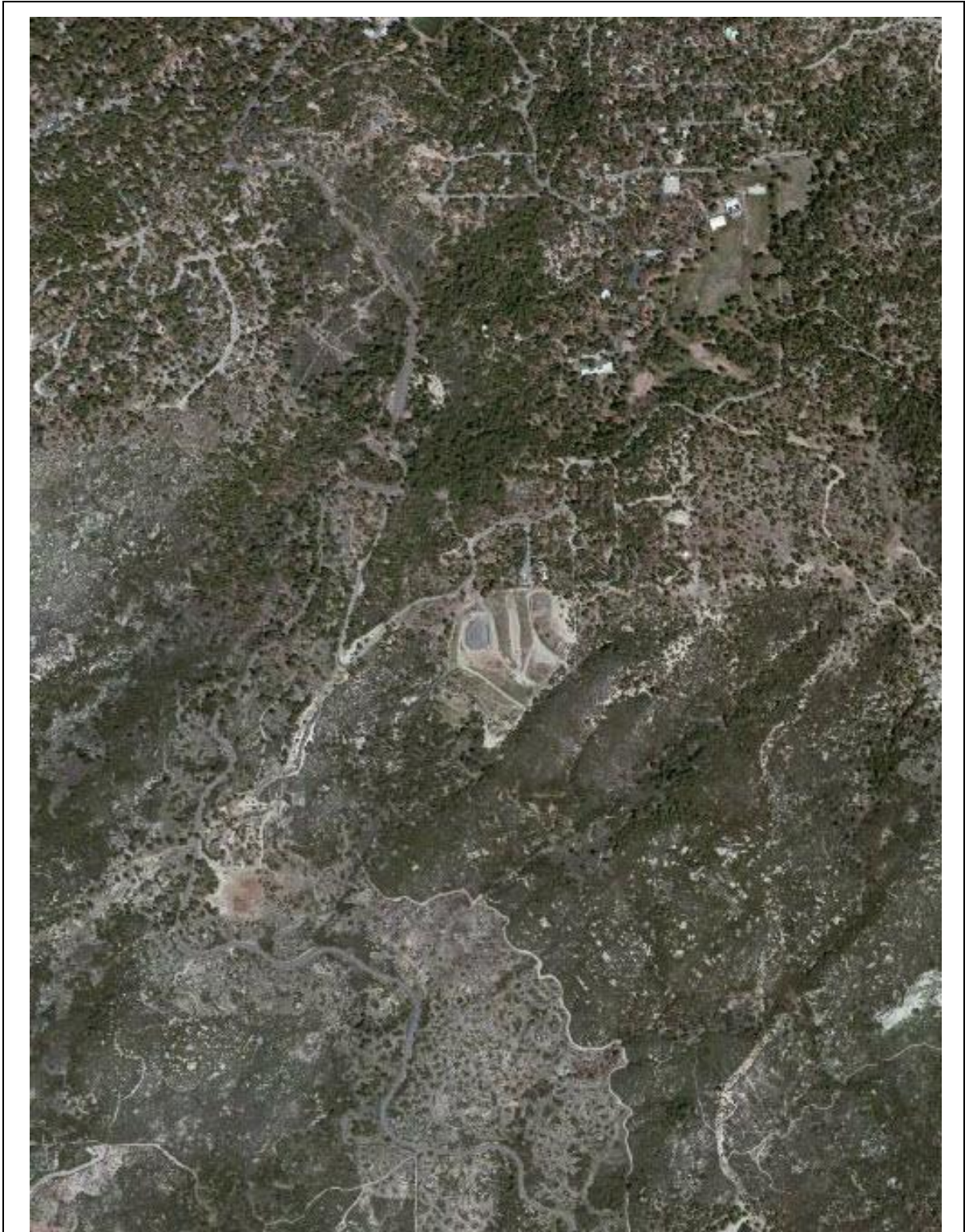
Homeland looking east across landfill



Homeland birdseye view looking north



Homeland birdseye view looking south



**Aerial Photograph
Idyllwild**



Idyllwild entrance



Idyllwild landfill hillside



Idyllwild landfill hillside



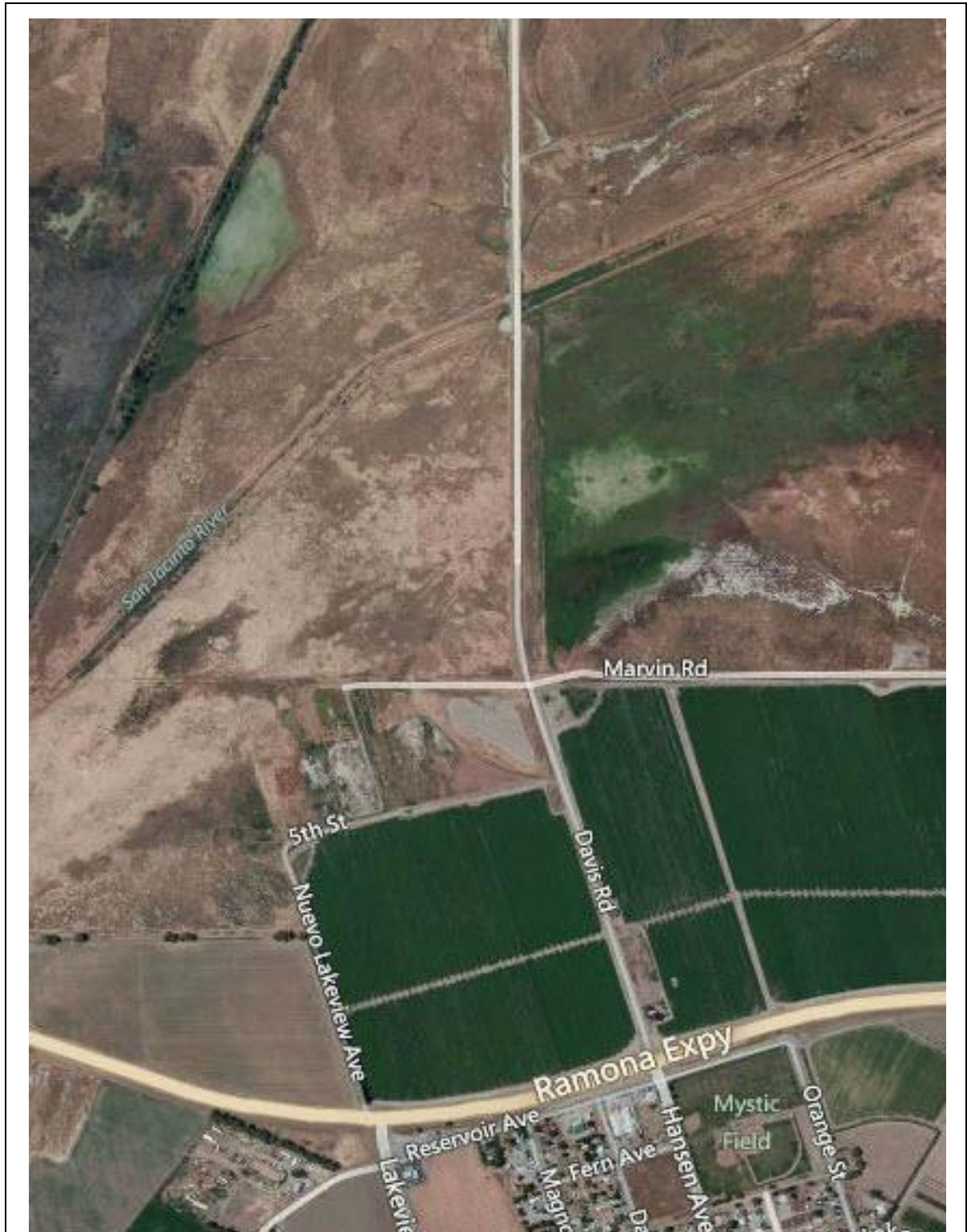
Idyllwild transfer station



Idyllwild birdseye view looking north



Idyllwild birdseye view looking south



Aerial Photograph
Lakeview



Lakeview looking south from Marvin Rd



Lakeview looking across landfill from Marvin Rd



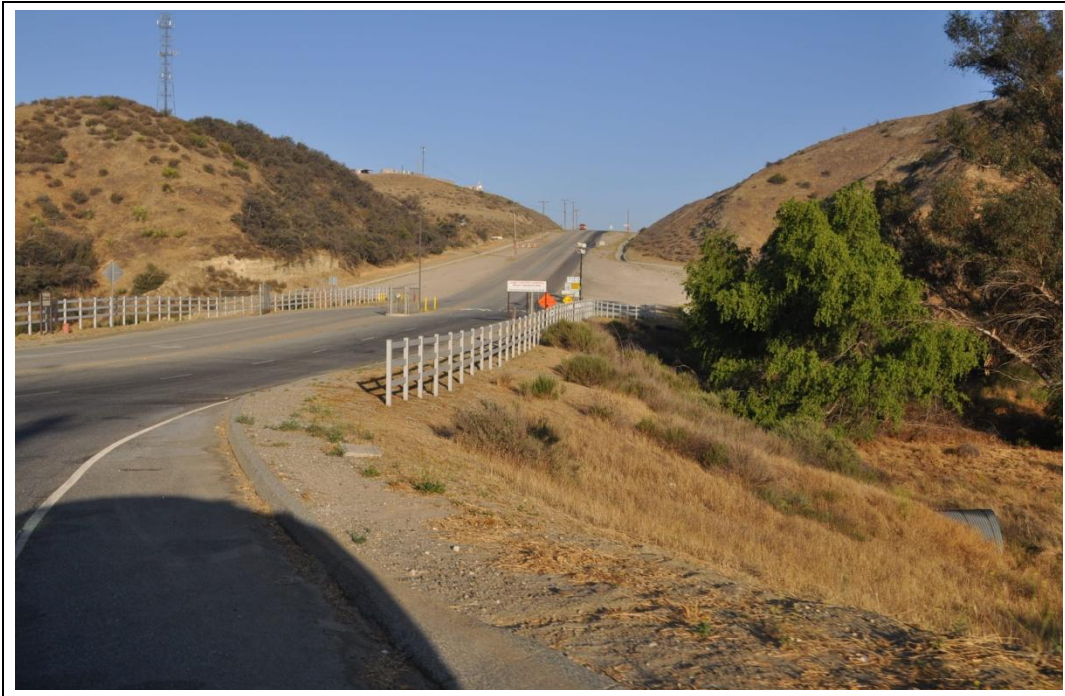
Lakeview birds eye looking north



Lakeview birds eye looking north



Aerial Photograph
Lamb Canyon



Lamb Canyon entrance



Lamb Canyon active site looking north across site



Lamb Canyon preparation from membrane and opening of new area



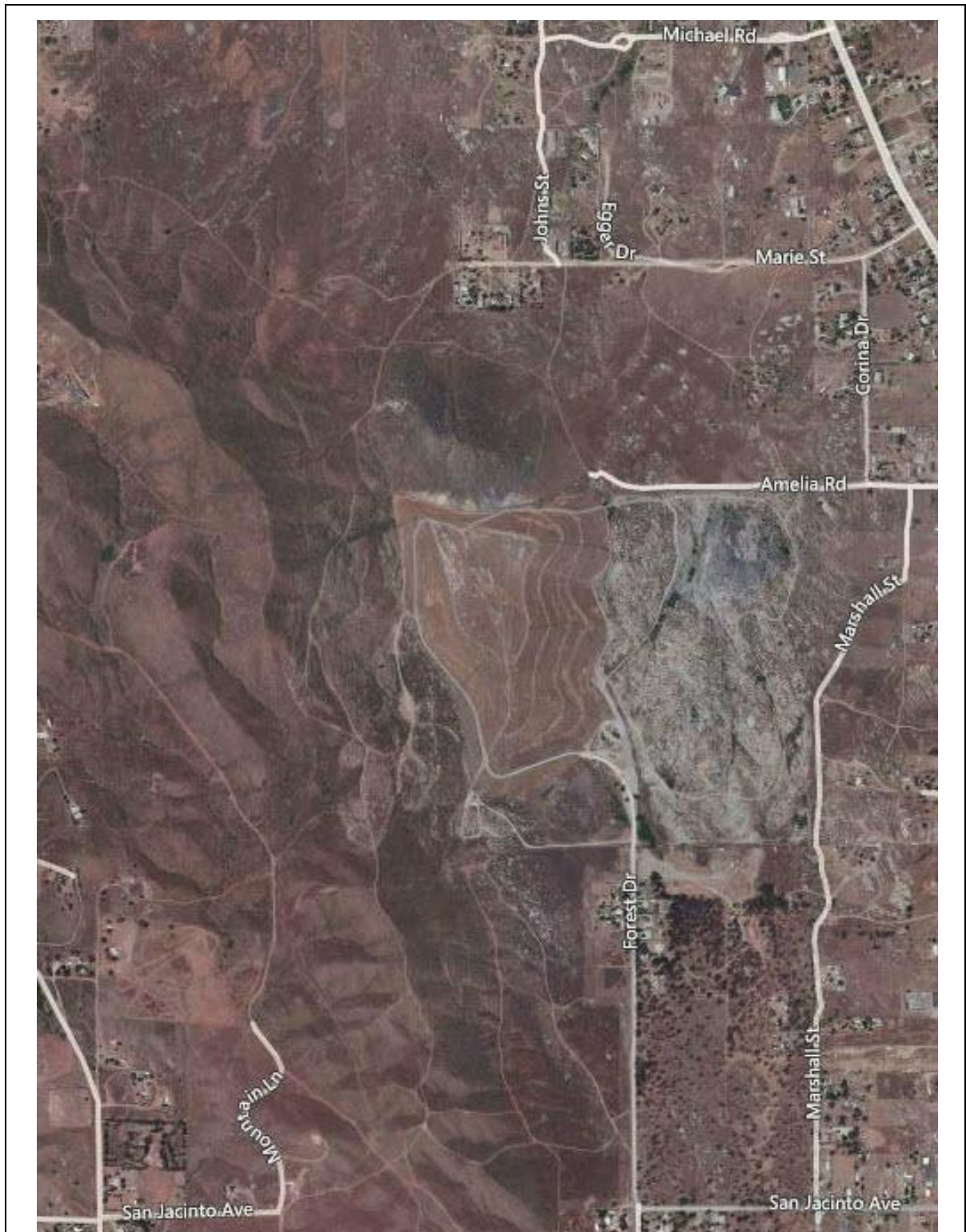
Lamb Canyon active waste drop-off area



Lamb Canyon birdseye view looking north



Lamb Canyon birdseye view looking south



Aerial Photograph
Mead Valley



Mead Valley view from entrance



Mead Valley side wall view



Mead Valley drainage



Mead Valley west looking at perimeter from landfill crown



Mead Valley birdseye view looking north



Mead Valley birdseye view looking south



Aerial Photograph
Mecca I



Mecca I entrance



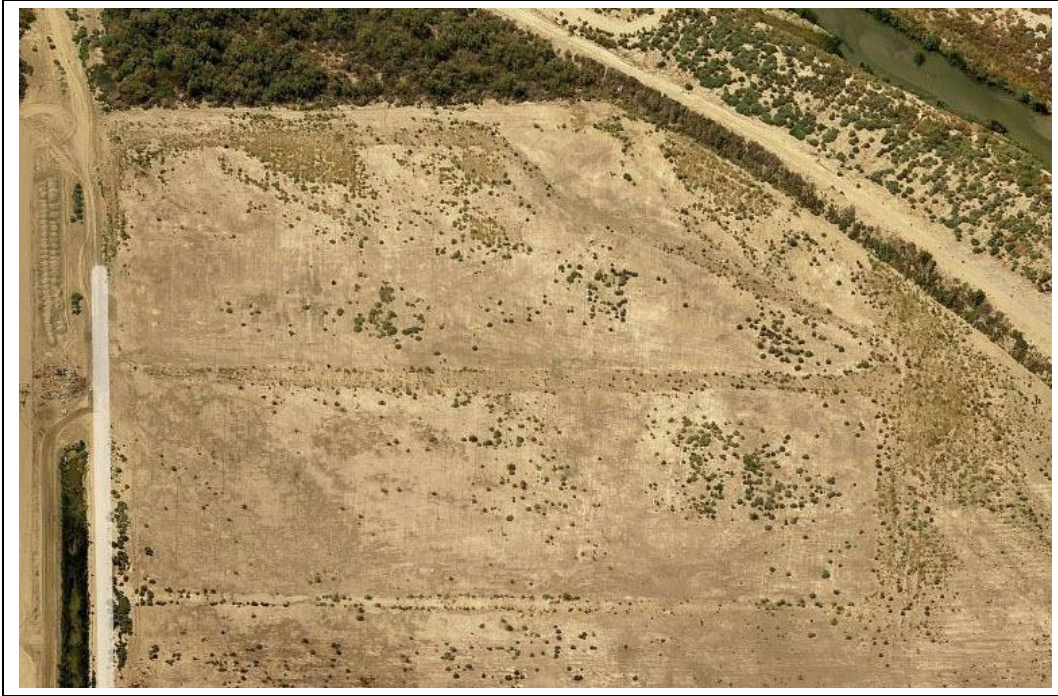
Mecca I landfill hillside



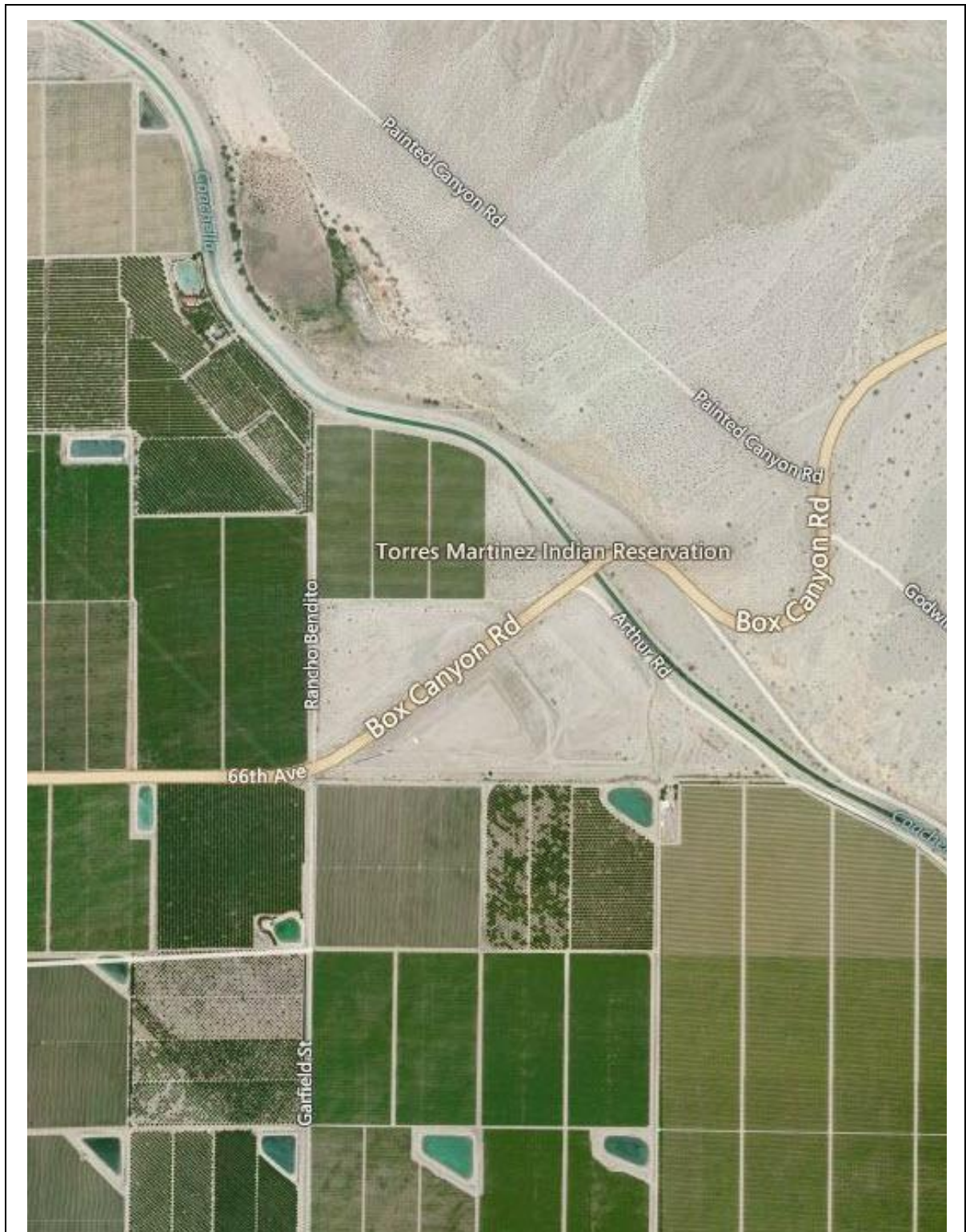
Mecca I drainage and access road to top of landfill



Mecca I birdseye view looking north



Mecca I birdseye view looking south



Aerial Photograph
Mecca II



Mecca II entrance



Mecca II landfill hillside



Mecca II landfill cover or top area



Mecca II lower portion of landfill



Mecca II birdseye view looking north



Mecca II birdseye view looking south



Aerial Photograph
Menifee



Menifee entrance



Menifee view from top of landfill looking south



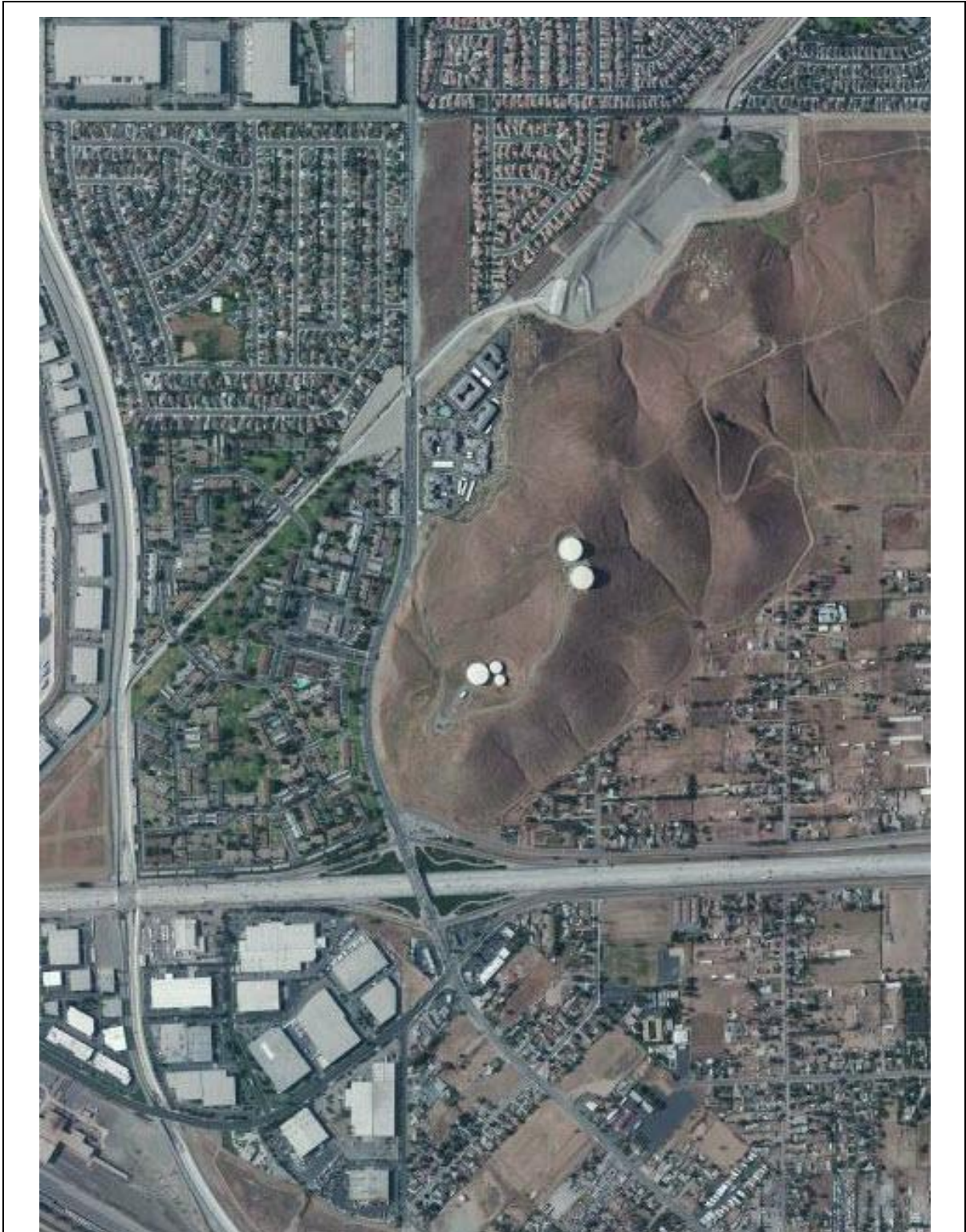
Menifee view from top of landfill looking north



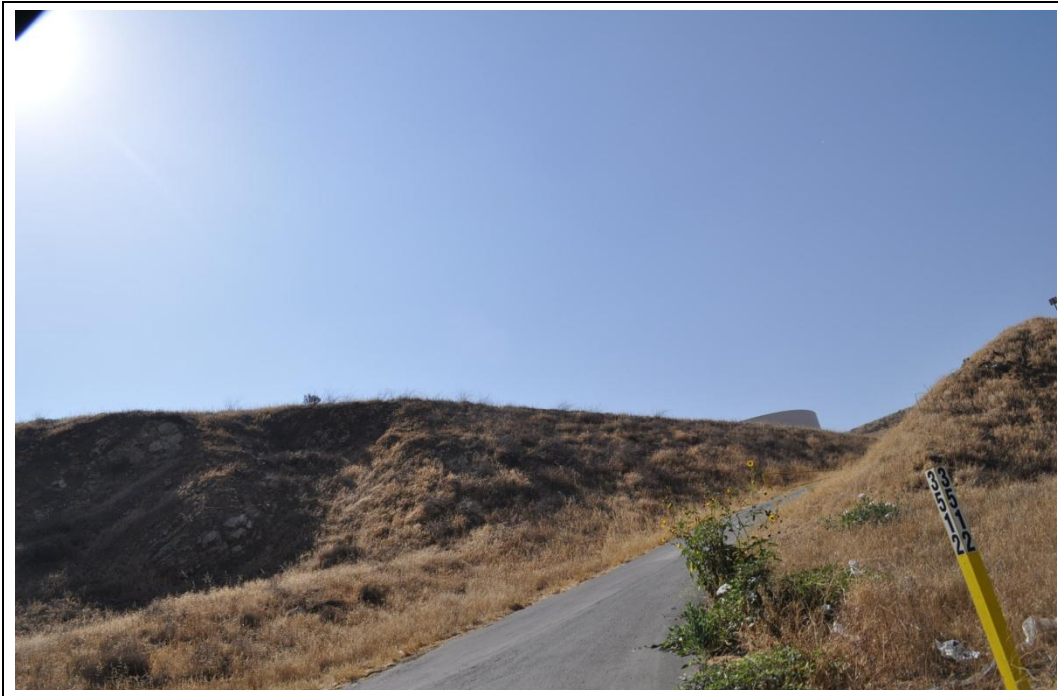
Menifee birdseye view looking north



Menifee birdseye view looking south



Aerial Photograph
Mira Loma



Mira Loma entrance



Mira Loma landfill area looking south



Mira Loma landfill area looking southwest



Mira Loma birdseye view looking north



Mira Loma birdseye view looking south



Aerial Photograph
Oasis



Oasis entrance



Oasis active waste dump area



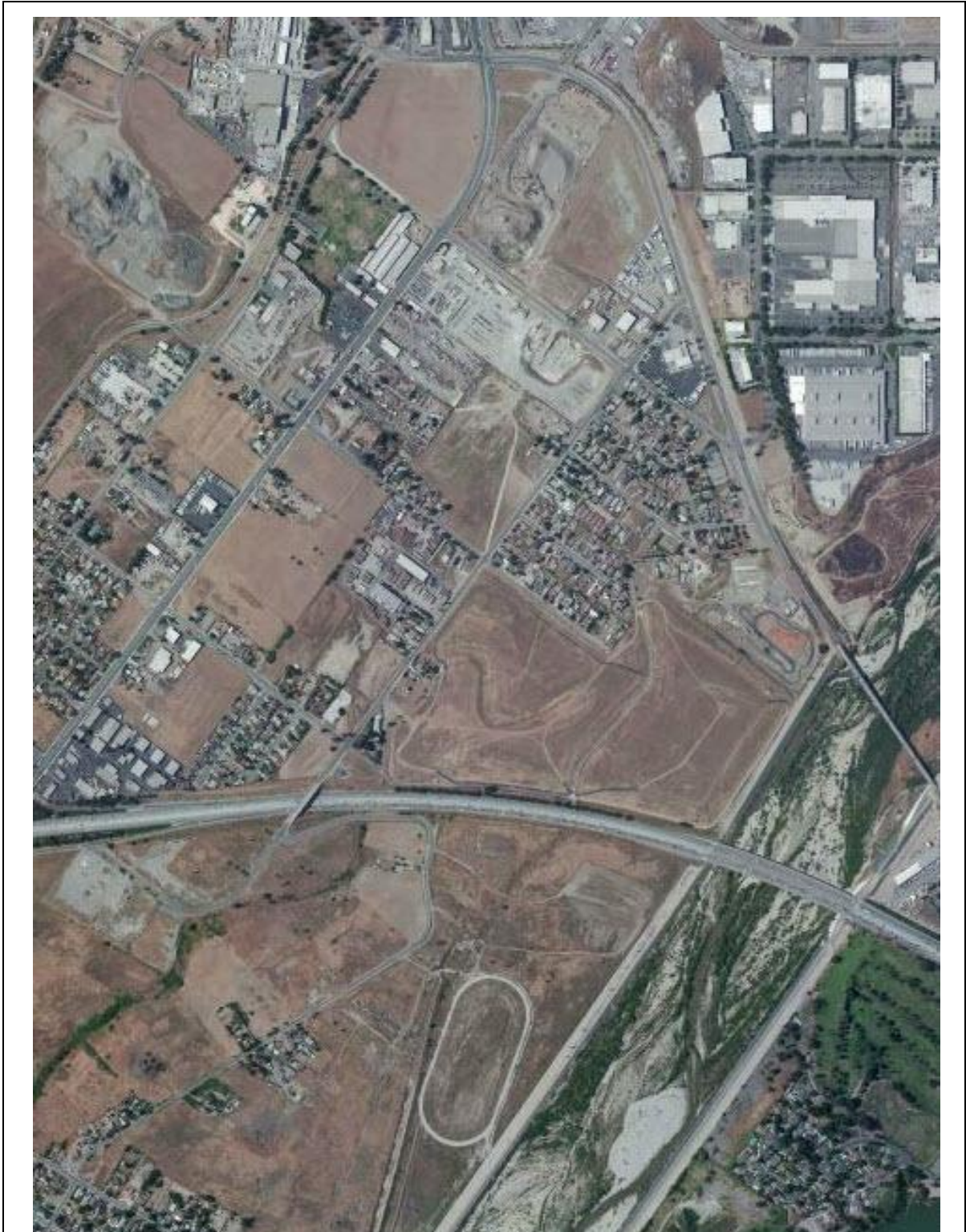
Oasis landfill hillside



Oasis birdseye view looking north



Oasis birdseye view looking south



**Aerial Photograph
West Riverside**



West Riverside looking at landfill entrance



West Riverside looking at west side from Hill Avenue



West Riverside looking at eastern side from Market Street



West Riverside birdseye view looking north



West Riverside birdseye view looking south

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

1. The statements of fact in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. To the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, the Code of Professional Ethics, and the Standards of Professional Practice of the Appraisal Institute. The appraisal was made and the appraisal report prepared in conformity with Uniform Appraisal Standards for Federal Land Acquisitions.
6. The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Judicial Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.
7. I have made a personal inspection of the properties appraised and that the properties' owners, or his/her designated representative, was given the opportunity to accompany me on the property inspection.
8. No one provided significant professional assistance to me, the appraiser.
9. As of the date of this appraisal, I have completed the requirements under the continuing education program for the State of California, the Appraisal Institute, American Society of Appraisers, and the International Right-of-Way Association.

10. The appraisal assignment was not based on a requested minimum valuation, specific valuation, or approval of a loan.
11. Gary Valentine is currently certified in the state where the subject is located.
12. As part of the market research, my investigation, client confidentiality and privacy are maintained at all times with regards to this assignment.
13. Based on the data and conclusions presented in this report, and based on my experience in the field of real estate appraising, it is my opinion that the fair market value of the subject properties, as of June 19, 2013, are as follows:

Real Estate Fair Market Values and Annual Market Lease Rates								
Name	Land Size (Acres)		Unit Price Per Acre		RE FMV (Fee Simple) (Rounded)	Land Rate	Annual Lease Rental Rate (Rounded)	H&BU
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15. Mecca I	20.00	@	\$12,000	=	\$240,000	5.50%	\$13,200	Hold for Solar Development
16. Mecca II	77.75	@	\$12,000	=	\$933,000	5.50%	\$51,300	Hold for Solar Development
17. Meniffee	19.09	@	\$8,000	=	\$153,000	5.50%	\$8,400	Open Space Conservation
18. Mira Loma	8.11	@	\$8,000	=	\$65,000	5.50%	\$3,600	Open Space Conservation
19. Oasis	154.47	@	\$7,000	=	\$1,081,000	5.50%	\$59,500	Hold for Solar Development
20. West Riverside	70.69	@	\$12,000	=	\$848,000	5.50%	\$46,700	Hold for Solar Development

14. I have not appraised the subject properties in the last three years.



Gary S. Valentine, MAI, ASA, SR/WA, CCIM
 Certified Real Estate Appraiser #AG006526

Location

Landfill	APN	Size (acs)
1. Anza	576-210-004, 5, 6, 7, 20	51.65
2. Badlands	413-140-023, 24, 25, 33; 422-030-011, 14, 15; 422-050-014	1,096.38
3. Beaumont	417-020-064; 421-060-008	10.69
4. Blythe	812-340-003; 812-341-003; 815-171-001; 815-172-001	326.98
5. Bundy Canyon	366-300-079	83.87
6. Corona	107-080-005, 6, 10, 34	18.91
7. Desert Hot Springs	638-380-004	200.00
8. Double Butte	461-040-004, 5, 8; 461-050-006, 7, 11; 461-110-001	574.07
9. Highgrove	255-240-004, 15; 257-180-017; 255-240-011, 17; 259-330-013	190.48
10. Homeland	457-340-022	4.26
11. Idyllwild	565-020-015; 565-280-002	25.83
12. Lakeview	426-030-022	7.10
13. Lamb Canyon	421-220-014, 23, 25, 26; 421-170-034; 421-230-008, 9; 421-200-033	784.85
14. Mead Valley	323-040-002, 3, 4, 5, 6, 8	240.00
15. Mecca I	729-100-011, 6	20.00
16. Mecca II	727-241-001, 18; 727-242-001, 11, 12	77.75
17. Menifee	333-210-003	19.09
18. Mira Loma	156-220-002; 156-230-004	8.11
19. Oasis	737-200-032; 737-240-003	154.47
20. West Riverside	178-281-006, 8, 11; 178-290-003, 6, 13	70.69

Property Rights Appraised

Fair market value and Market rent for the fee simple interests

Subject Parcel Sizes

Landfill	Size (acs)
1. Anza	51.65
2. Badlands	1,096.38
3. Beaumont	10.69
4. Blythe	326.98
5. Bundy Canyon	83.87
6. Corona	18.91
7. Desert Hot Springs	200.00
8. Double Butte	574.07
9. Highgrove	190.48
10. Homeland	4.26
11. Idyllwild	25.83
12. Lakeview	7.10
13. Lamb Canyon	784.85
14. Mead Valley	240.00
15. Mecca I	20.00
16. Mecca II	77.75
17. Menifee	19.09
18. Mira Loma	8.11
19. Oasis	154.47
20. West Riverside	70.69

Highest and Best Use

Name	H&BU
1. Anza	Hold for Solar Development
2. Badlands	Current landfill use or Open Space Conservation
3. Beaumont	Hold for Solar Development
4. Blythe	Open Space Conservation
5. Bundy Canyon	Open Space Conservation
6. Corona	Hold for Solar Development
7. Desert Hot Springs	Open Space Conservation
8. Double Butte	Open Space Conservation
9. Highgrove	Open Space Conservation
10. Homeland	Open Space Conservation
11. Idyllwild	Open Space Conservation
12. Lakeview	Hold for Solar Development
13. Lamb Canyon	Current landfill use or Open Space Conservation
14. Mead Valley	Open Space Conservation
15. Mecca I	Hold for Solar Development
16. Mecca II	Hold for Solar Development
17. Menifee	Open Space Conservation
18. Mira Loma	Open Space Conservation
19. Oasis	Hold for Solar Development
20. West Riverside	Hold for Solar Development

Improvements

All sites have no major improvements

Site Ownership

County of Riverside

Fair market value

Real Estate Fair Market Values and Annual Market Lease Rates								
Name	Land Size (Acres)		Unit Price Per Acre		RE FMV (Fee Simple) (Rounded)	Land Rate	Annual Lease Rental Rate (Rounded)	H&BU
1. Anza	51.65	@	\$12,000	=	\$620,000	5.50%	\$34,100	Hold for Solar Development
2. Badlands	1096.38	@	\$8,500	=	\$9,319,000	5.50%	\$512,600	Current landfill use or Open Space Conservation
3. Beaumont	10.69	@	\$12,000	=	\$128,000	5.50%	\$7,100	Hold for Solar Development
4. Blythe	326.98	@	\$6,000	=	\$1,962,000	5.50%	\$107,900	Open Space Conservation
5. Bundy Canyon	83.87	@	\$8,500	=	\$713,000	5.50%	\$39,200	Open Space Conservation
6. Corona	18.91	@	\$13,000	=	\$246,000	5.50%	\$13,500	Hold for Solar Development
7. Desert Hot Springs	200.00	@	\$6,000	=	\$1,200,000	5.50%	\$66,000	Open Space Conservation
8. Double Butte	574.07	@	\$8,500	=	\$4,880,000	5.50%	\$268,400	Open Space Conservation
9. Highgrove	190.48	@	\$8,500	=	\$1,619,000	5.50%	\$89,000	Open Space Conservation
10. Homeland	4.26	@	\$8,000	=	\$34,000	5.50%	\$1,900	Open Space Conservation
11. Idyllwild	25.83	@	\$8,000	=	\$207,000	5.50%	\$11,400	Open Space Conservation
12. Lakeview	7.10	@	\$12,000	=	\$85,200	5.50%	\$4,700	Hold for Solar Development
13. Lamb Canyon	784.85	@	\$8,500	=	\$6,671,000	5.50%	\$366,900	Current landfill use or Open Space Conservation
14. Meed Valley	240.00	@	\$8,500	=	\$2,040,000	5.50%	\$112,200	Open Space Conservation
15. Mecca I	20.00	@	\$12,000	=	\$240,000	5.50%	\$13,200	Hold for Solar Development
16. Mecca II	77.75	@	\$12,000	=	\$933,000	5.50%	\$51,300	Hold for Solar Development
17. Menifee	19.09	@	\$8,000	=	\$153,000	5.50%	\$8,400	Open Space Conservation
18. Mira Loma	8.11	@	\$8,000	=	\$65,000	5.50%	\$3,600	Open Space Conservation
19. Oasis	154.47	@	\$7,000	=	\$1,081,000	5.50%	\$59,500	Hold for Solar Development
20. West Riverside	70.69	@	\$12,000	=	\$848,000	5.50%	\$46,700	Hold for Solar Development

Date of Value

June 19, 2013

Dates of Inspection

July 18 and 19, 2013

Date of Report

July 31, 2013

The subject properties are landfills located in the County of Riverside, California with the preponderance located on the western side of the county.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to assist you, the client, in determining the fair market value of various County landfills and thus providing an opinion of value. The first part is to provide a range of value, as of the current date of value, for each of the landfill sites. The second part is to provide a lease rental rate for each of the individual landfill sites.

INSPECTION DATE

I, Gary Valentine, MAI, ASA, SR/WA, CCIM, inspected the subject properties on July 18 and 19, 2013. I was accompanied by Robert Istik of the Riverside County Waste Management Department.

FUNCTION OF THE APPRAISAL

The function of the appraisal is to assist the County of Riverside EDA/Facility Management, Real Estate Division in providing proposed market value rental rates for negotiation purposes for each landfill.

If this report is used for any other purpose or valuation date, it may invalidate the appraisal.

My on-site inspection revealed no obvious evidence of soil contamination or the presence of toxic or hazardous substances. I am not an environmental engineer, and I am not qualified to detect contamination. While the site is vacant from any main improvements, I found that there was no obvious evidence of any soil contamination on the site.

While these sites are landfills, no Phase I or Phase II environmental reports were made available. Most of these sites are Sanitary III landfills which do not accept hazardous materials. However, it is possible for contamination to be present. I recommend an environmental engineering study to be certain there is no contamination on the site.

I reserve the right to revise the report in the event an environmental report is made available for review.

The scope of the appraisal included a physical inspection of the subject properties, a visual review of comparable properties, and an analysis of regional and neighborhood trends. The subject site information was obtained from the County Assessor's Office, and I assume the information to be correct. All market data were verified by the buyer, seller, broker, deed, Title Company, and/or leasing agent wherever possible; the accumulated data have been presented in this Summary Appraisal Report, resulting in the fair market value conclusion.

As part of the scope of this assignment, I considered all three typically recognized approaches to value, including the cost, income, and sales comparison, unless otherwise stated in the report. The improvements and land value estimates are shown separately in the "Highest and Best Use" section if they contribute value to the site. The appraisal report also includes supporting documentation, information, and analysis presented. If any adjustments are made to the data used in the value estimation, the report includes current market-based support by sound logical support and quantitative analysis.

My inspection of the subject property occurred on July 18 and 19, 2013, when I was accompanied by Robert Istik, Principle Engineer with Riverside County Waste Management Department.

All market data applied in the analysis is described in the report. I have analyzed the data found, and reached conclusions regarding the fair market value, as defined in the report, of subject properties as of the date of value, using the appropriate valuation approach identified in this report. I used information from county records, Multiple Listing Service, CoStar, LoopNet, and information from local real estate brokers. I also utilized market data of similar type properties that have occurred in recent years. The Sales Comparison Approach was used exclusively in the valuation analysis. However, given the lack of reliable market data encumbered by similar landfill sites, it was incumbent upon me to estimate the fair market values using sound judgment. I verified the market data with buyers, sellers, deeds, title companies, and/or real estate agents wherever possible. The value conclusions presented in this report are based upon review and analysis of market conditions effecting real property values, the attributes of competitive properties, and sales data from similar type properties.

There are several extraordinary assumptions and hypothetical conditions utilized in this appraisal report. First, that the title for each property is free, clear, and marketable. Title reports were requested but not made available. Second, all associated landfill and post-landfill responsibilities and costs will be maintained in perpetuity with the current owners. I reserve the right to revise this report if additional information is made available to me.

Assessor maps of each sale are also considered part of each sale write-up.

The appraisal has addressed no issues of law, engineering, code conformance, insect or rodent infestation, or contamination by discharge of asbestos or other hazardous materials, inter alia, unless specifically identified in the body of the report.

The appraisal has accordingly been completed under the Assumptions and Limiting Conditions and the Certification presented in this report.

The report may be reviewed by you, the client, the County of Riverside, and counsel. If it is used for any other purpose or valuation date, it may invalidate the appraisal.

The following definitions pertain to this report:

Fair market value.

(a)The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all uses and purposes for which the property is reasonably adaptable and available.

(b)The fair market value of the property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.¹

Real Property. The interest, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of real estate is endowed. In some states, real property is defined by statute and is synonymous with real estate.²

Fee Simple Interest. Absolute ownership unencumbered by any other interest or state subject only to the limitations exposed by the governmental powers of taxation, eminent domain, police power and escheat.³

¹ Code of Civil Procedures, Section 1263.320.

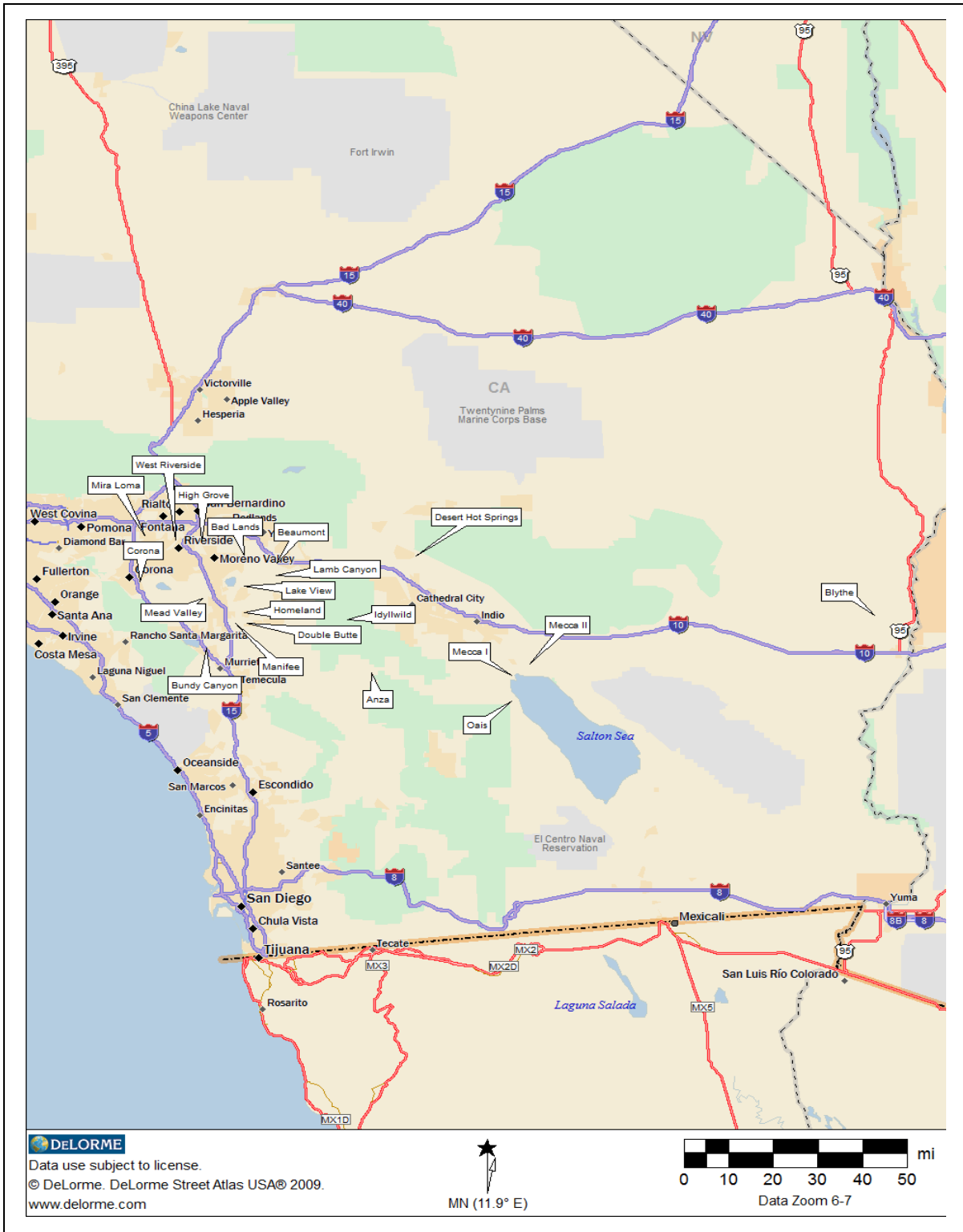
² Dictionary of Real Estate Appraisal, 5th edition.

³ Ibid.

The subject properties are located in the County of Riverside in various locations.

Riverside County is bounded to the north by San Bernardino County, to the west by Los Angeles and Orange counties, to the south by San Diego County, and to the east by the state of Arizona. The county is comprised of 23 incorporated cities plus various unincorporated areas.

Real property reflects and is influenced by the interaction of basic forces that motivate human activity. These forces are divided into four major categories: social trends, economic circumstances, governmental controls and regulations, and environmental conditions. The interaction of all the forces influences the value of every parcel of real estate in the market. I analyzed the trends and the forces that influence value to determine the direction, speed, duration, strength, and limits of these trends.



AREA MAP

According to LAEDC Kyser Center for Economic Research, Mid-Year Forecast, July 2012, the economic growth in the Inland Empire demonstrated consistent strength throughout 2012 as a result of encouraging job growth, particularly over the second half of the year. The outlook for the regional economy has improved due to gains in the labor market along with renewed optimism in housing, construction, and manufacturing. This is all positive news for Riverside and San Bernardino counties as they have had to overcome a long and deep recession and a very slow recovery over the past four years. The worst days of record setting numbers of foreclosures, plummeting home values and soaring joblessness are gone. Better days are ahead for the Inland Empire.

Employment

The Inland Empire has witnessed an improvement in the labor market over the past year, with nearly 16,000 nonfarm jobs added in 2012 and roughly 20,000 jobs added over the past two years. In fact, the region outperformed the state in job growth for most of 2012. Additionally, the region has experienced seven consecutive monthly declines in the unemployment rate. The unemployment rate, which hit a high of 14.6% in January 2012, fell three percentage points from 13.9% in August 2011 to 10.9% in December 2012. This was the first time the unemployment rate fell below 11% since 2008.

The biggest industry job gains in the Inland Empire occurred last year in construction administrative and support services, healthcare, wholesale trade, leisure and hospitality, and transportation. Government went through yet another year of job losses while education, retail trade and other services also reduced payrolls.

