

PLEASANT RIDGE EXHIBIT

1 D-11110  
 2 STATE OF ILLINOIS )  
 3 ) SS:  
 4 COUNTY OF DU PAGE )  
 5 BEFORE THE PUBLIC HEARING OFFICER  
 6 In The Matter Of:  
 7 APPLICATION FOR LOCAL SITING APPROVAL  
 8 PROPOSED FULLERTON WASTE TRANSFER STATION  
 9 FLOOD BROS DISPOSAL CO.  
 10 VILLAGE OF CAROL STREAM  
 11 REPORT OF PROCEEDINGS had and testimony  
 12 taken at the hearing of the above-entitled matter  
 13 before PATRICK M. KINNALLY, Hearing Officer, taken by  
 14 Amy K. Bateman, CSR No. 84-003803, RPR on  
 15 September 21, 2004, at 6:30 p.m., at Glenbard North  
 16 High School, 990 North Kuhn Road, Carol Stream,  
 17 Illinois.  
 18  
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 20  
 21  
 22  
 23  
 24

1 I N D E X  
 2 WITNESS:  
 3 MICHAEL S. MC CANN  
 4 EXAMINATION BY: DX CX RDX RCX EX  
 5 Mr. Flynn 364 514  
 Mr. Blazer 418 521  
 6 Mr. Price 499  
 Trustee McCarthy 507  
 7 Hearing Officer Kinnally 508  
 8 EXHIBITS: ID REC'D  
 9 Flood Bros Exhibit No. 2 402 416  
 Flood Bros Exhibit No. 3 417 417  
 10  
 Glendale Heights Exhibit No. 3 444  
 11 Glendale Heights Exhibit No. 4 444  
 12  
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 14  
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1 PRESENT:  
 2 MR. PATRICK M. KINNALLY, Hearing Officer;  
 3 QUERREY & HARROW, by  
 MS. JENNIFER J. SACKETT POHLENZ, and  
 4 MR. DAVID FLYNN,  
 175 West Jackson Boulevard, Suite 1600  
 5 Chicago, Illinois 60604-2827  
 Appeared on behalf of Flood Bros;  
 6  
 THE JEFF DIVER GROUP, L.L.C., by  
 7 MR. MICHAEL S. BLAZER, and  
 MR. THOMAS YU,  
 8 1749 South Naperville Road, Suite 202  
 Wheaton, Illinois 60187  
 9 Appeared on behalf of the Village of  
 Glendale Heights;  
 10  
 and  
 11  
 ANCEL, GLINK, DIAMOND, BUSH, DI CIANNI &  
 12 ROLEK, P.C., by  
 MR. DERKE J. PRICE,  
 13 140 South Dearborn Street  
 Chicago, Illinois 60603  
 14 Appeared on behalf of Village of  
 Carol Stream;  
 15  
 ALSO PRESENT:  
 16 MR. ROSS FERRARO, Mayor;  
 17 MS. WYNNE PROGAR, Deputy Village Clerk;  
 MS. PAM FENNER, Village Trustee;  
 18 MR. RICK GIESER, Village Trustee;  
 MR. MATTHEW MC CARTHY, Village Trustee;  
 19 MR. FRANK SAVERINO, Village Trustee; and  
 MR. THOMAS SHANAHAN, Village Trustee and Deputy  
 20 Mayor.  
 21  
 ---  
 22  
 23  
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1 HEARING OFFICER KINNALLY: I would like to get  
 2 started, please, so everybody take your places.  
 3 This is the continued hearing of the  
 4 Flood Bros' application to site a transfer station in  
 5 Carol Stream.  
 6 My name is Patrick Kinnally, and  
 7 could the elected officials and the mayor and the  
 8 trustees please identify themselves, please.  
 9 TRUSTEE SAVERINO: Frank Saverino, trustee.  
 10 TRUSTEE GIESER: Rick Gieser, trustee.  
 11 MAYOR FERRARO: Ross Ferraro, mayor.  
 12 TRUSTEE MC CARTHY: Matt McCarthy, trustee.  
 13 TRUSTEE SHANAHAN: Tom Shanahan, trustee and  
 14 deputy mayor.  
 15 TRUSTEE FENNER: Pamela Fenner, trustee.  
 16 HEARING OFFICER KINNALLY: Thank you.  
 17 I have one thing I would like to read  
 18 into the record that was given to me by a participant,  
 19 and it's a comment which will be filed for the record  
 20 and it just basically says this. This is after the  
 21 conclusion of Mr. Maiden's testimony when we were here  
 22 last.  
 23 In 2000 the Village of Carol Stream  
 24 embarked on a project to beautify the North Avenue and

1 Gary Avenue corridors. Have they given up on that?  
 2 The village made a commitment to the community to  
 3 community appearance and quality land use.  
 4 I don't agree that because a building  
 5 has a flat roof, trucks, and loading docks and product  
 6 being trucked in and out that it necessarily fits the  
 7 character of the area.  
 8 I believe that the proposed waste  
 9 transfer station is a substandard property, invites  
 10 more of the same by changing the character of this  
 11 area.  
 12 Residences, parks, and schools are  
 13 situated in proximity to the proposed transfer station  
 14 site. People buy homes here and move to this area  
 15 without any concern about the industrial park now and  
 16 appreciate the tax benefits that area brings along  
 17 with the jobs. Siting a waste transfer station on  
 18 Fullerton changes that character and lowers the  
 19 quality of the area.  
 20 This particular comment will be filed  
 21 for record with the clerk Wynne, so...  
 22 A couple housekeeping things. Number  
 23 one, we are going to cancel the Sunday meeting which  
 24 had been scheduled for 1:00 to 4:00 p.m.; and

1 depending on how we do, I am prone to cancel the  
 2 Saturday meeting. And I'm not trying to be --  
 3 penalize anyone, but if we make good progress in the  
 4 next four evenings, I would likely do that since some  
 5 of the attorneys have indicated to me that they will  
 6 be able to shorten their witness list -- or at least  
 7 one of them has. And I'll be talking to them tonight  
 8 after the hearing to see if we can make some progress  
 9 in that area. They're all working very hard in trying  
 10 to get information to the trustees, which we  
 11 appreciate.  
 12 So tonight we will continue with  
 13 Criteria No. 3 and I believe, Ms. Pohlenz, it's your  
 14 witness; is that correct?  
 15 MR. FLYNN: It is correct.  
 16 HEARING OFFICER KINNALLY: Oh, sorry.  
 17 Would you state your name please and  
 18 stand up and raise your right hand.  
 19 THE WITNESS: Michael S. McCann.  
 20 (Witness sworn.)  
 21 HEARING OFFICER KINNALLY: And I take it you  
 22 are for the applicant; is that correct?  
 23 THE WITNESS: Yes. I've been retained --  
 24 HEARING OFFICER KINNALLY: Thank you.

1 THE WITNESS: -- by the applicant.  
 2 HEARING OFFICER KINNALLY: You may proceed.  
 3 MR. FLYNN: Thank you.  
 4 MICHAEL S. MC CANN  
 5 called as a witness by the applicant, having been  
 6 first duly sworn, was examined and testified as  
 7 follows:  
 8 DIRECT EXAMINATION  
 9 BY MR. FLYNN:  
 10 Q. Mr. McCann, where are you employed?  
 11 A. At William McCann & Associates, a real  
 12 estate appraisal firm downtown Chicago.  
 13 Q. How long have you been employed there?  
 14 A. 23 years.  
 15 Q. Are you a real estate appraiser?  
 16 A. A real estate appraiser and consultant,  
 17 yes, sir.  
 18 Q. Showing you what's been marked as Flood  
 19 Bros Exhibit No. 1, which is Volume 1 of the  
 20 application, referring you to Pages 306 to 307, is  
 21 that your curriculum vitae?  
 22 A. Yes, it is.  
 23 Q. Does that summarize your educational  
 24 background, training, and experience?

1 A. Yes. It is a pretty fair summary.  
 2 Q. Are you qualified by training, education,  
 3 and experience to serve as an expert concerning a  
 4 Criterion 3 evaluation?  
 5 A. Yes. I have been on numerous occasions.  
 6 Q. Would you tell the ladies and gentlemen  
 7 present here what those qualifications are?  
 8 A. Well, as I mentioned, I've been appraising  
 9 real estate for over 23 years. I have completed all  
 10 the curriculum necessary to obtain the -- the higher  
 11 of the two levels of licensing offered by the state of  
 12 Illinois.  
 13 I'm also an associate member of the  
 14 Appraisal Institute. I'm a member of Lambda Alpha  
 15 International. I'm a licensed real estate agent in  
 16 Illinois, and I've also served for a few years on the  
 17 appraiser's council of the Chicago Board of Realtors.  
 18 With respect to this type of  
 19 analysis, I've had numerous occasions to do property  
 20 value studies, not just for disposal-related  
 21 facilities, but for really all types of properties.  
 22 Q. Can you tell us approximately how many  
 23 times you've been involved in a Criterion 3 analysis  
 24 prior to your involvement with this proposal?

<p style="text-align: right;">Page 366</p> <p>1 A. Well, in Criterion 3 analysis, in, you  2 know, some states it's not really a Criterion 3  3 analysis; it's a zoning study but with very similar  4 and overlapping issues, and I would -- approximately  5 50 of those types of analyses and something on the  6 order of 100 waste disposal-related facilities that  7 I've had occasion to appraise for other reasons  8 including these type of analyses.  9 Q. Can you tell us the types of facilities  10 that have been involved in the Criterion 3 type  11 analysis?  12 A. Certainly. In addition to waste transfer  13 stations, I've also studied property value trends for  14 surrounding areas around landfills, inert waste  15 landfills meaning clean fill, medical waste  16 facilities, landscape waste. I have also studied  17 property values around Superfund sites as parts of  18 class action lawsuits and things of that nature.  19 Q. Has your Criterion 3 analysis always been  20 on behalf of an applicant?  21 A. No, it has not.  22 Q. Who else have you performed a Criterion 3  23 analysis on behalf of?  24 A. I have performed review analyses for</p>	<p style="text-align: right;">Page 368</p> <p>1 A. Yeah, certainly. I've done property value  2 studies using, you know, very similar or identical  3 methodology for various land uses that tend to attract  4 attention and legitimate concerns from, you know, the  5 citizens such as, you know, power plants like you  6 mentioned, shopping centers, industrial facilities,  7 even other single-family residential subdivisions.  8 Q. How many states or jurisdictions have you  9 been qualified as an expert?  10 A. 17, I believe.  11 Q. In this particular matter, you've been  12 retained by Flood Bros to perform a Criterion 3  13 analysis?  14 A. Yes, I was.  15 Q. Are you being compensated for your time?  16 A. Yes, I am.  17 Q. Have you ever performed any other work on  18 behalf of Flood Bros either before this application  19 was filed?  20 A. No, sir, I haven't.  21 Q. Do you have any other pending projects  22 with Flood Bros?  23 A. No, I don't.  24 Q. What is a Criterion 3 analysis?</p>
<p style="text-align: right;">Page 367</p> <p>1 Criterion 3 for Ogle County, for example, the Village  2 of Rochelle, more recently Batavia.  3 I have also worked for other  4 governmental bodies on disposal facility assignments,  5 oh, including the DuPage County Forest Preserve  6 District in relation to the Mallard Lake and Green  7 Valley landfills, the utilities authority in New  8 Jersey, and the list goes on, really.  9 Q. Of the approximate 50 Criterion 3 analyses  10 you've performed, how many have involved transfer  11 stations?  12 A. About 15.  13 Q. And have those been on both behalf of  14 applicants and governmental entities?  15 A. Yes, they have.  16 Q. Are there facilities other than pollution  17 control facilities, such as a landfill, transfer  18 station, and things of that nature, where you  19 performed an analysis which would be similar to the  20 analysis performed in a Criterion 3?  21 A. Oh, if you're referring to other disposal  22 facilities, yes, I have reviewed.  23 Q. Well, other than disposal facilities such  24 as power plants, things of that nature?</p>	<p style="text-align: right;">Page 369</p> <p>1 A. A Criterion 3 analysis is really an  2 analysis designed to determine whether or not a  3 facility is located so as to minimize incompatibility  4 on the character of the area and secondly to determine  5 whether or not the facility is located so as to  6 minimize impact on surrounding property values.  7 Q. So there's actually two aspects to  8 Criterion 3?  9 A. That's correct, yes.  10 Q. Are you here to testify as to both?  11 A. Yes, I am.  12 Q. Have you prepared a report?  13 A. Yes, I have.  14 Q. Referring you to Flood Bros Exhibit No. 1,  15 Volume 1, does that contain a copy of your report and  16 related data?  17 A. Yes, it does.  18 Q. And are Pages 254 through 305 a true and  19 accurate copy of your report?  20 A. Yes, they are.  21 Q. And 309 through 465, does that contain  22 some of the data which you've attached to your report?  23 A. Yes.  24 Q. So in summary, Pages 254 through 465</p>

<p style="text-align: right;">Page 370</p> <p>1 consist of your report, your curriculum vitae, and the  2 data which you have attached in support of your  3 report?  4 A. That's correct, yes.  5 Q. In terms of making a determination as to  6 whether the facility is located in a manner which will  7 minimize incompatibility with the character of the  8 surrounding area, what factors did you evaluate?  9 A. Well, the location of the facility is  10 certainly the first item to be reviewed, what is the  11 setting, what are the surrounding uses and the  12 surrounding zoning, the physical characteristics of  13 the property itself both as present characteristics  14 and the proposed use, and, you know, how it fits on  15 the site.  16 But the land use and zoning patterns  17 and -- and how this particular site, you know, works  18 within that area is, you know, the overall review of  19 the compatibility.  20 Q. Can you describe the location of the  21 facility?  22 A. Yes. It's located along the north side of  23 Fullerton Avenue between Gary Avenue to the west and  24 Schmale Road to the east with North Avenue in the</p>	<p style="text-align: right;">Page 372</p> <p>1 environs are all zoned industrial and utilized, you  2 know, for industrial purposes.  3 The topography of the site is  4 somewhat above the grade of Fullerton Avenue. And  5 with respect to the proposed use, the existing  6 driveway will be relocated so it essentially lines up  7 with the Beltmann property across Fullerton Avenue so  8 the line of sight is lined up.  9 Q. Can you give us a description of the  10 bigger picture in terms of where this site is and  11 what's around it?  12 A. Well, the bigger picture is it's, you  13 know, obviously an industrial park and this property  14 is, you know, located within the center of it,  15 actually some 2,700 feet west of the nearest  16 residential properties in Glendale Heights to the east  17 and about 2,400 feet from the nearest residential  18 properties in Carol Stream to the west.  19 But I'd actually like to take this  20 opportunity to point out that I believe I have a typo  21 in my report where I stated that it was 1,900 feet  22 from the nearest residential in Carol Stream and  23 that's actually not accurate.  24 Q. What is your understanding as what's</p>
<p style="text-align: right;">Page 371</p> <p>1 south and Lies Road to the north within pretty much  2 the center of the Carol Stream industrial park.  3 Q. What's up on the screen presently is  4 Figure 6 from your report?  5 A. Yes.  6 Q. And Figure 6 is an aerial photograph of  7 the existing site?  8 A. That's correct, yes.  9 Q. And that's a true and accurate copy of the  10 report -- of the aerial photograph contained within  11 your report?  12 A. Yes, it is.  13 Q. And the subject site runs from the bottom  14 to the top just to the left of that long rectangular  15 building?  16 A. Correct, yes.  17 Q. Continue.  18 A. I'm sorry. What was the --  19 Q. You were describing the existing site and  20 its location.  21 A. Well, the site is just over 10 acres, I  22 believe 10.004 acres. It's a rather deep lot with  23 substantial existing mature landscaping that can serve  24 as screening for the proposed use. And the immediate</p>	<p style="text-align: right;">Page 373</p> <p>1 required by the Environmental Protection Act in terms  2 of location in relationship to residential?  3 A. That other than in Cook County these type  4 of facilities must be at least 1,000 feet from the  5 nearest residential property.  6 Q. Can you describe the physical  7 characteristics of the proposed facility? And we have  8 a landscape plan there if that helps you.  9 A. Well -- I don't know if I need to use the  10 microphone or if...  11 HEARING OFFICER KINNALLY: You know, Counsel, I  12 don't mean to cut you off, but Mr. Maiden gave us a  13 lot of information about the landscaping and whatnot.  14 And I know Mr. McCann is familiar with it too, but  15 let's try to --  16 MR. FLYNN: Okay. I'll shorten it up.  17 HEARING OFFICER KINNALLY: Let's try not to  18 duplicate.  19 BY MR. FLYNN:  20 Q. Mr. McCann, would it be fair to state that  21 you've reviewed various aspects of the application  22 which is Volume 1 contained in front of you?  23 A. Yes.  24 Q. And you're generally familiar with the</p>

<p style="text-align: right;">Page 374</p> <p>1 contents?  2 A. Yes, I am.  3 Q. And you've also had an opportunity to hear  4 Mr. Maiden's testimony?  5 A. Actually, I left just as he was starting  6 (laughter), but I'm -- but I am familiar with his  7 opinions on -- on this project.  8 MR. BLAZER: Mr. Hearing Officer, if it will  9 shorten things up, I'd be happy to stipulate that he  10 would testify consistent with what Mr. Maiden  11 testified to.  12 HEARING OFFICER KINNALLY: Well, I think he's  13 got something more to offer than that.  14 MR. BLAZER: I mean --  15 HEARING OFFICER KINNALLY: He's going to talk  16 about property value and I think the residents would  17 like to hear about that because Mr. Maiden did not  18 offer any opinions with respect to that.  19 But I appreciate your -- your offer  20 of stipulation. It's up to counsel whether they want  21 to accept it.  22 MR. BLAZER: I was -- I was just so you -- I  23 was talking about compatibility, not about property  24 value.</p>	<p style="text-align: right;">Page 376</p> <p>1 Glendale Heights and about 2,400 feet from the nearest  2 residential in Carol Stream.  3 It's -- it's surrounded by industrial  4 uses, it's surrounded by industrial zoning.  5 And with respect to the facility  6 itself, all the operations will be conducted -- all  7 the transfer operations will be conducted within the  8 enclosed building which has the effect of minimizing  9 any off-site perceptions and therefore enhancing the  10 compatibility.  11 Also the type and quality of  12 construction that's proposed for this facility is  13 relatively consistent with the variety of, you know,  14 architectures, construction materials, and so forth as  15 are found, you know, throughout the Carol Stream  16 industrial park.  17 Q. Have you reached an opinion as to whether  18 the impact on traffic flow has been minimized as to  19 the character of the surrounding area?  20 A. Yes. With respect to the character, you  21 know, I have reached an opinion, yes, that --  22 Q. What -- what is that opinion?  23 A. That the impact has been minimized by  24 virtue of the same types of trucks, you know,</p>
<p style="text-align: right;">Page 375</p> <p>1 HEARING OFFICER KINNALLY: Okay. Go ahead,  2 Mr. Flynn.  3 BY MR. FLYNN:  4 Q. What other aspects do you look at in terms  5 of compatibility? Did you look at zoning?  6 A. Yes, with respect to the surrounding  7 zoning.  8 Q. What is the surrounding zoning?  9 A. Well, in each direction, it's all  10 industrial with some public use zoning to the east  11 along Fullerton Avenue, namely the recycling center  12 and the post office.  13 Q. Did you reach an opinion as to the  14 compatibility of the proposed site in terms of the  15 character of the surrounding area?  16 A. Yes, I have.  17 Q. What is that opinion?  18 A. That it is compatible with the character  19 of the surrounding area.  20 Q. What is the basis of your opinion?  21 A. Well, first that it's separated from  22 residential uses by, you know, significant distances  23 well in excess of the -- the minimum required, as I  24 mentioned, 2,700 feet from the nearest residential in</p>	<p style="text-align: right;">Page 377</p> <p>1 tractor-trailers, and then, you know, the shorter  2 delivery trucks which can be represented by the  3 collection vehicles as well as the transfer trailers,  4 the fact that the routes to it, the site, to and from  5 the site are already established truck routes, you  6 know, whether we're referring to North Avenue, Gary  7 Avenue, or Fullerton Avenue or Schmale Road.  8 Also, again, lining up the driveway  9 entrance with the Beltmann property driveway on the  10 other side of Fullerton, as I understand it from  11 the -- from the traffic expert, is a benefit for how  12 this site is proposed to be developed.  13 And then again, the -- by placing the  14 improvement, the main building with the tipping floor  15 as far back on the site as they have it, as -- as well  16 as the other characteristics of the site, it allows  17 for all the queuing, really, to take place within the  18 site itself as opposed to out on Fullerton Avenue.  19 Q. In addition to the first aspect of  20 Criterion 3, you've also evaluated the second aspect  21 which is whether the proposed facility has been so  22 located so as to minimize the impact on the value of  23 surrounding property?  24 A. Yes, I have.</p>

<p style="text-align: right;">Page 378</p> <p>1 Q. How is it that you begin that analysis?  2 A. Well, the first step really is looking at  3 the setting and the location with respect to  4 compatibility because if it is compatible with the  5 nearest uses, then the greatest majority of minimizing  6 any impact on value has already been accomplished.  7 But secondly, what I have done is,  8 you know, reviewed the -- how they're proposing to  9 develop this facility at this location. And then what  10 I've also done is developed case studies of what  11 property value trends actually are in the vicinity of  12 other such facilities, whether it's transfer stations  13 or, in one such case study, a landfill.  14 Q. So the first aspect is to determine  15 compatibility which you found does exist?  16 A. That's correct.  17 Q. The second part is the value impact  18 studies?  19 A. Yes, sir.  20 Q. How many impact studies did you perform  21 for this particular site application?  22 A. I utilized six separate case studies of  23 existing facilities as part of this application.  24 Q. Could you identify those for us?</p>	<p style="text-align: right;">Page 380</p> <p>1 Because being that the residential  2 properties are usually perceived as the most sensitive  3 to any external forces, you know, I have included the  4 residential case studies notwithstanding the  5 significant distances at this location.  6 Q. Can you describe the methodology that you  7 employ when evaluating whether or not an existing  8 transfer station has had a negative impact on property  9 values?  10 A. There are really a couple different  11 methodologies; but the overall methodology is  12 utilizing a target and control area with the target  13 area being the area nearest the facility in question  14 where if there were any impact on property values, it  15 would most likely be reflected in that closer in  16 location, and then comparing that against background  17 information or the control group, which would include  18 very similar properties that are so far removed that  19 no reasonable estimate could assume that -- that they  20 had been affected by the facility.  21 Q. Once you've identified a target area and a  22 control area, what is the next step in the process?  23 A. Well, to -- in addition to inspecting it  24 and reviewing it to make sure that it's reasonably</p>
<p style="text-align: right;">Page 379</p> <p>1 A. Certainly.  2 I've focused first on industrial  3 since that is the nearest type of uses in property and  4 development in the area. And I utilized a case study  5 for property values surrounding a transfer station in  6 Alsip as well as one in Elk Grove Village and then  7 again a more focused study on a couple of proximate  8 properties adjacent to a transfer station in  9 Northbrook.  10 I've also reviewed development trends  11 for a whole industrial park in Batavia across Fabyan  12 Parkway from the Settler's Hill Landfill.  13 And then I've utilized some  14 residential data under a couple different scenarios  15 for residential properties in Melrose Park across Lake  16 Street from the Onyx Transfer Station and then again  17 in Palatine across Northwest Highway from an  18 industrial park that has within it, near the north end  19 of it, the Rolling Meadows Transfer Station.  20 Q. What is the purpose of these studies?  21 A. Well, the purpose of these studies is to  22 reflect what market conditions actually are, what  23 property value movements or changes actually are in  24 proximity to these type of facilities.</p>	<p style="text-align: right;">Page 381</p> <p>1 appropriate and comparable location, collecting and  2 researching, analyzing and inspecting all the sales  3 data that's available through various, you know,  4 industry sources and traditional sources of  5 information that Realtors and real estate appraisers  6 use including the Multiple Listing Service, the Comps  7 CoStar Service, area brokers, and so forth.  8 That data is researched and computed  9 into various indicators of value, whether it be the  10 average price per square foot, the average days on the  11 market, the percent of list price that properties are  12 selling for.  13 And then when there is adequate data,  14 also to do resale analysis meaning computing the rate  15 of appreciation or depreciation, as the case may be,  16 between the sale of the -- two sales of the same  17 property itself, so -- and then comparing that  18 information from the target area with the control area  19 to determine whether or not there is, you know, any  20 measurable or definable difference in value that can  21 be attributed to, you know, any use, in this case, the  22 transfer stations.  23 Q. You seem to place a significant value on  24 appreciation rates and comparing appreciation rates in</p>

1 a target and a control area. Can you explain why you  
 2 believe the appreciation rates are a significant  
 3 factor?  
 4 A. Well, an appreciation rate, first of all,  
 5 reflects the actual movement as opposed to  
 6 hypothetical or opinions and so forth, but it's  
 7 factual information as to what property value movement  
 8 actually has been. If there is a positive  
 9 appreciation rate, then the values have been going up.  
 10 If someone resells for a lower price than they paid  
 11 for it, that will reflect a depreciation rate.  
 12 And a resale appreciation rate for a  
 13 given property is really the best indicator of that  
 14 property value movement and it eliminates the need to  
 15 make adjustments or comparisons for an otherwise  
 16 comparable property.  
 17 Q. So if you're measuring the resale of the  
 18 same property, you're measuring that property against  
 19 itself?  
 20 A. That's correct.  
 21 Q. I'd like to look at the first case study  
 22 you performed, the Alsip Transfer Station.  
 23 Can you -- can you start off by  
 24 telling us generally where that is located, the size

1 site it's on, and the tonnage per day that it does?  
 2 A. Well, the Alsip Transfer Station is  
 3 located along the east side of Austin Avenue just  
 4 south of 115th Street, I believe, like three doors  
 5 south. It's at the entrance to the ProLogis -- pardon  
 6 me, ProLogis 294 industrial park in Alsip. It -- that  
 7 particular site is only 1.8 acres and its average  
 8 volume is about 605 tons per day in -- in 2001.  
 9 Q. So the Alsip site is approximately 20  
 10 percent of the proposed site in this matter?  
 11 A. That's correct, yes.  
 12 Q. And it is handling approximately 66  
 13 percent of the volume of this proposed site?  
 14 A. Yes. At the 900 tons per day, yes.  
 15 Q. Are all the operations of Alsip inside?  
 16 A. Well, the -- they are, but that particular  
 17 transfer station building is an older facility that  
 18 predates the siting act; and what it really is is a  
 19 three-sided, almost a shed, really, with a roof on it  
 20 that is not set back very far from the street, you  
 21 know, maybe a couple hundred feet. And frankly you  
 22 can see the tipping floor of that particular transfer  
 23 station from Austin.  
 24 Q. In the Alsip impact study, did you

1 identify a target area?  
 2 A. Yes, I did.  
 3 Q. Where is the target area?  
 4 A. The target area is the couple block area  
 5 immediately surrounding that transfer station; and  
 6 that's really based on, you know, my inspection of the  
 7 properties that could really be deemed to be near in  
 8 and close to the transfer station where if there were  
 9 any influence on their values, it would be reflected  
 10 in that area.  
 11 Q. And what did you choose for the control  
 12 area?  
 13 A. Well, I utilized the balance of the  
 14 industrial properties within the village of Alsip so  
 15 that it would exclude the target area and really only  
 16 reflect the characteristics then of Alsip overall.  
 17 Q. With respect to the Alsip study, was the  
 18 first measure the comparison of the appreciation rate  
 19 in the target area as compared to the control area?  
 20 A. Yes. And those two appreciation rates  
 21 are -- are very similar at 3.5 percent average annual  
 22 appreciation in the target area and 3.23 percent, just  
 23 a little bit lower, really, in the balance of Alsip,  
 24 the control area.

1 Q. In terms of the list of the transactions  
 2 in the target and the control areas, are they listed  
 3 in Tables 1A and 1B of your report?  
 4 A. Yes, they are.  
 5 Q. And those are up there on the screen?  
 6 A. Yes, they are.  
 7 Q. And I believe you indicated the  
 8 appreciation rate was 3.5 percent in the target area  
 9 as compared to 3.23 percent in the control area?  
 10 A. That's correct.  
 11 Q. In addition to comparing the rates of  
 12 appreciation, did you make any other comparisons  
 13 concerning the target and control areas?  
 14 A. Yes. I also noted -- and it's reflected  
 15 in my report -- that the average price per square foot  
 16 in the target area was \$37.53 per square foot of  
 17 building areas for those industrial properties, very  
 18 close to the \$38.57 per square foot that the control  
 19 area properties reflect overall.  
 20 I also noted that the -- in the  
 21 target area that buildings tended to be a little  
 22 smaller and older with an average age of 26 years and  
 23 15,000 more or less square feet, whereas in the  
 24 control area, the buildings on average were a little

<p style="text-align: right;">Page 386</p> <p>1 newer at 23 years and averaged 54,050 square feet.  2 Q. And that would account for the approximate  3 \$1.04 in difference per square foot?  4 A. The -- the age and the size primarily,  5 yes.  6 I also refined my analysis to isolate  7 within both the target and control areas any  8 properties that had resold for a lower price the  9 second time, in other words, showing a depreciation  10 rate. And in both the target and control areas, 11  11 percent of the properties had resold for a lower price  12 the second time, which is not unusual circumstances  13 overall because there, you know, is all kinds of  14 motivators for selling property, but certainly not  15 disproportionate in one area versus the other.  16 Q. You noted one difference between the  17 target and the control areas being the size of the  18 buildings?  19 A. That's right.  20 Q. What was the average size in the target  21 area?  22 A. 15,673 square feet.  23 Q. What was the average size in the target  24 area?</p>	<p style="text-align: right;">Page 388</p> <p>1 to whether or not that facility had an impact on the  2 value of surrounding property?  3 A. Yes, I did.  4 Q. What is that opinion?  5 A. Well, not only did it not have an impact  6 on the value of the existing properties and there was  7 no measurable difference in the values, but it  8 similarly has not deterred further development because  9 even since I've completed and updated this case study,  10 there has been ongoing development down Austin Avenue.  11 For example, FCL is constructing  12 several big box industrial facilities along the west  13 side of Austin that, you know, you have to pass this  14 transfer station to get to their new facilities. In  15 fact, one of those buildings is a six-tenant building  16 that already has five tenants in it.  17 Q. This is new construction that's taking  18 place now?  19 A. Yes. And I believe it's something north  20 of \$12 million worth of new construction.  21 Q. Turning next to the Groot facility which I  22 believe you referred to as the Elk Grove Village case  23 study?  24 A. Yes. The transfer station is actually in</p>
<p style="text-align: right;">Page 387</p> <p>1 A. I'm sorry?  2 Q. Or the control area.  3 A. 54,050 square feet.  4 Q. Did you attempt to list out the properties  5 in the control area between eight and 15,000 and 15  6 and 30,000 square feet?  7 A. I did do that to refine my analysis and --  8 and bracket the size range that's reflected in the  9 target area.  10 And that in fact showed in the  11 smaller size range, in eight to 15,000, an average  12 sale price of \$37.11 a square foot and then again in  13 the -- the next category of 15,000 to 30,000 square  14 feet, an average price per square foot of \$33.92.  15 Q. So when you look at building sizes in the  16 control area similar to building sizes in the target  17 area, the price per square foot was higher in the  18 target area?  19 A. That's correct.  20 Q. And I believe your Tables 3A and 3B  21 reflect those refined studies?  22 A. I believe they do, yes.  23 Q. After performing your study concerning the  24 Alsip Transfer Station, did you come to an opinion as</p>	<p style="text-align: right;">Page 389</p> <p>1 the city of Chicago, but the -- the properties that  2 were studied are, you know, directly across the street  3 in Elk Grove Village.  4 Q. Is that the Groot facility that we're  5 looking at on the screen?  6 A. Yes, it is.  7 Q. And would that be Elmhurst Road right out  8 in front?  9 A. Yes, it is.  10 Q. So the facility is -- can be viewed from  11 the street?  12 A. Yes. It's, you know, fenced but it's  13 certainly partially visible.  14 Q. Can you describe the size of the site and  15 the tonnage processed by this facility?  16 A. Well, that is a six-acre site and the  17 average tons per day are more or less 1,800 tons per  18 day for 2000 and 2001.  19 Q. So it has about 60 percent of the land of  20 this proposed facility?  21 A. That's correct, yes.  22 Q. And it is doing approximately twice the  23 tonnage?  24 A. That's correct also, yes.</p>



<p style="text-align: right;">Page 390</p> <p>1 Q. Can you identify the target areas and 2 control areas that you utilized in the Elk Grove 3 study? 4 A. Well, the target area is the several block 5 area immediately to the -- to the west of -- and 6 slightly to the north of that Groot facility. 7 As you can see on the exhibit on the 8 screen, there is a control area located with a 9 one-mile gap in between the target and control areas, 10 you know, again attempting to stay in the same overall 11 market area, that Elk Grove Village, you know, the 12 Centex Industrial Park. 13 Q. In terms of the transfer station itself, 14 that is all the way to the right of the target area? 15 A. That's correct, yes. 16 Q. And then the target area essentially is 17 the properties immediately adjacent to it? 18 A. Yes, sir. 19 Q. And the target area, I believe you 20 indicated, is well removed -- or the control area is 21 well removed from the facility? 22 A. Yes. Not just separated by the target 23 area but also by another, I believe, one-mile gap. 24 Q. There's also two major north-south</p>	<p style="text-align: right;">Page 392</p> <p>1 another as to whether or not that was an arm's length 2 transaction? 3 A. No. Actually I have not been able to. 4 Q. I'm going to ask you to remove that 5 transaction from the target area. What happens to the 6 appreciation rate if that transaction is removed? 7 A. Bear with me while I locate that page, 8 please. 9 If that transaction is removed, it 10 reduces the appreciation rate in the target area to 11 6.2 percent. 12 Q. So it lowers the appreciation rate 13 slightly? 14 A. That's correct. 15 Q. But is the appreciation rate in the target 16 area, how does that compare to the control area? 17 A. Well, it's still significantly higher with 18 the control area being at 1.35 percent. 19 Q. Now, there's also another transaction 20 that's included in the control area which may not be 21 the sale or resale of the same property? 22 A. Well, it's the same site and two of the 23 sales were with the same building on it, but the third 24 one, the third transaction, you know, clearly shows a</p>
<p style="text-align: right;">Page 391</p> <p>1 roadways between that facility and your control area? 2 A. Yes. 3 Q. Can you tell us what you studied in the 4 Elk Grove study? 5 A. Well, again, I studied the appreciation 6 rates, the prices per square foot, and, you know, 7 reviewed it by building size as well. 8 And what I found that the market was 9 reflecting in that particular location was the 10 appreciation rates in the target area were averaging 11 7.82 percent annually, whereas in the control area, 12 they were really significantly lower at 1.35 percent. 13 Q. Now, have you had an opportunity to review 14 the report prepared by Mr. MaRous? 15 A. Yes, I have. 16 Q. Now, he indicated that one of the 17 transactions may not have been an arm's length 18 transaction. Do you recall that being listed in his 19 report? 20 A. Yes, I do. 21 Q. And that relates to the 2201 Lunt 22 property? 23 A. Correct. 24 Q. Have you been able to confirm one way or</p>	<p style="text-align: right;">Page 393</p> <p>1 new construction on it. 2 Q. So that's not a sale or a resale of the 3 same property, the third transaction? 4 A. Certainly not identical, no. 5 Q. And that is something that should not be 6 included? 7 A. Well, it -- from some ways of looking at 8 it, yes, you could fairly exclude that sale. 9 Q. If you were to exclude that transaction 10 from the control area, what does that do to the 11 appreciation rate? 12 A. It reduces the appreciation rate in the 13 control area to less than 1 percent, actually reduces 14 it to .67 percent. 15 Q. So regardless of whether or not those 16 transactions are included or excluded, what is the 17 appreciation rate in the target area as compared to 18 the control area? 19 A. Well, either way it's significantly higher 20 in the target area. 21 Q. In addition to comparing the appreciation 22 rates of the resales in the target and control areas, 23 did you compare anything else? 24 A. Pardon me.</p>

<p style="text-align: right;">Page 394</p> <p>1 Yes. The price per square foot which  2 in the target area over this study period was \$37.73  3 per square foot of building area and somewhat higher  4 in the control area at \$42.26, you know, again, with  5 some dissimilarity in the average size of the  6 buildings in those two study areas being 60,000 --  7 over 60,000 square feet in the target area and just  8 over 37,000 square feet in the control area.  9 Q. Did you further refine that study by  10 breaking down the transactions into groups of  11 10,000 -- 10 to 20, 20 to 30, 30 to 40, et cetera?  12 A. Yes, I did.  13 Q. And after you broke down the transactions  14 into those categories, what, if anything, did you  15 conclude?  16 A. Well, I concluded that it still did not  17 reflect any value loss in the area closest to the  18 transfer station, you know, the target area.  19 Q. After completing your impact value study  20 concerning the Groot facility, have you reached an  21 opinion as to whether or not that facility had an  22 impact on the value of the surrounding property?  23 A. Yes, I have, and my conclusion is that it  24 did not have any measurable effect or reduction on</p>	<p style="text-align: right;">Page 396</p> <p>1 Settler's Hill?  2 A. Settler's Hill has been realizing an  3 average daily volume of about 3,567 tons.  4 Q. Now, the operation at Settler's Hill, is  5 that an indoor or an outdoor operation?  6 A. Well, all the tipping operations are, you  7 know, conducted outdoors. It's -- you know, they tip  8 it on the landfill and of course before the end of the  9 day, they have to cover the trash with -- with soil  10 or, you know, other temporary measures.  11 Q. How long has that landfill been in  12 operation?  13 A. Well, that landfill predates the Batavia  14 industrial park by a number of years. It started  15 operating in the late '70s. Actually originally there  16 was the Midway Landfill there and then it became  17 relabeled as the Settler's Hill Landfill.  18 Q. And it's been expanded a couple times?  19 A. Yes, it has.  20 Q. When the Batavia industrial park started,  21 was there any indication that Settler's Hill was going  22 to be closing in 2006?  23 A. No, there was no such indication at that  24 time.</p>
<p style="text-align: right;">Page 395</p> <p>1 surrounding property values.  2 Q. The third category -- or third case study  3 that you did was what's referred to as the Batavia  4 industrial park?  5 A. Yes.  6 Q. Now, that does not involve a transfer  7 station, does it?  8 A. No. That's in relation to the -- it's an  9 industrial park located directly south of the  10 Settler's Hill Landfill along the south side of Fabyan  11 Parkway west of Kirk Road.  12 Q. What was the purpose of studying that  13 industrial park?  14 A. Well, being that this property is  15 located -- or the Flood Bros application relates to a  16 site within an established industrial park, clearly  17 the -- the concern could exist for some that it could  18 have some influence on those existing industrial  19 properties, and I felt that a good measure of what the  20 market actually says on this issue is whether or not  21 new development occurs adjacent to an even larger and  22 much more visible waste disposal facility-related, you  23 know, use.  24 Q. What is the tonnage that's going into</p>	<p style="text-align: right;">Page 397</p> <p>1 Q. Can you tell us in terms of the square  2 footage and the amount of money that's been invested  3 in this industrial park right next to the landfill?  4 A. Well, between April of 1988 and through  5 September of '98, over \$71 million has been invested  6 as reported on the building permits for facilities  7 within that industrial park. That does not include  8 the land, it does not include other finishes and  9 improvements to the property that are not -- where  10 ownership is not required to obtain a building permit,  11 and that's for over a -- or almost 2.5 million square  12 feet of industrial space.  13 Q. Did you reach an opinion as to whether or  14 not the existence of the landfill had a deterrent to  15 development of industrial space?  16 A. Yes. It's my opinion that it clearly has  17 not deterred the development activity, investment in  18 properties in that industrial park whether it be by  19 owner-occupants or -- or tenants.  20 Q. Would you consider a landfill to be more  21 intrusive than a transfer station?  22 A. Well, it's certainly a much more visible  23 type of operation. There's a large mound that gets  24 increasingly larger. Of course the tipping operations</p>

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1 are conducted, you know, out in the open to a large  
2 extent. It occupies a considerably larger land size.  
3 Settler's Hill, I believe, is 291 acres. And it's an  
4 ongoing, you know, development or operation.  
5 And another significant difference  
6 there is -- other than the visibility is that the  
7 waste is actually disposed of at the landfill as the  
8 final location as opposed to just processed through it  
9 at a transfer station.  
10 Q. So even though some day it may stop taking  
11 garbage, the millions upon millions of tons that have  
12 been buried there, that never goes away, does it?  
13 A. No. That's right, yeah.  
14 Q. Your fourth case study involved the  
15 Northbrook Transfer Station?  
16 A. Yes.  
17 Q. Can you tell us where that's located?  
18 A. Well, the Northbrook Transfer Station is  
19 located along Shermer Road just south of the EJ&E  
20 Railroad underpass in Northbrook.  
21 Q. Can you describe the facility in terms of  
22 the size of the site that it sits on and the volume of  
23 garbage that it handles?  
24 A. That's a rather small constrained site.

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1 It's only one acre and it has handled about 450 tons  
2 per day over 2001, 2002.  
3 Q. So in comparison to the proposed facility,  
4 it only has 10 percent of the land but is handling 50  
5 percent of the trash?  
6 A. That's correct.  
7 Q. What did you study in terms of the  
8 Northbrook facility?  
9 A. Well, the Northbrook facility created an  
10 opportunity to analyze a couple of resale transactions  
11 of industrial properties that were pretty much  
12 immediately adjacent to the existing transfer station.  
13 Q. When you say immediately adjacent, what do  
14 you mean?  
15 A. Within a few hundred feet. One is  
16 directly across Shermer Road and the other is  
17 directly -- I believe two doors or three doors south  
18 of the transfer station on the same side of Shermer  
19 Road, so very proximate.  
20 And those two transactions I've, you  
21 know, listed in my report are two properties that have  
22 sold and resold, one at 2855 Shermer Road, an  
23 80,000-square-foot industrial building sold in August  
24 of '97 for a price of equal to \$23 a square foot and

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1 resold in May of 2000 for about \$37.42 a square foot.  
2 That property reflected an annualized -- not total,  
3 mind you, but the annual rate of appreciation of 19.1  
4 percent.  
5 The second sale/resale transaction  
6 located at 2727 Shermer is a facility of over 100,000  
7 square feet that sold in December of 2000 for \$31.78 a  
8 square foot and then resold in October 2001 for about  
9 \$39.72 a square foot. What that transaction -- the  
10 resale transaction indicates is an annualized rate of  
11 appreciation of 30 percent.  
12 Q. And in terms of these two particular  
13 properties, you don't have a problem in terms of  
14 comparisons because you're comparing the property to  
15 itself?  
16 A. Well, that's right. That's what has  
17 those -- those property value trends within themselves  
18 actually been.  
19 Q. Have you looked at the appreciation rates  
20 of industrial properties in the Northbrook market  
21 overall to see how they compare to this 19.1 percent  
22 and 30 percent?  
23 A. Well, to the industrial market overall,  
24 yes. And then to industrial properties in Northbrook

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1 on a square foot basis, you know, a little more  
2 specifically. For example, during that relevant time  
3 period of 2001, the average price for industrial  
4 properties in Northbrook was \$29.13 versus the second  
5 sale from each of those properties at 37.42 and 39.72.  
6 Clearly not lower than the average price throughout  
7 Northbrook.  
8 But by I think anybody's measure  
9 that's familiar with industrial properties, if you're  
10 achieving 19 or 30 percent annual appreciation, that's  
11 a pretty good return on the investment.  
12 Q. Have you formulated an opinion as to  
13 whether or not the Northbrook Transfer Station has had  
14 a negative impact on the value of surrounding  
15 property?  
16 A. Yes. In my opinion, that particular  
17 transfer station also has not had any detrimental  
18 influence on the marketability or value of the nearest  
19 industrial properties.  
20 Q. Now, did you take a look at the  
21 residential property around the industrial park where  
22 this facility is going to be located?  
23 A. Yes, I have.  
24 Q. Now, before we get to that, I want to show

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1 you what's Page 43 of your report which would be  
2 Figure 9 and I believe the Bates stamp number is 296.  
3 You see that?  
4 A. Yes, I do.  
5 Q. That's essentially a white square block  
6 with a couple shaded areas?  
7 A. Not very helpful.  
8 Q. What's missing?  
9 A. Well, the map. For some reason the -- the  
10 printer didn't pick up whatever it needed to to  
11 reflect the map that those areas are shaded in to, you  
12 know, show the nearest residential.  
13 (Flood Bros Exhibit No. 2 marked.)  
14 BY MR. FLYNN:  
15 Q. I'm going to show you what's been marked  
16 as Flood Bros Exhibit No. 2 with today's date for  
17 identification purposes. Can you tell us whether or  
18 not that's the map?  
19 A. Yes, sir, that is.  
20 Q. And the only difference between this and  
21 the diagram included in your report is the streets'  
22 names and how the colors are present?  
23 A. All -- all the neighborhood streets, yes.  
24 Q. Now, in terms of the neighboring

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1 residential properties, can you tell us what it is  
2 that you looked at?  
3 A. Well, first I would say that they're the  
4 nearest residential properties. I don't know that I'd  
5 characterize them as being in the same neighborhood,  
6 but I have included them because they're the --  
7 they're the most proximate.  
8 But in the -- yeah, excuse me. The  
9 nearest subdivision over in Carol Stream, what my  
10 report characterizes as the property value trends over  
11 the prior two full years and through May 1 of this  
12 year showing the average list price, the average sale  
13 price, the percent of list price that the properties  
14 are selling for or had been selling for, and the  
15 average days on the market year by year. It's also  
16 showing the number of transactions in each of these  
17 locations, really, year by year and then the rate of  
18 increase or decrease, as the case may be, in what the  
19 average sale price is within those particular  
20 subdivisions.  
21 Q. These are looking at all the sales that  
22 occurred in Carol Stream and all the sales that  
23 occurred in that particular subdivision?  
24 A. That's correct.

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1 Q. And that just happens to be what sold that  
2 particular year?  
3 A. That's right.  
4 Q. Did you also do the same for Glendale  
5 Heights?  
6 A. Yes, I did.  
7 Q. And you also include in your report the  
8 listing prices, the average sale prices, the  
9 percentage of list, market times, and numbers of  
10 properties sold?  
11 A. That's correct.  
12 Q. Why is this included in your report?  
13 A. Well, it -- it shows the general  
14 background within the communities, you know, the  
15 residential communities nearest this facility. It  
16 shows the ongoing, you know, increase in values and --  
17 and really the background against which the areas of  
18 concern might be.  
19 Q. Now, the fifth study that you performed  
20 was the Rolling Meadows Transfer Station?  
21 A. Yes.  
22 Q. Can you briefly describe the parcel that  
23 that is located on and the tonnage that it takes?  
24 A. Well, the Rolling Meadows facility is a

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1 relatively, you know, modern facility on a  
2 two-and-a-half-acre site and it's been realizing an  
3 average daily volume of 799 tons per day in 2001 to  
4 873 tons per day in 2002.  
5 Q. So the volume in comparison to the  
6 proposed facility is substantially similar?  
7 A. Yes, it is.  
8 Q. And the site is approximately 25 percent  
9 of the proposed Fullerton Station?  
10 A. That's correct.  
11 Q. Is there any setback for the Rolling  
12 Meadows facility?  
13 A. Well, the rear of the building is only set  
14 back 25, 30 feet from the access road that is shared  
15 with the other industrial properties. You really have  
16 to pass the building and turn in around a driveway to  
17 the -- to the west, that would be, and the tipping  
18 floor actually faces south to a neighboring --  
19 neighboring industrial property.  
20 Q. What did you study concerning the Rolling  
21 Meadows Onyx facility?  
22 A. What I studied there was the residential  
23 area nearest this transfer station meaning the area  
24 north of Northwest Highway and also bordered on the

<p style="text-align: right;">Page 406</p> <p>1 north by Palatine Road and on the east by Rohlwing  2 Road, and that's really its own target area.  3 And what I did within that case study  4 was located that there were 34 resale transactions  5 throughout that neighborhood that reflected an annual  6 appreciation rate of over 7 percent, 7.19 percent  7 annually.  8 And within that there was also one  9 that exhibited a disproportionately high appreciation  10 rate at 85.12 percent. So I refined my analysis a  11 little bit on that one to exclude that which reduced  12 the overall appreciation rate to 4.83 percent.  13 Q. Now, these are resales of the same  14 property?  15 A. That's correct. Sales and resales of  16 the -- the same properties, 34 properties, so that  17 would be, you know, 68 sales.  18 And -- but then further within that  19 target area, I conducted what I'll refer to as a  20 near/far study because certainly some of the  21 properties within that subdivision were nearer  22 Northwest Highway and, you know, therefore the -- also  23 the transfer station than others further, I guess you  24 could say, you know, shielded or screened and buffered</p>	<p style="text-align: right;">Page 408</p> <p>1 might actually reflect a lower average price in a  2 subsequent year but not really be reflecting a  3 lower -- a decrease in property values, just what the  4 properties are that have been selling.  5 Q. In the near/far study, you're actually  6 comparing the exact property to itself?  7 A. That's correct.  8 Q. And in the general appreciation rates  9 which you've charted in your report, that just happens  10 to be what sold?  11 A. That's right.  12 Q. And it might not be comparable to what  13 sold the year before or the year after?  14 A. It just reflects whatever properties have  15 been selling in those communities year by year.  16 Q. After completion of your study for the  17 Onyx facility in Rolling Meadows, did you draw any  18 conclusion as to whether or not that facility  19 adversely impacted upon the values of the surrounding  20 property?  21 A. Yes. It was my opinion that that transfer  22 station, again, has had no measurable effect on the  23 value of residential properties north of that  24 facility.</p>
<p style="text-align: right;">Page 407</p> <p>1 within the subdivision.  2 And for those that were nearest  3 Northwest Highway, there were four resale/resales that  4 reflected an average appreciation rate of 5.84  5 percent, somewhat higher, almost a full percentage  6 point, in fact, than the balance of that -- of that  7 particular subdivision.  8 Q. Now, you also included in your report the  9 sales data from Rolling Meadows and Palatine and the  10 average annual appreciation rate based upon the total  11 sales in those markets?  12 A. Yes. And I should point out that those  13 appreciation rates for Palatine and Rolling Meadows,  14 it's not really apples and apples in the sense -- can  15 you still hear me over there?  16 It's -- what it's showing is the rate  17 of increase or change in the average sale price within  18 those communities overall.  19 So it's not sale and resale  20 transactions of the same properties. It in fact can  21 be distorted by if, for example, a relatively new  22 subdivision with larger homes is selling in one year  23 and then when that supply is exhausted, it's back to  24 selling the older perhaps smaller ranch homes, that</p>	<p style="text-align: right;">Page 409</p> <p>1 Q. The sixth case study that you performed  2 was the Melrose Park Transfer Station?  3 A. Yes.  4 Q. Obviously it's in Melrose Park?  5 A. At 4700 West Lake Street, yes, just --  6 just west of Mannheim.  7 Q. Can you give us a description of that  8 facility in terms of the size of the site and the  9 average daily tonnage?  10 A. Well, the transfer station itself is sited  11 on a four-acre parcel and the average daily volume has  12 been about 1,865 tons per day.  13 Q. So it is doing approximately twice as much  14 tonnage as the proposed 900 tons per day for the  15 Fullerton Station?  16 A. Yes, sir.  17 Q. And it would be doing more than 1,500 tons  18 per day?  19 A. Yes.  20 Q. And it has approximately 40 percent of the  21 site as compared to the proposed facility?  22 A. That's right.  23 Q. In the Melrose Park, how close is the  24 nearest residential properties to that particular</p>

<p style="text-align: right;">Page 410</p> <p>1 transfer station?</p> <p>2 A. I believe they were actually less than a</p> <p>3 thousand feet.</p> <p>4 Q. Can you identify the target areas that you</p> <p>5 utilized for Melrose Park?</p> <p>6 A. Well, the target area is the residential</p> <p>7 area nearest that transfer station. It's north of</p> <p>8 Lake Street slightly northwest of the transfer</p> <p>9 station, again, just -- just under a thousand feet</p> <p>10 from -- from the facility.</p> <p>11 Q. Let me just back up one second. If we</p> <p>12 could go back a couple slides. One more. Forward.</p> <p>13 Right there.</p> <p>14 Is that the Melrose Park facility?</p> <p>15 A. Yes, it is. That's the view from Lake</p> <p>16 Street.</p> <p>17 Q. So the tipping floor operations can be</p> <p>18 seen from the road?</p> <p>19 A. Pretty visibly, yes.</p> <p>20 Q. If we could go to the next slide with the</p> <p>21 target/control area.</p> <p>22 Now, the red portion is the transfer</p> <p>23 station?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 412</p> <p>1 transfer station was in operation which I've labeled</p> <p>2 that Scenario B.</p> <p>3 I've also taken it to a third</p> <p>4 scenario which includes when both sale transactions in</p> <p>5 that resale analysis occurred after the transfer</p> <p>6 station was opening, and all the results are tabulated</p> <p>7 in my report.</p> <p>8 Q. Can you put up that chart? It should be</p> <p>9 towards the end. Right there.</p> <p>10 Is that the chart that summarizes the</p> <p>11 three different scenarios?</p> <p>12 A. Yes, it does and --</p> <p>13 Q. In Scenario A where both sales occurred</p> <p>14 before the transfer station was built, what was the</p> <p>15 appreciation rate in the target area?</p> <p>16 A. 5.38 percent.</p> <p>17 Q. And that's a combination of the</p> <p>18 single-family and multi-family sales?</p> <p>19 A. Yes. And the multi-family is really, you</p> <p>20 know, two and three flat properties so smaller</p> <p>21 multi-family properties.</p> <p>22 Q. And with respect to the control area, what</p> <p>23 was the appreciation rate of the resales?</p> <p>24 A. Slightly higher at 5.71 percent.</p>
<p style="text-align: right;">Page 411</p> <p>1 Q. And then the area to the left and slightly</p> <p>2 above is the target area?</p> <p>3 A. That's correct.</p> <p>4 Q. And in this particular study, you utilized</p> <p>5 two control areas?</p> <p>6 A. That's correct. Melrose Park and</p> <p>7 Northlake since part of the target area was in Melrose</p> <p>8 and part was in Northlake.</p> <p>9 Q. And the control area are identified by the</p> <p>10 blue boxes?</p> <p>11 A. Yes, sir.</p> <p>12 Q. Did you do something different in terms of</p> <p>13 what you compared in this study? I note that you have</p> <p>14 three different scenarios.</p> <p>15 A. Yes. That particular facility created a</p> <p>16 unique opportunity given that it was a pretty recent</p> <p>17 development to track what relatively recent</p> <p>18 appreciation rates were near that facility when both</p> <p>19 sale transactions occurred before the transfer station</p> <p>20 opened and that, I've -- that analysis I've labeled as</p> <p>21 Scenario A.</p> <p>22 And then a second analysis where one</p> <p>23 of the sales occurred before the transfer station was</p> <p>24 in operation and the second sale occurred after the</p>	<p style="text-align: right;">Page 413</p> <p>1 Q. So the control area was slightly higher</p> <p>2 than the target area but this is before the facility</p> <p>3 was built?</p> <p>4 A. That's correct.</p> <p>5 Q. Now, Scenario B evaluates where the first</p> <p>6 sale took place before the transfer station and the</p> <p>7 second sale after the transfer station was built?</p> <p>8 A. That's correct.</p> <p>9 Q. What was the appreciation rate in the</p> <p>10 target area under Scenario B?</p> <p>11 A. 6.04 percent.</p> <p>12 Q. What was the appreciation rate under the</p> <p>13 control area for Scenario B?</p> <p>14 A. Almost identical at 6.07 percent.</p> <p>15 Q. Now, Scenario C is where both sales</p> <p>16 occurred after the transfer station was built?</p> <p>17 A. Scenario C, yes.</p> <p>18 Q. And under Scenario C, what was the</p> <p>19 appreciation rate in the target area?</p> <p>20 A. Well, in the target area, it rose quite a</p> <p>21 bit, really, to 21.84 percent versus 9.04 percent in</p> <p>22 the control area and -- well, I'm not going to try to</p> <p>23 tell this Board that the transfer station actually</p> <p>24 caused an increase in the appreciation rates. I will</p>

<p style="text-align: right;">Page 414</p> <p>1 say that it clearly has not decreased them.  2 Q. Have you reached an opinion as to whether  3 or not the Melrose Park facility had an adverse effect  4 on the value of surrounding properties?  5 A. Yes, I have.  6 Q. What is that opinion?  7 A. That that facility has not caused any  8 reduction or adverse influence on the property values  9 surrounding it.  10 Q. Out of all of these case studies that you  11 performed for this particular site application, did  12 you notice any degrading in the property where people  13 failed to keep up the properties in close proximity to  14 the transfer station?  15 A. No. There was no difference in the -- the  16 pride of ownership or the upkeep. No difference,  17 really, in the number of for sale signs you see up and  18 down the streets. You really -- there's nothing that  19 would indicate any flights or -- or loss in value.  20 Q. Have you reached an opinion as to whether  21 or not Fullerton Station has been located so as to  22 minimize any impact on the value of surrounding  23 properties?  24 A. Yes, I have.</p>	<p style="text-align: right;">Page 416</p> <p>1 Q. And finally, have you reached an opinion  2 as to whether or not the proposed facility meets both  3 criterion for Criterion 3 and that is that it's so  4 located so as to minimize incompatibility with the  5 character of the surrounding area and to minimize the  6 impact on surrounding property values?  7 A. Yes. It is my opinion it meets both  8 components of Criterion 3.  9 MR. FLYNN: Thank you. Just give me one  10 second.  11 Mr. Hearing Officer, I want to have  12 Flood Bros Exhibit No. 2 admitted into evidence which  13 is the corrected version of Figure 9.  14 MR. BLAZER: No objection.  15 HEARING OFFICER KINNALLY: Is there any  16 objection?  17 MR. BLAZER: No objection.  18 MR. FLYNN: I also have --  19 HEARING OFFICER KINNALLY: That will be  20 admitted.  21 (Flood Bros Exhibit No. 2 admitted.)  22 MR. FLYNN: -- disseminated the PowerPoint  23 presentation which is exactly what's contained within  24 the application; and just so we -- the record's clear,</p>
<p style="text-align: right;">Page 415</p> <p>1 Q. What is that opinion?  2 A. That it is so located.  3 Q. With respect to your opinion, does that  4 hold true for both 900 and 1,500 tons per day?  5 A. Well, yes. I believe even at 1,500 tons  6 per day the -- the facility's location is such that  7 there wouldn't be any measurable difference as far as  8 the surrounding property impact.  9 Q. In addition to the five studies that  10 you've performed for this particular siting, how many  11 impact studies have you done for transfer stations in  12 total?  13 A. On the order of about 15.  14 Q. The methodology that you used, has that  15 been accepted --  16 A. Yes.  17 Q. -- before the various boards,  18 municipalities where you've testified?  19 A. Yes. That's a widely accepted methodology  20 and not just for transfer stations or other pollution  21 control facilities, but when, you know, any board or  22 court is trying to find whether or not there's any  23 empirical evidence from the market as to, you know,  24 what property value trends actually are.</p>	<p style="text-align: right;">Page 417</p> <p>1 I'd like to have this marked as Flood Bros Exhibit  2 No. 3 with today's date and also offer this to be  3 admitted.  4 MR. BLAZER: No objection.  5 HEARING OFFICER KINNALLY: That will be  6 admitted.  7 (Flood Bros Exhibit No. 3 marked and  8 admitted.)  9 MR. FLYNN: Thank you. That's all I have.  10 HEARING OFFICER KINNALLY: Make sure that you  11 file those with the clerk.  12 MR. FLYNN: They will be.  13 HEARING OFFICER KINNALLY: Okay. Anything  14 else?  15 MR. FLYNN: That's it.  16 HEARING OFFICER KINNALLY: Okay. Mr. Blazer,  17 it's your turn.  18 MR. BLAZER: Mr. Kinnally, would this be an  19 appropriate time for a short break?  20 HEARING OFFICER KINNALLY: No because the court  21 reporter's going to come at 8 -- they're going to have  22 a change, Kathie's coming at 8:15, so we just assume  23 go ahead now.  24 MR. BLAZER: That's fine.</p>

<p style="text-align: right;">Page 418</p> <p>1 CROSS-EXAMINATION  2 BY MR. BLAZER:  3 Q. Mr. McCann, when were you first retained  4 by the Floods?  5 A. Oh, a little over two years ago I believe.  6 Q. Roughly mid 2002?  7 A. Approximately, yes.  8 Q. I want to clarify a couple of things about  9 your -- your background in this field, if I may.  10 With respect to your testimony or  11 involvement involving transfer stations, would it be  12 fair to state that you primarily work for applicants,  13 for people seeking siting of a transfer station?  14 A. Well, I -- I guess most of my experience  15 has been with applicants, but I've worked for  16 applicants and municipalities.  17 Q. With respect to municipalities, your role  18 in that area has been -- I believe you described it as  19 review analysis; correct?  20 A. That's correct.  21 Q. All right. And by that you mean that you  22 have been retained by a municipality somewhat like  23 Mr. Moose has been retained by Carol Stream to review  24 the -- the engineering in order to review the</p>	<p style="text-align: right;">Page 420</p> <p>1 Q. I want to try and walk through the -- the  2 factors that you look at, the -- the facts that you  3 look at in coming to your conclusions when you testify  4 for applicants.  5 Would it be safe to say that one of  6 the things you look at in terms of the overall project  7 is average daily volume and -- and traffic, the --  8 what -- what's -- how much is going to be going  9 through the facility?  10 A. Well, I certainly review that, yes.  11 Q. All right. You also -- I don't think you  12 testified to this. You look at the size of the site?  13 A. Correct.  14 Q. You look at the site plans, as I think you  15 testified, to determine the orientation of the  16 facility, what face it puts out onto the public; is  17 that a fair statement?  18 A. Yes.  19 Q. And you also want to see what types of  20 improvements are going to be made to the site?  21 A. Yes.  22 Q. Right.  23 I mean, in essence in that -- in that  24 context what you're trying to look at is how the</p>
<p style="text-align: right;">Page 419</p> <p>1 application of someone else; correct?  2 A. The report prepared by the real estate  3 appraisers, yes.  4 Q. Right.  5 So would it be fair to state then  6 that in every one of the proceedings in which you have  7 testified as an expert it has been on the side of the  8 proponent of the transfer station?  9 A. Well, any time that I've actually  10 testified, yes.  11 Q. And would it be also true, Mr. McCann,  12 that you have never found that there would be a  13 negative impact from a transfer station on surrounding  14 property values?  15 A. I have not found a location where a  16 negative impact on the property values has occurred,  17 so I have not come to that opinion thus far.  18 Q. Is that a yes?  19 A. I think so.  20 Q. You would agree with me, though, would you  21 not, that a waste transfer station has the potential  22 for having a negative impact on surrounding property  23 values?  24 A. I believe that the potential exists, yes.</p>	<p style="text-align: right;">Page 421</p> <p>1 applicant is proposing to develop the facility at  2 the -- at the specific location; correct?  3 A. Correct.  4 Q. And then you also look at any other  5 facilities that the applicant operates to see how it  6 fits into the location, do you not?  7 A. Well, there have been occasions where that  8 opportunity exists and there's also been occasions  9 where that opportunity did not exist --  10 Q. Right.  11 A. -- for the applicant's, you know, prior  12 operating, yes.  13 Q. Right.  14 Where -- where the opportunity does  15 exist you have done that; correct?  16 A. On occasions, yes.  17 MR. FLYNN: Objection as to relevancy.  18 HEARING OFFICER KINNALLY: We'll see where it  19 is going. Overruled.  20 MR. BLAZER: Thank you.  21 HEARING OFFICER KINNALLY: Do you want to read  22 the question? The trustee didn't hear the question.  23 Could you read that back, Amy, and the objection,  24 please?</p>



<p style="text-align: right;">Page 422</p> <p>1 TRUSTEE SAVERINO: With the noise in the  2 background --  3 MR. BLAZER: It's a little difficult to hear,  4 Mr. Kinnally, unfortunately with the noise in the  5 background.  6 HEARING OFFICER KINNALLY: You're going to have  7 to speak up.  8 MR. BLAZER: Okay. Will do.  9 HEARING OFFICER KINNALLY: Amy, could you read  10 that back, please?  11 (Record read.)  12 HEARING OFFICER KINNALLY: It's overruled.  13 Let's see where it goes.  14 BY MR. BLAZER:  15 Q. One of the applications that you were  16 involved with was on behalf of Speedway Disposal in  17 Bensenville a few years back?  18 A. Yes.  19 Q. All right. And then most recently, I  20 believe, you were involved on behalf of Strom and with  21 respect to the Greenwood Transfer Station in Maywood  22 that was recently granted siting approval?  23 A. Yes.  24 Q. And you testified in both of those?</p>	<p style="text-align: right;">Page 424</p> <p>1 criterion, Criterion 3, not traffic and operations.  2 HEARING OFFICER KINNALLY: I'm going to sustain  3 that objection.  4 MR. BLAZER: This one I'm going to have to  5 appeal, Mr. Kinnally.  6 I -- the witness testified that one  7 of the things he takes into consideration in -- in  8 rendering his opinion is traffic. So with all -- with  9 all due respect, pursuant to the pro -- the  10 appropriate provision of the Carol Stream Siting  11 Ordinance, I am appealing to the members of the Board  12 of Trustees to allow me to ask the question. I  13 think --  14 HEARING OFFICER KINNALLY: All right. You can  15 appeal. That's fine.  16 I just want to let you know that this  17 guy is testifying on Criterion 3. He's not a traffic  18 engineer. He's not an engineer that's approved by the  19 Traffic Institute.  20 So he's appealing and he wants to  21 know whether he can ask that question. It's up to you  22 guys to decide under the ordinance.  23 MAYOR FERRARO: Who makes the final decision?  24 HEARING OFFICER KINNALLY: You have the final</p>
<p style="text-align: right;">Page 423</p> <p>1 A. Yes.  2 Q. And the -- the Bensenville siting  3 application was denied; correct?  4 A. I believe it was, yes.  5 Q. And the Maywood siting application was  6 granted?  7 A. That's correct.  8 Q. Looking at the potential of a transfer  9 station to negatively impact surrounding property  10 values, one of the factors that -- that could have a  11 negative impact is traffic; correct?  12 A. Well, the -- it certainly could if it's,  13 you know, handled improperly or I would say under a  14 scenario where it was stacked up, in this location out  15 onto Fullerton Avenue, blocking driveways, and being  16 such a consistent pattern that it established a trend  17 that, you know, property owners, investors would  18 expect to continue to see.  19 Under those scenario, I would think  20 that there is certainly some potential.  21 Q. Would a trend of consistently operating  22 garbage trucks in an overweight state negatively  23 impact surrounding property values?  24 MR. FLYNN: Objection. This is a location</p>	<p style="text-align: right;">Page 425</p> <p>1 decision.  2 MAYOR FERRARO: See, but you made -- you made  3 your decision already.  4 HEARING OFFICER KINNALLY: So is the appeal  5 denied?  6 MAYOR FERRARO: Yes.  7 HEARING OFFICER KINNALLY: Okay. Next  8 question, please.  9 BY MR. BLAZER:  10 Q. Mr. Flynn asked you toward the end of the  11 direct examination whether your opinion took into  12 account whether the amount of garbage going through  13 this facility was either 900 tons per day or 1,500  14 tons per day. Do you recall that question?  15 A. Yes.  16 Q. And you indicated that your opinion  17 wouldn't change in either amount?  18 A. That's correct.  19 Q. Mr. Niehoff testified last week that Flood  20 Bros intends to accept initially 900 tons per day plus  21 a -- an unknown or potentially unlimited quantity of  22 recyclables.  23 Have you done anything to determine  24 the impacts of this potentially unlimited truck</p>

1 traffic?  
 2 A. I'm sorry, to determine the impacts of  
 3 what?  
 4 Q. Of this potentially unlimited amount of  
 5 waste going through this facility.  
 6 MR. FLYNN: Same objection.  
 7 HEARING OFFICER KINNALLY: Sustained.  
 8 MR. BLAZER: I will appeal that one as well  
 9 then, Mr. Hearing Officer.  
 10 Again, this is what the witness  
 11 testified to and I think I'm entitled to test the  
 12 limits of his opinion. He said that he's looked at it  
 13 at 900 and 1,500. I think we're entitled to examine  
 14 the -- the limits of his opinion. Is there an amount  
 15 flowing through this facility that he believes would  
 16 impact the surrounding property value.  
 17 HEARING OFFICER KINNALLY: That's not the  
 18 question you asked him.  
 19 MR. BLAZER: I'm sorry. I -- then I'll  
 20 rephrase the question, Mr. Kinnally.  
 21 HEARING OFFICER KINNALLY: Okay. Go ahead.  
 22 BY MR. BLAZER:  
 23 Q. Have you in any way determined whether  
 24 there is an amount over 1,500 tons per day -- per day

1 that would negatively impact surrounding property  
 2 values?  
 3 A. No, I have not made any such  
 4 determination.  
 5 Q. All right. We talked about orientation.  
 6 Noise is another thing from a  
 7 transfer station that could negatively impact  
 8 surrounding property values; correct?  
 9 A. Well, not in my experience. I mean,  
 10 certainly in an industrial park, all types of uses  
 11 create noise, you know, on-site, there are trucks  
 12 coming and going, the operations of whatever the  
 13 facility is, you know, within the building and that's  
 14 why industrial districts tend to be separated -- one  
 15 of the reasons why they tend to be separated from  
 16 residential districts is to keep that noise as removed  
 17 from, you know, residential residences as possible.  
 18 Q. Well, you are aware, are you not, that  
 19 noise can be an issue in terms of a negative impact on  
 20 property value?  
 21 A. Well, it can certainly be an issue.  
 22 Whether or not it's an issue on property values, I  
 23 have not seen any information or -- or data that would  
 24 tell me that noise from any transfer station has ever

1 caused any reduction in property values, so I can't  
 2 say that normal or typical transfer station operations  
 3 and the noise that emanates from it -- it could be an  
 4 issue on surrounding property values. I just haven't  
 5 seen it.  
 6 Q. Would you agree that uncontrolled odors  
 7 from a transfer station would have a negative impact  
 8 on surrounding property values?  
 9 A. I would agree that uncontrolled odors  
 10 could certainly have an impact.  
 11 Again, I have not seen any evidence  
 12 that tells me that off-site perception of odors has  
 13 ever caused any reduction in the most proximate  
 14 property values.  
 15 Q. At least in the facilities that you've  
 16 studied?  
 17 A. That's right.  
 18 Q. But would you agree with me that a  
 19 protracted situation of odors could set the stage for  
 20 an effect on property values?  
 21 MR. FLYNN: Objection to the extent it's vague  
 22 and ambiguous and calls for speculation.  
 23 HEARING OFFICER KINNALLY: I think he can  
 24 answer that. It's overruled. If he knows.

1 BY THE WITNESS:  
 2 A. With respect to an uncontrolled situation,  
 3 it certainly wouldn't be a pleasant situation for the  
 4 neighbors.  
 5 A protracted situation, I think,  
 6 would be certainly an indication that someone wasn't  
 7 being a very good neighbor. I would say that that  
 8 would increase the potential for some effect on  
 9 property values.  
 10 BY MR. BLAZER:  
 11 Q. Would an uncontrolled litter situation  
 12 have a negative impact on surrounding property values?  
 13 A. I'm not exactly sure what you mean by an  
 14 uncontrolled litter situation.  
 15 I certainly have been up and down,  
 16 you know, thousands of streets throughout the Chicago  
 17 area in my career and I've seen litter along some of  
 18 them and I haven't found any correlation to loss in  
 19 property values.  
 20 But I would have to agree again that  
 21 any, you know, wild scenario of uncontrolled litter  
 22 would certainly not be an indication of being a good  
 23 neighbor and that certainly wouldn't enhance the  
 24 property values.

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1 Q. Let me try and be a little more specific  
2 on that one. I -- I think I was probably a little  
3 vague.  
4 If you had a situation -- an  
5 uncontrolled situation with poor regard, failing to  
6 follow operation plans, if litter was allowed to  
7 escape the site and blow into the neighborhood, if  
8 left unattended, would that have an adverse impact on  
9 both the character of the surrounding area and on  
10 property values?  
11 MR. FLYNN: Objection. It's been asked and  
12 answered. He can change the question around, but...  
13 HEARING OFFICER KINNALLY: Well, it won't hurt  
14 then. I'll overrule that objection. Let's see what  
15 he says.  
16 BY THE WITNESS:  
17 A. Well, again, I don't think that would be a  
18 very good neighbor policy to leave, you know,  
19 uncontrolled litter escaping the site onto, you know,  
20 neighboring properties.  
21 If a neighboring property owner were  
22 to incur regular expense in cleaning up after an  
23 operation, I could see that potentially having some  
24 effect, but that's not how I understand the operation

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1 plan.  
2 BY MR. BLAZER:  
3 Q. Would you agree with me, Mr. McCann, that  
4 a lot of these issues we talk about in terms of their  
5 existence or severity ultimately depends on the people  
6 who are going to operate the facility?  
7 A. Well, certainly that can be a factor. I'm  
8 really studying the -- this application from the  
9 context of its location with respect to compatibility  
10 and property values, and it -- in my opinion, it, you  
11 know, meets all that criterion.  
12 A good operation is certainly a  
13 better neighbor and a good operator is a better  
14 neighbor than someone that just totally disregards any  
15 good neighbor policies or environmental laws and, you  
16 know, municipal laws as well.  
17 Q. Would the presence of rats resulting from  
18 the presence of a transfer station have a negative  
19 impact on either the character of the surrounding area  
20 or the property values?  
21 A. I have not seen any occasion where any  
22 concern about rats has caused any diminution in  
23 property values. I honestly have not seen a rat when  
24 I've -- at the various transfer stations I've been to,

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1 so I think that really falls under the category of,  
2 you know, housekeeping and rodent control and, you  
3 know, making sure that no problem develops.  
4 Q. So would it be fair to state, at least in  
5 your realm of experience, you haven't seen that  
6 situation?  
7 A. I have not.  
8 Q. In terms of the potential impacts that  
9 we're talking about, those would be impacts whether  
10 we're talking about a residential area or an  
11 industrial area; correct?  
12 A. Well, I've considered and -- and studied  
13 both, yes.  
14 Q. You selected a number of target areas in  
15 order to conduct your analysis; correct?  
16 A. Yes.  
17 Q. All right. What process did you go to to  
18 select those particular areas?  
19 A. Well, with respect to the industrial  
20 properties, you know, ideally I wanted locations that  
21 reflected, you know, industrial uses near or  
22 surrounding the industrial -- or those particular  
23 transfer stations.  
24 With respect to the residential

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1 properties, it's a little more problematic because,  
2 you know, frankly most transfer stations are located,  
3 you know, a pretty good distance from the nearest  
4 residential. But to the extent it's a concern, it is  
5 reflected in the -- in the prices that are being paid  
6 for the nearest residential properties.  
7 Q. What I was trying to get at is obviously  
8 there are more transfer stations in the Chicago area  
9 than the ones you studied.  
10 A. Oh, yes.  
11 Q. What was it about -- I think the two in  
12 particular that you looked at were Groot in Elk Grove  
13 and Onyx Melrose Park. And I'm talking now just in  
14 terms of transfer stations.  
15 What was it about those two that  
16 caused you to select those as opposed to any of the  
17 other dozen or so that exist in the Chicago area?  
18 A. Well, Groot and Melrose Park, they're both  
19 fairly visible facilities, you know, larger, higher  
20 volume operations. So in comparison to what the Flood  
21 Bros are proposing, they're more intensive operations  
22 and from an analytical standpoint, kind of set a  
23 baseline for -- I don't want to call it a worst-case  
24 scenario but, you know, a more intensive operation.

1 Q. Do those selection criteria that you just  
 2 identified apply to the ARC Disposal facility in Mount  
 3 Prospect?  
 4 A. I have not looked at that facility in some  
 5 time so I really can't answer.  
 6 Q. How about the SWANCC facility in Glenview?  
 7 A. Well, that facility is located along the  
 8 river, as I recall, on the north end of the church  
 9 property.  
 10 What did you want to know about that  
 11 facility? I'm sorry.  
 12 Q. Whether you considered that facility at  
 13 all in coming to your conclusions and if you didn't,  
 14 why not?  
 15 A. No, I didn't. It is a much larger  
 16 building, as -- as I'm sure you're aware, and, you  
 17 know, a concrete, a tilt-up, fairly modern-looking  
 18 facility. But I don't recall determining that that  
 19 facility really what was near enough any group of  
 20 properties that any such case study could be  
 21 developed.  
 22 Q. How about Onyx in Northbrook?  
 23 A. Well, I have looked at that one and --  
 24 Q. Oh, you did. I'm sorry.

1 Waste Management in Elburn?  
 2 A. No. I didn't go out to Elburn to look at  
 3 that one.  
 4 Q. How about the Groot-DuKane facility in  
 5 West Chicago?  
 6 A. Oh, I've seen it certainly; but, you know,  
 7 again, the industrial properties in, you know,  
 8 proximity to that one, you know, mainly south on Powis  
 9 Road are -- in the immediate area south on Powis Road  
 10 are mostly, you know, older and dissimilar facilities.  
 11 You have to go further south into -- to find a, you  
 12 know, true industrial park where it's a little more  
 13 homogeneous but, again, not close enough in proximity  
 14 to really define a target area.  
 15 Q. The Waste Management transfer station in  
 16 Wheeling, did you look at that one?  
 17 A. That's a facility I haven't seen in -- in  
 18 some time as well.  
 19 Q. So the answer is no, you didn't?  
 20 A. I did not.  
 21 Q. Why not?  
 22 A. It's not an unlimited budget or amount of  
 23 time.  
 24 Q. The Groot facility in McCook, you didn't

1 look at that one?  
 2 A. Not any time recently, no.  
 3 Q. That's in an industrial area; correct?  
 4 A. From what I recall, a widely scattered  
 5 diversity of property types around that one, but very  
 6 much unlike the Elk Grove location or -- and some of  
 7 the other locations where the property types are more  
 8 similar.  
 9 Q. Did you look at the Liberty Waste facility  
 10 in McCook?  
 11 A. Not that I recall, no.  
 12 Q. Same reasons?  
 13 A. That's how I'm picturing the location in  
 14 McCook, yes.  
 15 Q. All right. What about Riverdale Recycling  
 16 in Riverdale? Did you look at that one?  
 17 A. I have not, no.  
 18 Q. All right. Why not?  
 19 A. Really, six case studies in my view was  
 20 more than adequate to -- to find what the market is  
 21 showing at, you know, varied locations; but certainly  
 22 I couldn't make a career out of studying them all for  
 23 one application.  
 24 MR. BLAZER: You included -- could you turn

1 this off, please?  
 2 MR. FLYNN: I'd just ask that if slides are  
 3 going to be shown, exhibits are shown, we be shown a  
 4 hard copy or the slide beforehand.  
 5 MR. BLAZER: Well, the first thing I'm going to  
 6 show is his own exhibit. I just --  
 7 HEARING OFFICER KINNALLY: Well, the first  
 8 thing we're going to do is we're going to take a  
 9 break, so we need to change court reporters. So we'll  
 10 reconvene in about five minutes, 10 minutes.  
 11 (Recess taken.)  
 12 HEARING OFFICER KINNALLY: We'll start in a  
 13 minute, but I wanted to tell you that there is a map  
 14 that the staff of the Village of Carol Stream has  
 15 prepared as to where we will be tomorrow night. It is  
 16 at the Holiday Inn, which is over on Gary and North  
 17 Avenue, and it's in the Stratford Room. And you can  
 18 pick up one of these maps over where Chris is  
 19 and -- so everybody make sure they can get to the --  
 20 where we're going.  
 21 (Brief interruption.)  
 22 HEARING OFFICER KINNALLY: I wanted to read  
 23 another statement or reiterate a statement for the  
 24 benefit of everybody that comes here and which

1 basically -- I think I said this at the beginning.  
 2 One of the residents had asked that all of the  
 3 trustees and the Mayor come to every one of the  
 4 meetings that we're having, and I will tell you that  
 5 over the next, you know, 18 days there's probably  
 6 50-some hours of hearings that are scheduled. And I  
 7 know that the Mayor and the trustees want to be at  
 8 every one of these hearings. And the ordinance  
 9 basically says, I believe, that a quorum is probably  
 10 just two or three of them.  
 11 But they do have some other duties.  
 12 They have families and businesses and other duties  
 13 that they must tend to as elected official. And I  
 14 know they all want to be here. I know the Mayor is  
 15 here tonight and is ill, and he has withstood the  
 16 prop -- his illness to come.  
 17 So I just want to let you know that  
 18 they all want to be here, but sometimes they can't;  
 19 and if they can't, it is because they have something  
 20 that is more pressing. But they are very interested,  
 21 obviously, and when they're not here, they will also  
 22 read the transcript and look at any of the exhibits  
 23 that are introduced into evidence. So I just wanted  
 24 to make you all aware of that.

1 Mr. Blazer, I believe it's still your  
 2 turn.  
 3 MR. BLAZER: Thank you, sir.  
 4 BY MR. BLAZER:  
 5 Q. Mr. Kinnally, we're looking at one of the  
 6 pages from your report. This is a photograph of the  
 7 Groot facility --  
 8 HEARING OFFICER KINNALLY: You mean Mr. McCann,  
 9 not Mr. Kinnally? That's okay.  
 10 MR. BLAZER: I'll cross-examine anybody.  
 11 HEARING OFFICER KINNALLY: Not me you won't.  
 12 (Laughter.)  
 13 BY MR. BLAZER:  
 14 Q. Mr. McCann --  
 15 A. Yes, sir.  
 16 Q. And you were just going to let me go that  
 17 way, weren't you?  
 18 All right. I'm -- we have up on the  
 19 screen here the -- your picture of the Groot facility  
 20 on Elmhurst Road; correct?  
 21 A. Yes.  
 22 Q. And then the other one in your report, and  
 23 that's the Melrose Park Transfer Station; correct?  
 24 A. Yes, sir, it is.

1 Q. Why have you included those photographs in  
 2 your report?  
 3 A. Well, because those were a couple of the  
 4 locations I studied, and they were, you know, visible  
 5 from the street.  
 6 I think that's an important  
 7 distinction between those particular transfer stations  
 8 and the Flood application which incorporates far more  
 9 extensive screening and buffering and shielding of the  
 10 view of the facility from the street.  
 11 MR. BLAZER: We have some exhibits to  
 12 circulate, if I may, Mr. Kinnally, for just a moment.  
 13 HEARING OFFICER KINNALLY: Pardon me?  
 14 MR. BLAZER: We have some exhibits to  
 15 circulate.  
 16 And just so you understand, what  
 17 we're going to circulate are copies of things that are  
 18 already included in our submittals.  
 19 HEARING OFFICER KINNALLY: Okay.  
 20 MR. BLAZER: But I took what Trustee Fenner  
 21 said last week to heart and I wanted to make sure --  
 22 even though there are 21 copies of this 8,000-page  
 23 pile of stuff, I wanted to make sure you have copies  
 24 of everything, particularly for those who can't see

1 the screen very well. So there are two sets of  
 2 things.  
 3 Could I trouble you to move these,  
 4 please?  
 5 MR. FLYNN: Before these are disseminated, I  
 6 would like to have an opportunity to see what they  
 7 are.  
 8 MR. BLAZER: Tom, could you make sure that  
 9 Mr. Flynn gets those, as well?  
 10 MR. YU: Yes, sir.  
 11 MR. BLAZER: For the record, Mr. Kinnally, what  
 12 we're putting up on the easels are simply some blowups  
 13 of three of the photographs that have been circulated.  
 14 MS. SACKETT POHLENZ: Mr. Kinnally, I'm going  
 15 to raise an objection with respect to these and their  
 16 use in this proceeding.  
 17 Number one, no foundation has been  
 18 laid with respect to them.  
 19 Number two, one of the piles of  
 20 photos has a sign on the facility which identifies it  
 21 as something that is not a Flood Bros Disposal Co.  
 22 building, so I don't see how that's relevant to a  
 23 corporation named Flood Bros Disposal Co.  
 24 Also, this criterion is not an

<p style="text-align: right;">Page 442</p> <p>1 operational criterion such as the extent that is what  2 the intent here is in the producing of these  3 documentations. It's not relevant.  4 Furthermore, the second set --  5 HEARING OFFICER KINNALLY: Can -- first of all,  6 can we take these one at a time so the record is  7 clear.  8 What exhibit -- I assume these are  9 group exhibits. Are we going to mark these?  10 MR. BLAZER: They are.  11 HEARING OFFICER KINNALLY: What are we talking  12 about here? Let's get this straight now.  13 MR. BLAZER: Yes. First of all, in terms of  14 our prior submittals, Mr. Kinnally, the first set,  15 which is four pages of two photographs each from the  16 Illinois Environmental Protection Agency, are a  17 portion of the exhibits to the complaint in "People of  18 the State of Illinois versus C&amp;S Recycling, Inc. and  19 Flood Brothers Disposal Company and William Flood and  20 Brian Flood," PCB No. 97-9. That is --  21 HEARING OFFICER KINNALLY: What are you going  22 to mark this as, what number?  23 MR. BLAZER: What's our next number?  24 MR. YU: 3.</p>	<p style="text-align: right;">Page 444</p> <p>1 Agency photographs, C&amp;S Recycling, Inc.," parentheses  2 "Flood Bros," closed parentheses, February 11th, 1993.  3 Again, two photos. That will be exhibit -- that is  4 marked as Exhibit No. 3.  5 (Glendale Heights Exhibit No. 3  6 marked.)  7 HEARING OFFICER KINNALLY: What is the next  8 one, Mr. Blazer? Is this Exhibit 4?  9 MR. BLAZER: This will be Glendale Heights  10 No. 4, Mr. Hearing Officer. It is a series of  11 photographs of the same facility. These are  12 approximately three weeks old. They are contained  13 within our supplemental submittal under Tab 3.  14 HEARING OFFICER KINNALLY: All right. For the  15 record, Glendale Heights Exhibit No. 4 consists of --  16 MR. BLAZER: 19.  17 HEARING OFFICER KINNALLY: -- 19 photographs  18 which are not dated or otherwise identified.  19 (Glendale Heights Exhibit No. 4  20 marked.)  21 MR. BLAZER: For the record --  22 HEARING OFFICER KINNALLY: And these -- excuse  23 me.  24 MR. BLAZER: I'm sorry, Mr. Kinnally.</p>
<p style="text-align: right;">Page 443</p> <p>1 MR. BLAZER: This would be Glendale Heights  2 No. 3.  3 HEARING OFFICER KINNALLY: Okay.  4 MR. BLAZER: Just for the record, it was  5 included in attachment or Tab A of our original  6 submittal.  7 HEARING OFFICER KINNALLY: All right. Let the  8 record reflect the following: Counsel for Village of  9 Glendale Heights has handed me four pages, a document  10 entitled Glendale Heights Exhibit No. 3. The first  11 page consists of a -- two photos. The top of it says,  12 "Environmental Protection Agency photographs" with a  13 date of October 20th, 1992.  14 The second page is a series of two  15 photos dated February 11th, 1993, site name C&amp;S  16 Recycling, Inc., parentheses, Flood Bros, closed  17 parentheses.  18 The third page of Exhibit No. 3 is a  19 group of two photos dated February 11th, 1993,  20 entitled "C&amp;S Recycling, Inc.," parentheses, "Flood  21 Bros," closed parentheses, "Illinois Environmental  22 Protection Agency photographs."  23 And the fourth exhibit is  24 environmental -- "Illinois Environmental Protection</p>	<p style="text-align: right;">Page 445</p> <p>1 HEARING OFFICER KINNALLY: And these two  2 exhibits will be filed with the Clerk at this time as  3 an offer.  4 And did you want to say something?  5 MR. BLAZER: I apologize for interrupting,  6 Mr. Kinnally.  7 The photographs that are in Glendale  8 Heights No. 4 in their state in our supplemental  9 submittal actually do have the identification on them  10 of when they were taken and what they are of.  11 HEARING OFFICER KINNALLY: I remember seeing  12 them. That's fine.  13 Okay. Ms. Pohlenz, you wanted to  14 interpose an objection to those two exhibits?  15 MS. SACKETT POHLENZ: Yes.  16 HEARING OFFICER KINNALLY: Can we take No. 3  17 first?  18 MS. SACKETT POHLENZ: I certainly can.  19 No foundation, irrelevant to this  20 criteria, irrelevant in general, no authentication,  21 and as far as even the face of the documents is  22 concerned, a different corporation.  23 HEARING OFFICER KINNALLY: I previously had  24 entered a ruling with respect to whether or not</p>

<p style="text-align: right;">Page 446</p> <p>1 documents such as these would be admissible. I  2 believe it was subject to a statement that I made that  3 you are going to have to show that as the village that  4 somehow these particular photographs had some bearing  5 on 2 or 5 criteria, and I permitted you to argue at  6 the opening.  7 I'm going to sustain her objection at  8 this time and -- with respect to Exhibit No. 3 because  9 at this point you haven't shown that.  10 You obviously can reoffer these --  11 they'll be filed in the record -- in your case if you  12 want to do that.  13 Exhibit No. 4, do you have an  14 objection?  15 MS. SACKETT POHLENZ: Yes, I do. Same  16 objections as I previously stated.  17 HEARING OFFICER KINNALLY: Okay. I am going to  18 let him examine Mr. McCann on Exhibit No. 4 for the  19 proposition that this -- these photos relate to a  20 facility that has a visibility, if you will, from the  21 street, and he's indicated in his testimony that that  22 was significant to him in some way. I don't know if  23 he knows anything about these.  24 But I will caution counsel, however,</p>	<p style="text-align: right;">Page 448</p> <p>1 A. In passing.  2 Q. With whom?  3 A. I believe at a meeting with counsel and  4 the Floods.  5 Q. But you are aware of its existence?  6 A. Well, certainly, yes.  7 Q. Have you ever seen any pictures of it?  8 A. No, I haven't.  9 Q. When did you become aware of its  10 existence?  11 A. Perhaps a year ago, something of that  12 nature.  13 Q. And do you have any knowledge of the  14 operation of a transfer station at that facility for a  15 period of 10 years from approximately 1992 to 2002?  16 MR. FLYNN: Objection as to the form of the  17 question, and it's completely irrelevant.  18 HEARING OFFICER KINNALLY: Well, this is  19 cross-examination, and I'm going to overrule that.  20 Let's see where it goes.  21 If he -- he said he didn't know  22 anything about it, so we'll see where it goes. That's  23 overruled for now.  24</p>
<p style="text-align: right;">Page 447</p> <p>1 if this is not tied up in your case at the -- at a  2 subsequent time, I will entertain a motion to strike  3 these exhibits at that time if it doesn't -- if you're  4 not able to do it and also to strike any testimony  5 that you're able to adduce on that limited issue.  6 MR. BLAZER: I understand.  7 HEARING OFFICER KINNALLY: Other than that I  8 sustain her objection, but you can ask on that limited  9 issue.  10 And there's no prejudice to you to  11 bring this up at a later time on Criteria 2 or 5.  12 MR. BLAZER: I appreciate that, Mr. Kinnally.  13 Thank you.  14 In that case I'll take these down.  15 Turn that back up again.  16 HEARING OFFICER KINNALLY: Please.  17 BY MR. BLAZER:  18 Q. Mr. McCann, are you familiar with the  19 facility located at 4009 West Taylor, Taylor and  20 Pulaski, in the City of Chicago?  21 A. I am not.  22 Q. You've never been there?  23 A. I have not.  24 Q. Have you ever discussed it with anyone?</p>	<p style="text-align: right;">Page 449</p> <p>1 BY THE WITNESS:  2 A. Again, I have very limited knowledge of  3 it, but it was my understanding that it was a  4 recycling center and material recovery facility as  5 opposed to a transfer station. That's pretty much the  6 extent of my knowledge of it.  7 BY MR. BLAZER:  8 Q. That's what the Floods told you?  9 A. That's even what it's labeled on the wall,  10 it appears.  11 Q. It says C&amp;S Recycling and MRF?  12 A. Yes.  13 Q. Do you know what an MRF is?  14 A. A material recovery facility, yes.  15 Q. Which is supposed to be, in effect, a  16 recycling facility?  17 A. Correct.  18 Q. Okay. I'm going to cycle through these.  19 I recognize you've never seen them before -- well,  20 have you looked at the submittals we provided, the  21 supplemental submittal?  22 A. I have not, no.  23 Q. What I'd like to do is cycle through these  24 for you and then I'd like to ask you a question in</p>

<p style="text-align: right;">Page 450</p> <p>1 connection with some of the opinions that you've  2 stated here. Is that okay?  3 A. Certainly.  4 MR. BLAZER: Okay. One at a time, please.  5 BY MR. BLAZER:  6 Q. Let's back up one there.  7 Can you tell who those -- well, first  8 of all, do you know what those vehicles are? Have you  9 seen vehicles like that before?  10 MR. FLYNN: Objection as to relevancy. I  11 believe these pictures were allowed for the purposes  12 of depicting a setback or the lack of a setback.  13 HEARING OFFICER KINNALLY: Well, that's not  14 exactly true, and I don't know what kind of an  15 objection that is. But you can go ahead.  16 The purpose was, as I indicated,  17 Mr. McCann indicated that the visibility of a transfer  18 station from a road had an impact on his view of  19 Criterion No. 3, and that is the purpose.  20 So I don't know where this is going  21 yet, but -- so the objection is overruled.  22 MR. BLAZER: Thank you.  23 BY THE WITNESS:  24 A. And, I'm sorry, your question, Mr. Blazer?</p>	<p style="text-align: right;">Page 452</p> <p>1 A. Yes.  2 Q. Thank you. Okay.  3 Can you see the name Flood Bros on  4 all those vehicles, as well? It's a little harder,  5 but --  6 A. It is. No, I can't really read their name  7 anywhere.  8 MR. BLAZER: All right. Keep going. Go ahead.  9 Stop there for a second.  10 BY MR. BLAZER:  11 Q. All right. Having looked at these  12 photographs, Mr. McCann -- first of all, just so we're  13 clear, from your perspective, based on the questions I  14 asked you previously regarding when a transfer station  15 could have an impact on the character of the  16 surrounding area or on surrounding property values,  17 having now looked at these photographs of this  18 facility taken approximately three weeks ago, is this  19 the type of facility that could or would have an  20 impact on the character of the surrounding area or on  21 the surrounding property values?  22 MR. FLYNN: Objection as to form and relevancy.  23 HEARING OFFICER KINNALLY: Overruled. Go  24 ahead.</p>
<p style="text-align: right;">Page 451</p> <p>1 BY MR. BLAZER:  2 Q. Do you know what those vehicles are? Just  3 based on your experience with transfer stations, do  4 you know what those things are?  5 A. Well, I see some roll-off containers, and  6 I see a couple of other trailers that don't appear to  7 be transfer trailers, but I really can't tell from  8 this angle.  9 Q. Okay. What's that vehicle there in the  10 middle of the picture?  11 A. That would be a collection truck.  12 Q. Packer truck?  13 A. Yes.  14 Q. Can you tell what the name is on the side  15 of that?  16 A. It appears to be Flood Bros.  17 Q. Now, I'd like you to assume as we're going  18 through these, Mr. McCann, that you can see all of  19 this from the roadway.  20 A. That --  21 Q. That you can see all of what we're showing  22 you from the roadway.  23 A. Yes. I'm also looking at the --  24 Q. Oh, you have the pictures there.</p>	<p style="text-align: right;">Page 453</p> <p>1 BY THE WITNESS:  2 A. I would say if you put this particular  3 facility in the middle of the Carol Stream Industrial  4 Park, it would certainly not be compatible with that  5 character.  6 But if you go onto Pulaski and  7 Taylor, that's pretty much what you see.  8 Q. Well, that's all right. Right now we're  9 talking about Carol Stream's problem, not Chicago's  10 problem.  11 A. Certainly.  12 HEARING OFFICER KINNALLY: Well, I don't know  13 whether I would classify this as a problem. This is a  14 hearing to get information as to whether or not the  15 facility should be sited, and that may be a problem  16 for some, maybe not for others.  17 BY MR. BLAZER:  18 Q. Based on your answer, and I -- previously  19 you said you had, in connection with the other  20 facility you reviewed, you had noted no degradation of  21 property, property values in close proximity --  22 property or property values in close proximity to the  23 other transfer stations you looked at.  24 Would you expect that a facility like</p>



1 this could result in the degradation of property or  
 2 property values in close proximity?  
 3 MR. FLYNN: Objection; asked and answered.  
 4 HEARING OFFICER KINNALLY: Close proximity to  
 5 what? To --  
 6 MR. BLAZER: To the facility.  
 7 HEARING OFFICER KINNALLY: To where it's  
 8 located there or one in Carol Stream?  
 9 MR. BLAZER: In Carol Stream.  
 10 BY MR. BLAZER:  
 11 Q. If you were looking at this facility where  
 12 the present facility is proposed, roughly halfway  
 13 between Schmale and Gary Avenue on Fullerton in the  
 14 Village of Carol Stream, could this one have a  
 15 negative impact or could it cause a degradation of  
 16 surrounding property values or the character of  
 17 surrounding property?  
 18 MR. FLYNN: Objection; asked and answered.  
 19 HEARING OFFICER KINNALLY: No, that's  
 20 overruled. You can answer, if you know.  
 21 BY THE WITNESS:  
 22 A. I would certainly agree that if you put  
 23 this property, these -- the existing buildings here at  
 24 Taylor and Pulaski onto the site at 319 Fullerton in

1 Carol Stream, it wouldn't be compatible with the  
 2 character and the type and quality or the care and  
 3 condition of the surrounding properties, and that  
 4 certainly wouldn't be a good thing towards protecting  
 5 the property values in the surrounding area.  
 6 But I don't know that it would, you  
 7 know, certainly automatically reduce the surrounding  
 8 property values. It's -- it wouldn't be a good thing  
 9 in Carol Stream, that's for sure.  
 10 Q. That's close enough.  
 11 Let's move on to a different topic,  
 12 if we may, Mr. McCann.  
 13 MR. BLAZER: Mr. Kinnally, do you mind if we  
 14 take five?  
 15 HEARING OFFICER KINNALLY: No, that's fine. We  
 16 can take five minutes.  
 17 MR. BLAZER: Thank you.  
 18 HEARING OFFICER KINNALLY: We're going to take  
 19 a break for five minutes. Mr. Blazer's got a personal  
 20 situation he needs to attend to. So please be  
 21 patient.  
 22 (Recess taken.)  
 23 HEARING OFFICER KINNALLY: Okay. We're ready  
 24 to get started again.

1 Go ahead, Mr. Blazer.  
 2 MR. BLAZER: Thank you, sir. I appreciate it.  
 3 HEARING OFFICER KINNALLY: That's all right.  
 4 BY MR. BLAZER:  
 5 Q. Mr. McCann, I was wondering during the  
 6 break, how is it that you're so familiar with the uses  
 7 surrounding this facility at Pulaski and Taylor if  
 8 you've never been there?  
 9 A. Well, I'm not familiar with the exact  
 10 uses. I am familiar with the area overall, and  
 11 there's primarily older, rundown, dilapidated  
 12 industrial properties. It's -- that is the character  
 13 of that particular area.  
 14 Q. And how is it that you're familiar with  
 15 that area?  
 16 A. Well, over the last 20-some years I've  
 17 appraised properties all over the city, suburbs, and  
 18 the country, for that matter, and I've had occasion to  
 19 be out in that general area many dozens of times.  
 20 Q. But even though you've been in that  
 21 general area many dozens of times, you never happened  
 22 to look at this facility?  
 23 A. Well, no, I never specifically noticed it,  
 24 and I never appraised it or studied it.

1 Q. I'd like to turn to your report -- well,  
 2 first of all -- and I believe you established this on  
 3 direct -- one of the things you look at in determining  
 4 both consistency with surrounding land uses and impact  
 5 on property values is the zoning of both the proposed  
 6 site and the surrounding uses; correct?  
 7 A. Well, primarily the surrounding -- excuse  
 8 me, the surrounding uses, yes.  
 9 Q. All right. And why do you do that?  
 10 A. Well, to see if -- what the trend of land  
 11 uses, development, and land use regulations in the  
 12 area are.  
 13 Q. Do you have your report there?  
 14 A. Yes, I do.  
 15 Q. Mr. McCann, on pages -- they are report  
 16 Pages 4, 8 and 23.  
 17 MR. BLAZER: Do all the trustees have copies of  
 18 the report? If not, we can try to flash it up.  
 19 BY MR. BLAZER:  
 20 Q. The Bates numbers of those are 257, 261  
 21 and 276.  
 22 That's three different places in your  
 23 report, Mr. McCann, where you say either specifically  
 24 or, in essence, that the property owner will seek

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1 rezoning subsequent to the filing -- to this filing  
2 from Carol Stream.  
3 Do you see where I'm referring to?  
4 A. Yes.  
5 Q. First on Page 4, then on Page 8, "Property  
6 owner will seek rezoning subsequent to this filing,"  
7 and then on Page 23, as well.  
8 And why will the property owner be  
9 seeking rezoning?  
10 A. Well, as far as I know, and in my  
11 experience, it's really not necessary because the  
12 siting process supercedes zoning.  
13 But perhaps -- I guess you'd really  
14 have to ask them why they would seek to rezone it  
15 following this application.  
16 Q. Well, Mr. McCann, with all due respect,  
17 you said it three times in your report. I'm wondering  
18 why you said it in your report.  
19 A. Because that was my understanding of what  
20 their intentions were.  
21 Q. And you have no idea why they intend to do  
22 that?  
23 A. Well, there's not a reason to do it from a  
24 siting perspective. There might be for municipal

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1 reasons as far as, you know, the other things that the  
2 zoning code requires. Again, that's superseded by the  
3 siting process.  
4 Q. You are familiar with the 1,000-foot  
5 setback requirement as established by Section 22.14 of  
6 the Environmental Protection Act; correct?  
7 A. The 1,000-foot setback, yes.  
8 Q. Might that have something to do with the  
9 owner's desire to rezone this property?  
10 A. I'm sorry?  
11 Q. I said might that have something to do  
12 with the owner's desire to have this property rezoned?  
13 A. Not as far as I know, no.  
14 Q. What's the current zoning of this  
15 property?  
16 A. R-1.  
17 Q. That's residential?  
18 A. Well, that's a default zoning; but yes,  
19 that is a -- really any property that's annexed has to  
20 be zoned.  
21 Q. All right. But you don't know whether the  
22 owner's desire or intent to rezone this property has  
23 anything to do with the impact of Section 22.14 of the  
24 Environmental Protection Act?

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1 A. I don't really study these things from a  
2 legal perspective.  
3 Q. All right. Is there an accepted  
4 definition of market value?  
5 A. There's a number of accepted definitions.  
6 Q. Is one that's commonly used, probably the  
7 simplest one, what a willing buyer is willing to pay  
8 and what a willing seller is willing to accept?  
9 A. Yes.  
10 Q. As I understand it, you've dealt as a real  
11 estate -- you're licensed as a real estate broker in  
12 the State of Illinois?  
13 A. A salesman, yes.  
14 Q. Salesman, not a broker?  
15 A. Correct.  
16 Q. What's the difference?  
17 A. A different license.  
18 Q. What's the difference between the two?  
19 A. A salesman has to essentially work with a  
20 licensed broker.  
21 Q. You can't sell real estate on your own  
22 account?  
23 A. On my own account? Certainly.  
24 Q. What I'm saying is, as a salesman, you

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1 have to work through a licensed broker?  
2 A. Yes.  
3 Q. All right. Have you done that?  
4 A. Yes.  
5 Q. In your experience, does a willing buyer  
6 take into account the allowed uses of both his  
7 proposed property and the surrounding properties in  
8 determining what he or she is willing to pay?  
9 A. I'm not entirely sure I understood your  
10 question.  
11 Do they look at the surrounding uses  
12 and what other owners are going to do with the  
13 property?  
14 Q. Yes.  
15 A. Some do; some don't.  
16 Q. Do the hypothetical willing buyers also  
17 consider what the existing zoning is in an area to  
18 determine whether or not their use will remain  
19 consistent with the surrounding area?  
20 A. I've seen any number of occasions where  
21 people making the biggest investment of their lives in  
22 many cases have not bothered to check what the  
23 surrounding zoning is.  
24 Q. But you've seen many cases where they do

<p style="text-align: right;">Page 462</p> <p>1 bother; correct?  2 A. I'm sorry. I couldn't hear you.  3 Q. You've seen many cases where they do  4 bother; correct?  5 A. Well, I have myself. So, yeah, there are  6 some cases where people do check the surrounding  7 zoning.  8 Q. And have you been involved in situations  9 or are you familiar with situations where a buyer's  10 proposed use is technically in conformity with zoning  11 but the surrounding uses will nevertheless be  12 incompatible with his proposed use?  13 A. Nothing is coming immediately to mind,  14 but --  15 Q. Let me try more from a different  16 perspective.  17 You know zoning codes, in particular  18 zoning classifications, allow a variety of potential  19 uses?  20 A. Yes, permitted and special or allowed  21 uses --  22 Q. Permitted and special.  23 So let's say, for example, our  24 hypothetical willing buyer is proposing an office use</p>	<p style="text-align: right;">Page 464</p> <p>1 industrial or business park aren't concerned about the  2 surrounding uses?  3 MR. FLYNN: Objection; mischaracterizes his  4 testimony.  5 HEARING OFFICER KINNALLY: I'll overrule. You  6 can answer it, if you understand the question.  7 BY THE WITNESS:  8 A. I'll try to answer it.  9 I won't say that they're unconcerned  10 about it, but I really can't speak for every  11 individual. I know that there's quite an array of  12 examples where people have not, in fact, been deterred  13 from making a purchase decision or where the, you  14 know, actual sale prices, as opposed to hypothetical,  15 reflect any lower price as a result of proximity to a  16 transfer station.  17 So I guess the evidence tells me  18 that, no, it's not really a -- the hypothetical  19 doesn't play out in the market.  20 BY MR. BLAZER:  21 Q. Well, certainly you took zoning of  22 surrounding uses into account in conducting your  23 analysis here; correct?  24 A. Yes, I did.</p>
<p style="text-align: right;">Page 463</p> <p>1 which I believe you know is one of the permitted uses  2 in Carol Stream's I-1 district; correct?  3 A. Along with a wide variety of other uses,  4 yes.  5 Q. Right.  6 And let's say, for example, he's  7 looking at a parcel of property in the industrial area  8 where he wants to establish an office use but  9 next door to him, potentially, if he buys the property  10 there's a meat processing facility, which is a special  11 use allowed under the Carol Stream zoning code.  12 In your experience, is that a  13 consideration that a potential buyer will take into  14 account in determining, number one, whether or not to  15 buy; and, number two, if he decides to buy, what he'll  16 offer?  17 A. Well, it depends on the individual  18 certainly, but most people that I've seen make  19 investments in industrial properties are more  20 concerned about the use and the adaptability of the  21 property they're looking at buying for their  22 particular use.  23 Q. So in your experience, as a general  24 matter, people who are going to buy properties in an</p>	<p style="text-align: right;">Page 465</p> <p>1 Q. Could you turn to Page 28 of your report.  2 That's Bates No. 281.  3 A. Okay.  4 Q. This is your conclusion with respect to  5 land use compatibility?  6 A. Yes.  7 Q. And you note that the facility is  8 surrounded by industrial zoning; correct?  9 A. That's correct.  10 Q. It's your third bullet point.  11 A. Yes.  12 Q. Why is that important?  13 A. Well, that's what the existing and future  14 land use trends that would be allowed under zoning  15 are. Being an industrial use surrounded by industrial  16 uses, it's one of the factors that I considered in  17 concluding that it was compatible.  18 Q. So would your opinion change if the  19 surrounding zoning was not compatible with the  20 proposed facility?  21 A. Well, I think if you were to try to put an  22 industrial use in the middle of a residential  23 neighborhood, that would certainly lead me to a  24 different conclusion. I wouldn't consider that to be</p>

<p style="text-align: right;">Page 466</p> <p>1 compatible.</p> <p>2 Q. So is your answer, then, that your opinion</p> <p>3 would change if the surrounding zoning was not</p> <p>4 compatible with the proposed facility?</p> <p>5 A. Well, if the surrounding zoning was not</p> <p>6 compatible with the proposed facility, I would</p> <p>7 certainly take a much different look at it. There</p> <p>8 would have to be many other factors as to why, you</p> <p>9 know -- to look at regarding compatibility.</p> <p>10 But we're talking about an industrial</p> <p>11 setting, industrial park, with industrial zoning and</p> <p>12 an industrial use. That's really what I focused on.</p> <p>13 Q. One of the things -- one of the most</p> <p>14 important things you need to do to determine zoning</p> <p>15 compat - excuse me, compatibility -- let me take a</p> <p>16 drink. Hang on a second. We'll start that one over.</p> <p>17 One of the primary things you need to</p> <p>18 do to determine zoning compatibility is to actually</p> <p>19 look at the applicable zoning provisions; correct?</p> <p>20 A. To determine zoning compatibility or use</p> <p>21 compatibility?</p> <p>22 Q. Both.</p> <p>23 A. The provisions such as -- I'm not sure I</p> <p>24 can follow the question.</p>	<p style="text-align: right;">Page 468</p> <p>1 as opposed to a zoning process.</p> <p>2 Q. In Subsection A here under permitted</p> <p>3 uses -- first of all, could you explain what permitted</p> <p>4 uses are in the zoning context?</p> <p>5 A. In a zoning context, a permitted use is a</p> <p>6 use that's permitted as a matter of right, that all</p> <p>7 one really need do is go and pull the building</p> <p>8 permits.</p> <p>9 Q. As opposed to a special use; correct?</p> <p>10 A. Correct.</p> <p>11 Q. And what do you need to do to get a</p> <p>12 special use?</p> <p>13 A. Satisfy certain concerns or issues, which</p> <p>14 can include that the special use will protect the</p> <p>15 public health, safety, and welfare, that it would not</p> <p>16 cause any substantial injury to the value of</p> <p>17 surrounding properties, things of that nature.</p> <p>18 Q. Okay. In the section on permitted uses,</p> <p>19 very first paragraph, there's a proviso there at the</p> <p>20 end of the paragraph. Do you see that?</p> <p>21 "Provided that such operations</p> <p>22 conform with performance standards and other</p> <p>23 regulations set forth in Section 16-10-1." Do you see</p> <p>24 that?</p>
<p style="text-align: right;">Page 467</p> <p>1 Q. Allowed uses, special uses, exceptions,</p> <p>2 ancillary uses.</p> <p>3 You have to have some working</p> <p>4 familiarity with the zoning that applies in the area,</p> <p>5 do you not?</p> <p>6 A. Well, certainly. That -- that's why the</p> <p>7 code organizes the industrial uses all into the</p> <p>8 industrial category.</p> <p>9 Q. And you did that here; right?</p> <p>10 A. Well, I did list the -- and reviewed</p> <p>11 the -- what the code allows.</p> <p>12 Q. And that's starting at Page 25 of your</p> <p>13 report, Bates No. 278?</p> <p>14 A. Yes.</p> <p>15 Q. And this is the provision of the</p> <p>16 Carol Stream zoning code applicable both to this site</p> <p>17 and to the surrounding uses that you have studied;</p> <p>18 correct?</p> <p>19 A. Well, to the surrounding uses, definitely,</p> <p>20 and to the subject property --</p> <p>21 Q. Once it's rezoned --</p> <p>22 A. -- were it to be rezoned to industrial for</p> <p>23 some use other than this, because this code doesn't</p> <p>24 necessarily apply in the context of the siting process</p>	<p style="text-align: right;">Page 469</p> <p>1 A. Yes, I do.</p> <p>2 Q. Did you look at Section 16-10-1?</p> <p>3 A. Not recently.</p> <p>4 Q. Ever?</p> <p>5 A. I believe so, yes.</p> <p>6 Q. In preparation of this report?</p> <p>7 A. In the context of my overall work on it, I</p> <p>8 did review the code at one point, yes.</p> <p>9 Q. And is there anything in Section 16-10-1</p> <p>10 that in any way impacts the permitted uses or the</p> <p>11 surrounding zoning?</p> <p>12 A. Nothing is coming immediately to mind,</p> <p>13 but -- I'm not actually sure I'm following your</p> <p>14 question.</p> <p>15 MR. BLAZER: If you'll excuse me just a moment,</p> <p>16 Mr. Kinnally.</p> <p>17 Just so we're clear, we're not going</p> <p>18 to be using this as an exhibit. We have addressed</p> <p>19 this one before. What I am going to have Mr. Yu flash</p> <p>20 on the screen so we can all see it is Section 16-10-1</p> <p>21 of the Carol Stream zoning code.</p> <p>22 MR. FLYNN: Again, I would object to this on</p> <p>23 relevancy. Siting supercedes zoning. I don't see how</p> <p>24 this is in any way relevant.</p>

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1 HEARING OFFICER KINNALLY: Well, he did  
2 indicate that zoning impacts his decision.  
3 I think we've kind of gone over this  
4 before with Mr. Maiden. I don't know how many times  
5 we're going to address it, but --  
6 MR. BLAZER: This is the last one.  
7 HEARING OFFICER KINNALLY: -- let's see where  
8 it goes. I'm going to overrule your objection,  
9 Mr. Flynn.  
10 I think Mr. Price would probably  
11 stipulate that this is the code and what it permits  
12 and doesn't permit.  
13 Is that a fair characterization,  
14 Mr. Price?  
15 MR. PRICE: More than fair.  
16 HEARING OFFICER KINNALLY: Thank you.  
17 BY MR. BLAZER:  
18 Q. Looking at it now up on the screen,  
19 Mr. McCann, do you recall ever reading this provision  
20 before, either before or after you prepared your  
21 report?  
22 A. I don't really have a good angle on it.  
23 It's a tough angle to read from it.  
24 Q. I'll read it for you: "16-10-1, General

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1 Requirements. (A), no lot, parcel or tract of land  
2 shall be used and no building or structure shall be  
3 erected, altered, or remodeled for any of the  
4 following uses or uses similar thereto," and then  
5 we'll skip abattoirs and things like that and jump  
6 down to, "storage, dumping, reduction, or other  
7 processing of garbage."  
8 Does that refresh your recollection  
9 as to whether or not you've ever specifically looked  
10 at this provision either before or after you prepared  
11 your report?  
12 A. Not that particular line, no. That  
13 doesn't refresh my recollection.  
14 Q. All right. Does knowing that the  
15 Carol Stream zoning code precludes any facility that  
16 stores, dumps, or otherwise processes garbage in the  
17 I-1 district in any way impact your opinion regarding  
18 the consistency or compatibility of this site, of this  
19 project, with the surrounding land uses?  
20 MR. FLYNN: Same objection. Additionally, it's  
21 a mischaracterization.  
22 HEARING OFFICER KINNALLY: Overruled. You can  
23 answer the question, if you understand it.  
24

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1 BY THE WITNESS:  
2 A. I think I understand it.  
3 I -- what I think the code recognizes  
4 is that there is another process that deals directly  
5 with -- I think most codes these days recognize that  
6 there's another process that deals with disposal  
7 facilities or any pollution control facility. But  
8 it's certainly not permitted as a matter of right  
9 under the existing zoning.  
10 BY MR. BLAZER:  
11 Q. All right. I just want to clarify what  
12 I'm talking about, Mr. McCann. I'm not talking about  
13 the fact that Section 39.2 supercedes special use  
14 proceedings or anything else in the context of siting  
15 a pollution control facility, so we're clear on that.  
16 A. Okay.  
17 Q. What I'm asking you, sir, is does the fact  
18 that the Carol Stream zoning code prevents the  
19 establishment of a garbage facility in the I-1  
20 district in any way impact your opinion that this  
21 facility is compatible with surrounding uses in the  
22 I-1 district?  
23 MR. FLYNN: Objection; asked and answered.  
24 HEARING OFFICER KINNALLY: Yes, I think he has

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1 already answered that one, Mr. Blazer. I'm going to  
2 sustain that.  
3 MR. BLAZER: All right.  
4 BY MR. BLAZER:  
5 Q. Let's go back to Page 23 of your report if  
6 we may, Mr. McCann.  
7 A. Okay.  
8 Q. You say here that the industrial district  
9 is intended to provide areas for the development of  
10 manufacturing and industrial uses away from  
11 residential and commercial business uses.  
12 Do you see that?  
13 A. Yes.  
14 Q. And then you identify the I-1 district as  
15 light industrial.  
16 Do you see that?  
17 A. Yes.  
18 Q. What's the difference between light  
19 industrial and heavy industrial?  
20 A. I don't know that I can cite the  
21 performance standards or -- but in a very general  
22 real estate sense, the heavy industrials use is  
23 usually a very heavy manufacturing process, a very  
24 intensive type of operation as opposed to a

<p style="text-align: right;">Page 474</p> <p>1 distribution-type use or, you know, transfer of goods,  2 light manufacturing.  3 A steel plant is a heavy industrial  4 use.  5 Q. Is a municipal garbage and industrial  6 waste transfer station a heavy or a light industrial  7 use?  8 A. I think that's really a matter of opinion,  9 but in my opinion --  10 Q. I'm asking for your opinion.  11 A. -- it's really a light industrial use as  12 opposed to a heavy industrial use.  13 Q. Where does it fall in that list of light  14 industrial uses that you identified in the last  15 question? Is it the distribution of goods?  16 A. I'm not -- what does transfer station --  17 Q. Right. What does it compare to best in  18 the context of light industrial uses? Is it the  19 distribution of goods?  20 A. Well, it's more the processing and  21 transfer of it.  22 Q. All right. Of goods? Garbage is goods?  23 A. Well, it's been considered a commodity by  24 the U.S. Supreme Court. I wouldn't call it a goods;</p>	<p style="text-align: right;">Page 476</p> <p>1 the type of material that this one proposes to handle?  2 A. Well, the recycling facility handles  3 recyclable waste.  4 I would say that the BOC facility  5 around the corner on Kimberly is, in my view, at  6 least, a more intensive use with all the outdoor  7 storage of the pressurized gasses and flammable  8 materials.  9 Q. They don't transfer garbage and industrial  10 waste, do they?  11 A. No.  12 Q. They are not a permitted waste transfer  13 facility, are they?  14 A. Not to my knowledge no  15 Q. They are not even an unpermitted waste  16 transfer facility, are they, like this one --  17 MR. FLYNN: Objection.  18 BY THE WITNESS:  19 A. Not to my knowledge, no.  20 BY MR. BLAZER:  21 Q. You indicated earlier in your direct that  22 you are an associate member of the Appraisal  23 Institute?  24 A. Yes, a state-licensed associate member.</p>
<p style="text-align: right;">Page 475</p> <p>1 it's a waste product.  2 Q. You wouldn't compare it to junk mail,  3 would you?  4 A. I don't know. I throw out all the junk  5 mail I get.  6 Q. All right. Are the items that would flow  7 through this facility comparable, for example, to the  8 items that would flow through the nearby UPS facility?  9 A. Well, I think most of the items that flow  10 through the UPS facility end up flowing through a  11 transfer station into a landfill. Certainly all the  12 packaging and -- but if you're asking are these nice  13 packaged parcels like -- the answer is obvious. No.  14 Q. All right. And in the same respect, you  15 wouldn't compare what goes through this facility to  16 what goes through the post office at the corner of  17 Schmale and Fullerton; correct?  18 A. There's certainly a large volume of  19 material going through the post office for all their  20 processing. But other than the junk mail, it's not  21 garbage.  22 Q. Okay. Based on your review of this entire  23 area surrounding this proposed facility, is there any  24 other existing use that comes even close to handling</p>	<p style="text-align: right;">Page 477</p> <p>1 Q. What's the Appraisal Institute?  2 A. It's an organization that -- one of the  3 earliest, if not the earliest, organization for  4 training and educating appraisers and setting forth  5 standards. It predated state licensing by, oh, about  6 five decades, I think.  7 Q. So from your perspective it's something  8 that you definitely aspire to belong to?  9 A. It's the organization that provides the  10 best appraisal education, I believe, and it's  11 certainly one of the more noteworthy organizations to  12 belong to.  13 Q. Are you familiar with the designation MAI  14 or member of the Appraisal Institute?  15 A. Of course I am, yes.  16 Q. And what's the difference between an  17 associate member of the Appraisal Institute and an  18 MAI?  19 A. Well, an associate member is not an MAI  20 member.  21 Q. How do you become an MAI member?  22 A. There's a series of steps from classes and  23 experience review and a comprehensive examination.  24 Q. A substantial amount of experience is</p>

<p style="text-align: right;">Page 478</p> <p>1 required?</p> <p>2 A. Five years, yes.</p> <p>3 Q. Significant postgraduate education?</p> <p>4 A. Well, as far as their coursework, yes.</p> <p>5 Q. Thesis-style demonstration appraisal</p> <p>6 report?</p> <p>7 A. I don't know that I'd call it necessarily</p> <p>8 thesis-style, but certainly expanded on from what a</p> <p>9 typical or normal business report would be, yes.</p> <p>10 Q. And then the completion of a two-day</p> <p>11 comprehensive examination?</p> <p>12 A. Correct.</p> <p>13 Q. Are you working towards securing that</p> <p>14 designation?</p> <p>15 A. I am.</p> <p>16 Q. Could you explain, please, what the</p> <p>17 difference is between a regression analysis -- strike</p> <p>18 that.</p> <p>19 The description of the analysis that</p> <p>20 you conducted here, is that a matched-pair analysis?</p> <p>21 A. It's a form of a matched-pairs analysis,</p> <p>22 yes.</p> <p>23 Q. Are you familiar with something called the</p> <p>24 regression analysis?</p>	<p style="text-align: right;">Page 480</p> <p>1 Q. All right. And have you used regression</p> <p>2 analysis in your career?</p> <p>3 A. I have not. I've used matched pairs and</p> <p>4 all the trending and so forth that I've, you know,</p> <p>5 shown this way.</p> <p>6 Q. Are there -- well, let's talk about the</p> <p>7 matched pair, then.</p> <p>8 Are there some recognized industry</p> <p>9 basic requirements of what a well-constructed</p> <p>10 matched-pair analysis is supposed to contain?</p> <p>11 A. Well, there's more than one way to do a</p> <p>12 matched-pairs analysis. And there's a fair amount of</p> <p>13 descriptive material that describes, you know, several</p> <p>14 ways, really, to conduct a matched-pairs analysis or</p> <p>15 different scenarios.</p> <p>16 Q. Let me try a few and you tell me if you</p> <p>17 think that's part of a well-constructed matched-pair</p> <p>18 analysis: Similar properties in terms of size?</p> <p>19 A. Yes.</p> <p>20 Q. Construction?</p> <p>21 A. Yes.</p> <p>22 Q. And use?</p> <p>23 A. Yes.</p> <p>24 Q. Similar locations?</p>
<p style="text-align: right;">Page 479</p> <p>1 A. Somewhat, yes.</p> <p>2 Q. Could you describe what you understand the</p> <p>3 regression analysis to be?</p> <p>4 A. It's essentially a predictor using</p> <p>5 mathematical modeling. That's where you input certain</p> <p>6 assumptions and variables and crunch the numbers, so</p> <p>7 to speak, to try to solve for -- oh, you can use it in</p> <p>8 residential housing studies, for example, to determine</p> <p>9 or try to determine where there -- is there a demand</p> <p>10 for four-bedroom homes or is it really only a</p> <p>11 three-bedroom home community; whether or not the</p> <p>12 market is looking for -- this is where I've seen this</p> <p>13 type of analysis used -- certain upgrades in certain</p> <p>14 communities or in certain demographic profiles.</p> <p>15 What it's not, though, is a -- is a</p> <p>16 type of analysis I've ever seen a home buyer use.</p> <p>17 Q. All right. Well, what I'm talking about</p> <p>18 now is analyses conducted by real estate</p> <p>19 professionals, not home buyers.</p> <p>20 Is the ultimate goal of a regression</p> <p>21 analysis to determine valuation trends?</p> <p>22 A. If it's designed properly and not started</p> <p>23 with, you know, a flawed assumption, an unsupported</p> <p>24 assumption, yeah, it can be helpful.</p>	<p style="text-align: right;">Page 481</p> <p>1 A. Unless you're solving for location and you</p> <p>2 want to isolate the --</p> <p>3 Q. Except for the issue being analyzed,</p> <p>4 correct.</p> <p>5 A. -- the locational difference.</p> <p>6 Q. Similar dates of sale?</p> <p>7 A. The more similarities, the better.</p> <p>8 Q. What you're looking for there is market</p> <p>9 conditions; correct?</p> <p>10 A. I'm sorry?</p> <p>11 Q. You're looking for market conditions?</p> <p>12 A. In a matched pairs analysis?</p> <p>13 Q. In terms of determining -- in terms of</p> <p>14 trying to achieve similar dates of sale, you're tying</p> <p>15 to achieve or determine similar market conditions;</p> <p>16 correct?</p> <p>17 A. Well, if you're using sales from the same</p> <p>18 point in time, then, you know, yes, they should</p> <p>19 ideally reflect the similar market conditions.</p> <p>20 Q. And from your perspective, why is it</p> <p>21 important that the same type, size, and construction</p> <p>22 type of property be considered?</p> <p>23 A. It eliminates the need for making</p> <p>24 significant amounts of adjustments or maybe using</p>

1 subjective determinations to solve for the difference  
 2 of, you know, whatever it is you're trying to  
 3 determine the value contribution of.  
 4 If you're appraising a four-bedroom  
 5 house, again, ideally you use four-bedroom houses as  
 6 comparables. But if you use three-bedroom  
 7 comparables, then you have to make an adjustment, you  
 8 know, for that difference.  
 9 Q. You're trying to compare apples to apples?  
 10 A. As much as possible.  
 11 Q. And why is it important that the two areas  
 12 be the same or similar?  
 13 A. Well, if you're trying to solve for what  
 14 is the difference between one area and the other,  
 15 then, you know, you don't want them to be similar.  
 16 You want the one to be typical and, you know, the  
 17 other one is the one you're solving for.  
 18 Q. And why is it important that market  
 19 conditions be similar?  
 20 A. Well, if I was using a 1980 sale  
 21 transaction to estimate the value today of a property,  
 22 I would certainly have to make a considerable  
 23 adjustment for the differences or changes in market  
 24 conditions, the -- how much property values have

1 increased in the preceding 24 years and things like  
 2 that.  
 3 Q. You'd have to make too many assumptions?  
 4 A. That's right.  
 5 Q. And that could impact the validity of your  
 6 results?  
 7 A. If I was using a 1980 comp for a current  
 8 value, for market value of a property, it very well  
 9 might.  
 10 Q. I'd like to ask you a few questions about  
 11 your case studies.  
 12 Your first one was Alsip?  
 13 A. Yes.  
 14 Q. And do you know what the reported tonnage  
 15 for -- is for the Alsip facility on a daily basis?  
 16 Let me try it a different way. Are  
 17 you aware that it's 605 tons per day?  
 18 A. I'm sorry. Under what?  
 19 Q. Are you aware it is 605 tons per day, the  
 20 Alsip facility?  
 21 A. Yes, that does sound familiar.  
 22 Q. In your opinion, how does that compare  
 23 with the initial 900 tons per day plus unknown  
 24 quantity of recyclables?

1 A. Well, it's about two-thirds of the volume.  
 2 Q. Well, that's just for the garbage. That's  
 3 not talking about the recyclables because we don't  
 4 know what that number will be.  
 5 A. Well, that's right.  
 6 Q. All right. From your perspective, does  
 7 that in any way impact the validity of your using the  
 8 Alsip area as a -- as one of your matched pairs?  
 9 A. Well, I think I also made some other  
 10 distinctive differences between the Alsip property and  
 11 the proposed Flood facility. If anything, I think it  
 12 further supports it.  
 13 Pardon me, Mr. Blazer?  
 14 Q. Do you know what routes the trucks take to  
 15 and from --  
 16 TRUSTEE SAVERINO: I think the witness needs to  
 17 speak.  
 18 THE WITNESS: Can I take two minutes, please?  
 19 HEARING OFFICER KINNALLY: Sure.  
 20 (Recess taken.)  
 21 HEARING OFFICER KINNALLY: I'd like to get  
 22 started, please.  
 23 I'd just like to tell counsel that I  
 24 would like to finish this witness tonight. I think

1 there's been ample questions at this point. I'm not  
 2 trying to cut you -- to limit you, but I think at this  
 3 point we're on our -- it's been over an hour on  
 4 cross-examination already. So I'd like to move it  
 5 along, if we could.  
 6 Thank you.  
 7 MR. BLAZER: We'll do, sir.  
 8 BY MR. BLAZER:  
 9 Q. Mr. McCann, what are the differences  
 10 between industrial buildings of, say, 20,000 --  
 11 smaller than 20,000 square feet in the target area and  
 12 industrial buildings larger than 50,000 square feet in  
 13 the control area?  
 14 A. What is the difference?  
 15 Q. Yes.  
 16 A. Well, the control area has -- in the Alsip  
 17 case study we're talking about?  
 18 Q. Yes.  
 19 A. Obviously the control area has a larger  
 20 average size. It includes many of the newer  
 21 developments in Alsip as opposed to the immediate  
 22 subject target area which is predominantly a smaller,  
 23 even incubator-type facilities.  
 24 Q. Would the larger facilities provide



1 greater flexibility of use?  
 2 A. Yes.  
 3 Q. Would they provide the potential for  
 4 multiple tenants?  
 5 A. Some.  
 6 Q. Did you adjust in any way for those  
 7 differences in your analysis?  
 8 A. I -- if you follow through onto the next  
 9 page on 32, I've described more refined analysis.  
 10 I wouldn't call it an adjustment.  
 11 I'm just reanalyzing the data, bracketing it in a size  
 12 range that brackets the subject property to eliminate  
 13 that discrepancy or difference in the average size.  
 14 Q. All right. What are the differences  
 15 between a small retail or warehouse property? You had  
 16 one identified at 5909 West 115th occupied by Mattress  
 17 World since the 1997 sale and a 50,000 square foot  
 18 industrial building.  
 19 A. I'm not sure I can answer your question.  
 20 What's the difference? They're  
 21 different properties.  
 22 Q. Well, does the industrial building have  
 23 retail potential?  
 24 A. If it's kind of an outlet, you know. It's

1 primarily, you know, a warehousing facility, but if  
 2 they also do some sales out of there, you know, that  
 3 sometimes occurs in industrial areas.  
 4 Q. In your experience, in general, do retail  
 5 uses generate higher unit sale prices than industrial  
 6 uses?  
 7 A. Generally, yes.  
 8 Q. And did you compare only properties with  
 9 similar uses in your analysis?  
 10 A. I compared everything that was listed and  
 11 developed and used as an industrial property whether  
 12 it was, you know, manufacturing, distribution,  
 13 warehousing, processing. Just all of them.  
 14 Q. Do you know what land-to-building ratios  
 15 are?  
 16 A. Certainly.  
 17 Q. Could you explain what those are.  
 18 A. A land-to-building ratio is the  
 19 relationship between the land size and the building  
 20 size.  
 21 If you have a 100,000 square foot  
 22 site and a 10,000 square foot building, you have a  
 23 10 to 1 land-to-building ratio.  
 24 Q. And do those ratios play a role in the

1 value of industrial buildings?  
 2 A. They can.  
 3 Q. Both in terms of functionality and excess  
 4 land?  
 5 A. Well, the excess land doesn't usually in  
 6 its own right contribute any value, but it can in the  
 7 context of expansion potential or more parking or  
 8 storage.  
 9 Q. And did you adjust for any of those  
 10 differences in your analysis?  
 11 A. I didn't adjust. I just depicted what the  
 12 market was actually doing. I didn't make any  
 13 subjective adjustments to what the market evidence was  
 14 showing.  
 15 Q. Do terms and conditions of sale have any  
 16 impact on value?  
 17 A. They sometimes do.  
 18 Q. Can you give me an example?  
 19 A. Well, certainly an arm's length sale, that  
 20 would be, you know, the ideal conditions. And I've  
 21 attempted to sort out those sales that were not arm's  
 22 length, but -- using criteria like, for example, not  
 23 using sales between related parties or court-ordered  
 24 sales and judicial sales, not using, as some services

1 report, you know, trust deeds which are actually  
 2 mortgages as a sale. You know, I culled those out of  
 3 the data that me and my firm researched.  
 4 Q. The arm's length sales that you talked  
 5 about, those are the willing-buyer-willing-seller  
 6 sales that we talked about earlier?  
 7 A. Yes.  
 8 Q. And the judicial or court-ordered sales  
 9 that we talked about, those are more considered  
 10 distress sales?  
 11 A. Well, they can be certainly viewed as  
 12 distress sales, but even if they have sold at a market  
 13 price or market value, it's -- a judicial sale usually  
 14 does not meet the criteria for an arm's length sale.  
 15 Q. As a general matter, distress sales  
 16 generate lower values?  
 17 A. As a general matter, yes, but that's not  
 18 always the case.  
 19 Q. Do you know what an REO sale is?  
 20 A. Real estate owned. It's when a bank takes  
 21 a property back and then sells it.  
 22 Q. Is that something like a distress sale?  
 23 A. It sometimes can be. Certainly in the  
 24 late '80s when the Resolution Trust Corp ended up with

<p style="text-align: right;">Page 490</p> <p>1 thousands upon thousands of properties, many of those  2 were then sold REO at below market prices.  3 Q. Generally the lender in that situation is  4 simply looking to get its money back; correct?  5 A. Well, at least that.  6 Q. All right. And cost of sale and all that  7 stuff? They're not necessarily interested in fair  8 market value, they're simply interested in loan value;  9 correct?  10 A. Well, for the most part, the lenders I've  11 dealt with or have known, if they have a property to  12 sell, they're going to try to sell it for the highest  13 price that they can, just like anyone else.  14 Q. Do you know if any of your target sales in  15 the Alsip area were REO sales?  16 A. Not specifically, no.  17 Q. Did you in any way adjust for differences  18 in terms and conditions of sale in your analysis?  19 A. I did not make any adjustments. I just  20 reported what was recorded.  21 Q. What's the difference in value between a  22 single-tenant and a multi-tenant industrial building?  23 A. There is no automatic difference. It  24 depends on a lot of things: The rent levels, the</p>	<p style="text-align: right;">Page 492</p> <p>1 Q. What difference do economic or market  2 conditions make in the value of industrial property?  3 A. As a general proposition, it can have a  4 fair amount to do with it. Market conditions, general  5 economic conditions, you know, are affecting -- that's  6 pretty much a constant whether you're in a target or a  7 control area.  8 Q. One of those factors could be interest  9 rates?  10 A. Certainly.  11 Q. Business expansion?  12 A. I'm sorry?  13 Q. Business expansion?  14 A. Business expansion?  15 Q. Yes.  16 A. Yes.  17 Q. Risk aversion?  18 A. Yes.  19 Q. Consumer demand?  20 A. Generally, yes.  21 Q. Marketing times?  22 A. Marketing times are more of a reflection  23 of all those other things.  24 Q. And in conducting your comparisons, did</p>
<p style="text-align: right;">Page 491</p> <p>1 stability of the tenants, their creditworthiness,  2 terms of the lease, condition of the property,  3 location.  4 Q. Would you agree that a multi-tenant  5 building has a greater income potential?  6 A. Than what?  7 Q. Than any single-tenant building?  8 A. Not necessarily. If it's a larger  9 property or better facility, it might rent for  10 considerably higher income.  11 Q. Does a multi-tenant industrial building  12 provide greater flexibility of use?  13 A. I think it might provide, just generally  14 speaking, for a larger variety of uses under the same  15 roof but not necessarily greater flexibility of use.  16 Q. In your analysis did you adjust at all for  17 differences between multi-tenant and single-tenant  18 buildings?  19 A. Again, I didn't make any adjustments to  20 the sales.  21 I refined my analysis on a couple of  22 occasions, as I've described, to reflect more  23 comparable size ranges, but all I did with the sale  24 price information was report it, not adjust it.</p>	<p style="text-align: right;">Page 493</p> <p>1 you only compare sales that occurred during similar  2 market conditions?  3 A. Pretty much, yes.  4 MR. BLAZER: I'm going to try to short-circuit  5 this, Mr. Kinnally, so I'm going to ask a question  6 that I will acknowledge upfront is probably  7 inappropriate. So have at it.  8 THE WITNESS: Can't wait.  9 BY MR. BLAZER:  10 Q. If I asked you the same series of  11 questions about your other case studies, would your  12 answers be the same?  13 A. I believe so, yes.  14 MR. BLAZER: Just lopped off six or seven pages  15 of cross-exam.  16 If you will bear with me just one  17 moment, Mr. Kinnally. I may be incredibly close to  18 being done.  19 BY MR. BLAZER:  20 Q. Could you turn to the conclusion section  21 of your report. It's Page 49 of the report, Bates  22 number 302.  23 A. Okay.  24 Q. Could you tell us, please, what research</p>

<p style="text-align: right;">Page 494</p> <p>1 in your report supports the conclusion that the  2 presence of transfer facilities -- transfer facilities  3 has not deterred the development of adjacent land or  4 the growth of the surrounding communities?  5 A. Well, the Batavia case study deals more  6 with a landfill but certainly a more intensive waste  7 disposal or handling facility. I believe that one  8 supports regarding development.  9 As I --  10 Q. What I'm asking -- I'm sorry. What I'm  11 asking more directly is, what research -- is there any  12 research in your report that directly addresses  13 development of land adjacent to an existing transfer  14 station?  15 A. Well, I think I stated that -- in that  16 Alsip case study that since this report has been  17 completed, there's been north of \$12 million in new  18 development activity about as proximate as you can get  19 to a very visible transfer station. So I think that  20 one is on point to your question.  21 Q. Okay. What research in your report  22 supports the conclusion that there will be no impact  23 on the value of the residential property in the most  24 proximate Carol Stream and Glendale Heights locations?</p>	<p style="text-align: right;">Page 496</p> <p>1 Q. Is there a difference in your mind between  2 an industrial park and a business park?  3 A. I don't know that there is an exact  4 definition; but yes, I would consider a business park  5 to be probably a little more office-oriented, maybe  6 with some ancillary light manufacturing or processing,  7 a tech park perhaps.  8 An industrial park in my view, at  9 least, most of the operations are either a processing  10 or manufacturing, distribution, warehousing, and the  11 office uses are ancillary to it.  12 Q. Is it common for office research and  13 warehouse uses to be co-located in modern business  14 parks?  15 A. It's certainly not unprecedented. It goes  16 on quite a bit, yes.  17 Q. In your experience, where have you found  18 that to occur?  19 A. Oh, in Turnberry Industrial Park or  20 business park out in Hanover Park. As I recall  21 there's office uses and manufacturing uses.  22 There's some uses in the Carol Stream  23 Industrial Park that -- you know, some of the smaller  24 facilities, for example, that appear to be a little</p>
<p style="text-align: right;">Page 495</p> <p>1 A. Well, the residential case studies for  2 even nearer locations; but also the setting itself,  3 the location within the industrial park, the distance  4 from the nearest residential uses, the intervening  5 roads, the buffering between the residential uses and  6 not just this property but, you know, any number of  7 intervening industrial properties.  8 Q. In the context of the waste industry, do  9 you know what vectors are?  10 A. What what?  11 Q. Vectors?  12 A. Oh, vectors.  13 Q. V-E-C-T-O-R-S?  14 A. Yes.  15 Q. What are vectors?  16 A. It can be anything from seagulls and  17 pigeons to various rodents or pests.  18 Q. Okay. Is there anything in your study  19 that addresses the issue of vectors with regard to the  20 Glendale Heights parks and golf courses or the  21 prevailing winds?  22 A. I have not addressed vectors in my report  23 except to the extent the case studies show what any  24 market concerns about it are.</p>	<p style="text-align: right;">Page 497</p> <p>1 more where the office use isn't just ancillary but  2 it's part and parcel with whatever operation is going  3 on in the back room.  4 Q. In your experience is it common for  5 industrial uses to be co-located with either office  6 research or warehouse uses in modern business parks?  7 A. It's almost the reverse image of what you  8 were just asking me. But certainly there's --  9 Q. Well, as a general matter, industrial  10 uses --  11 HEARING OFFICER KINNALLY: Let him finish his  12 answer, please.  13 And, you know, we're going to be  14 here -- if we want to get this done tonight, try to  15 just answer his question as best you can because it  16 will go a lot quicker.  17 BY THE WITNESS:  18 A. I'm sorry. Mr. Blazer?  19 HEARING OFFICER KINNALLY: You want to rephrase  20 your question, counsel?  21 MR. BLAZER: Sure. Sure.  22 BY MR. BLAZER:  23 Q. I'll try it in reverse, actually,  24 Mr. McCann. It might make it easier.</p>

<p style="text-align: right;">Page 498</p> <p>1 As a general matter, do heavy  2 industrial uses concentrate together?  3 A. As a general proposition, yes.  4 Q. Would you agree with me, sir, that  5 development of incompatible uses in proximity to each  6 other would have a negative impact on value?  7 A. Would incompatible uses next to each  8 other?  9 Q. Yes.  10 A. I'm not sure I can answer that. I'm not  11 sure I understand it.  12 Q. All right. Do you have any knowledge at  13 all of what is proposed to be developed at the  14 northeast corner of Fullerton and Center?  15 A. The Northern Builders site?  16 Q. Yes.  17 A. Not any specific information on what's  18 proposed to be developed there.  19 MR. BLAZER: That's all I have, Mr. Kinnally.  20 HEARING OFFICER KINNALLY: Thank you.  21 Mr. Price, it's your turn.  22 MR. PRICE: Thank you, Mr. Kinnally.  23  24</p>	<p style="text-align: right;">Page 500</p> <p>1 Q. And did you compare it to the designs of  2 the other four facilities that are in your study?  3 A. That are where?  4 Q. That were part of your study?  5 A. Oh, the case studies?  6 Q. Yes.  7 A. Essentially, yes.  8 Q. Okay. Do you know who designed this  9 facility?  10 A. Not the specific individual. The --  11 Mr. Deigan and the Floods.  12 Q. Weaver Boos, the firm?  13 A. Weaver Boos, all were involved in its  14 design.  15 Q. Did they design any of the other  16 facilities that you studied?  17 A. I'm not sure.  18 Q. Okay. Do you have any other experience --  19 other than the four studies that comprise your report,  20 do you have any other experience with design of a  21 transfer station by Weaver Boos?  22 A. I'm -- I really can't pinpoint any. But  23 in, you know, quite a number of transfer stations that  24 I have inspected or had occasion to study, there's a</p>
<p style="text-align: right;">Page 499</p> <p>1 CROSS-EXAMINATION  2 BY MR. PRICE:  3 Q. Very briefly, sir, although we did it with  4 Mr. Maiden on direct, the Floods had you opine on  5 compatibility.  6 Are you a land planner, sir?  7 A. I am not.  8 Q. Are you a member of the American Planning  9 Association?  10 A. I am not.  11 Q. And do you have any education or even a  12 degree in land planning?  13 A. Not in land planning.  14 Q. Next I want to focus on an area. You  15 talked about being a good neighbor. This was in  16 response to some questions from Mr. Blazer about noise  17 and litter. I want to take that just one more step,  18 which is on design and about the design of the  19 facility.  20 First of all, did you look at the  21 design of the facility --  22 A. Yes.  23 Q. -- as part of your research?  24 A. Yes, I did.</p>	<p style="text-align: right;">Page 501</p> <p>1 large number of different people that have designed  2 them. So I really don't know.  3 Q. Did any of the transfer stations in your  4 report include the, in addition to a transfer station  5 operation, a roll-off operation, packer truck storage,  6 and a recycling facility all in one space?  7 A. I'm not sure. You talked a little fast.  8 I didn't keep up with you.  9 Q. Yeah. The design in this case includes  10 not just a transfer station but a roll-off storage  11 facility, packer truck storage and parking, and a  12 recycling operation.  13 Did any of the other facilities you  14 studied have all those four operations going on at the  15 same site?  16 A. I think they all had, you know, areas to  17 store recyclables or process them or at least for  18 shipping. I believe they all had roll-off storage and  19 other truck storage, as well as fueling facilities and  20 things of that nature.  21 Q. Okay. I'm going to ask it, then, since  22 you are here as an a expert in a hypothetical fashion:  23 If it could be shown to you or proven to you that the  24 design of the facility proposed by the Floods results</p>

1 in congestion on Fullerton Avenue such that there's  
 2 stopped traffic on Fullerton Avenue and is unable to  
 3 handle its own storm water, and again, this is a  
 4 hypothetical, but if it could be proven to you, those  
 5 two things, would that affect your opinion on whether  
 6 or not the transfer facility is compatible with the  
 7 surrounding land uses?  
 8 A. Well, if you're talking about, you know, a  
 9 severe problem with trucks being backed up because  
 10 there's no on-site queuing capability as opposed to,  
 11 you know, an occasional traffic interruption which is  
 12 fairly typical in an industrial park when trucks are  
 13 circulating and backing up, under an extreme example  
 14 it might very well affect my conclusions.  
 15 Q. Okay. And likewise on part B,  
 16 hypothetically if it was proven to you that the design  
 17 of this facility results in congestion on Fullerton  
 18 Avenue and it's unable to handle its own storm water,  
 19 would that impact your opinion on whether it affects  
 20 surrounding property values?  
 21 A. I have not seen a decline in industrial  
 22 property values even in areas where I have seen truck  
 23 congestion on the streets to the point of it really  
 24 being a nuisance and interfering with other industrial

1 operations. So I'd have to say no.  
 2 Q. Okay. Did you examine the lease included  
 3 in the application at Tab M?  
 4 A. I'm sorry. The what?  
 5 Q. The lease for the facility that's included  
 6 in the application at Tab M.  
 7 A. Not very specifically.  
 8 Q. Did you rely on the lease as part of your  
 9 opinion?  
 10 A. No, I did not.  
 11 Q. Concerning the C&S Recycling facility, you  
 12 said you were aware of it from one conversation in  
 13 passing with the Floods.  
 14 Did you ever consider adding the --  
 15 that facility and doing an impact analysis concerning  
 16 the property values surrounding it?  
 17 A. No, I didn't.  
 18 Q. Okay. Why not?  
 19 A. Well, first of all, it's, you know, an  
 20 inner city location. It's an old -- you saw the  
 21 pictures -- fairly dilapidated building in a  
 22 dissimilar location.  
 23 It's -- as I understood it, it was  
 24 also a recycling facility as opposed to a transfer

1 station by design and operation.  
 2 Q. Did you receive any instruction from the  
 3 Floods as to exclude it from a possibility of study?  
 4 A. Oh, absolutely not, no.  
 5 Q. Now, in talking about that facility with  
 6 Exhibit 4, you, in answering Mr. Blazer's questions,  
 7 said that -- and I appreciate this -- that that  
 8 facility would not be compatible in the middle of the  
 9 site on Fullerton Avenue, but you said it is  
 10 compatible with the property in the area of Pulaski  
 11 and Taylor.  
 12 A. Well, I think I was alluding to that. But  
 13 certainly the character of the area out at Pulaski and  
 14 Taylor and in other west side locations and other  
 15 inner city location, there is an aging infrastructure,  
 16 most of the buildings are older, the sites are more  
 17 shoehorned or constrained. They are what they are.  
 18 Q. Well, I really want to test the limits of  
 19 this compatibility opinion, sir.  
 20 Do you have Exhibit 4 in front of  
 21 you?  
 22 A. Glendale Heights Exhibit 4, yes.  
 23 Q. Yeah. Can you go down -- I think it's to  
 24 the sixth photo.

1 The sixth photo has a picture of a  
 2 sidewalk and a street.  
 3 A. Is this the photo? (Indicating.)  
 4 Q. No. Go back one, maybe.  
 5 MR. PRICE: Can you pull this one up so  
 6 everybody can see it? It's this one. (Indicating.)  
 7 BY THE WITNESS:  
 8 A. I have it.  
 9 HEARING OFFICER KINNALLY: No, that isn't it.  
 10 That's it right there.  
 11 BY MR. PRICE:  
 12 Q. Sir, on the left side -- I will direct  
 13 your attention to the left side of the photo. And I  
 14 will represent to you, and I want you to assume this  
 15 fact to be true for purposes of this question, that on  
 16 the left side of this photo that's a playground for an  
 17 elementary school.  
 18 Is it your testimony that that  
 19 facility that was depicted in Exhibit 4 is compatible  
 20 to be adjacent to an elementary school?  
 21 A. No, I was talking about in the context of  
 22 an industrial park or industrial park setting, and I  
 23 think the frame of reference was in Carol Stream  
 24 and -- as opposed to what industrial areas on the west

<p style="text-align: right;">Page 506</p> <p>1 side tend to consist of.  2 Q. All right. Lastly, you said on design  3 that you thought Mr. Deigan was involved in the  4 design.  5 Who is Mr. Deigan?  6 A. I'm sorry?  7 Q. Mr. Deigan, you said he was involved in  8 the design. Who is he?  9 A. Well, actually I'm not sure he was  10 involved in the actual design of the facility, but he  11 was involved in the process.  12 Q. Did he lead you through an understanding  13 of the design of the building?  14 A. Not him specifically, no.  15 MR. PRICE: Thank you.  16 HEARING OFFICER KINNALLY: Thank you,  17 Mr. Price.  18 Do any of the trustees or the Mayor  19 have any questions.  20 TRUSTEE MC CARTHY: Yes, I do.  21 HEARING OFFICER KINNALLY: Make sure you  22 identify yourself and then go right ahead, please.  23 TRUSTEE MC CARTHY: Matt McCarthy.  24</p>	<p style="text-align: right;">Page 508</p> <p>1 Fox Run, with homes approaching a million dollars in  2 that subdivision just to the immediate northwest of  3 the Settler's Hill Landfill. But again, I was using  4 that case study with respect to the development of an  5 industrial park.  6 Does that answer your question?  7 Q. Yes, thank you.  8 A. Certainly.  9 HEARING OFFICER KINNALLY: Anyone else?  10 I've got a couple questions.  11 EXAMINATION  12 BY HEARING OFFICER KINNALLY:  13 Q. who owns the proposed facility which is  14 described in your report?  15 A. Who currently owns the site?  16 Q. Who owns it?  17 A. I'm not sure, actually.  18 Q. Okay. And do you know when it was  19 purchased?  20 A. I believe it's leased with an option to --  21 Q. That's not my question. Please just  22 answer my question. We'll be here all night.  23 Do you know when it was purchased?  24 A. No.</p>
<p style="text-align: right;">Page 507</p> <p>1 EXAMINATION  2 BY TRUSTEE MC CARTHY:  3 Q. On your case studies, do you know what the  4 distance of each one of them was from residential  5 areas?  6 A. To some degree, yes.  7 The -- the Alsip case study, I didn't  8 refer to any residential, but further to the east at  9 Ridgeland Avenue, I believe the northeast corner of  10 that intersection of 115th and Ridgeland, there was a  11 brand-new development a few years ago, the Chapel Hill  12 or Chapel Gardens adjacent to a cemetery, and that  13 one, I believe, is half a mile or about 2,600 feet.  14 In the Melrose Park case study, as I  15 recall, it is something under 1,000 feet to the  16 nearest residential.  17 In Rolling Meadows, my best  18 recollection is that it's about 1,000 feet.  19 In Elk Grove Village, it's a  20 considerable distance. I really don't -- it's not  21 even remotely relevant to residential.  22 Batavia, there's considerable  23 residential surrounding that Settler's Hill Landfill  24 including the new -- relatively new subdivision,</p>	<p style="text-align: right;">Page 509</p> <p>1 Q. Okay. Do you know when it was sold to the  2 purchaser who now owns it?  3 A. No.  4 Q. Okay. You have testified 15 times with  5 respect to waste transfer stations; is that correct,  6 sir?  7 A. No. I have studied some 15 transfer  8 stations.  9 Q. All right. Thank you.  10 And with respect to the work that you  11 have done in those 15 studies, you have always  12 represented individuals such as Flood Bros who are  13 seeking siting. Is that a fair statement?  14 A. No.  15 Q. Have you ever testified in a siting  16 hearing for anyone other than an applicant seeking a  17 permit?  18 A. Actual testifying, no.  19 Q. So it's always been for the applicant?  20 A. My actual testimony --  21 Q. Yes, that's the question.  22 Is that true?  23 A. Yes.  24 Q. Okay. And in all of those occasions where</p>

<p style="text-align: right;">Page 510</p> <p>1 you testified, you have never had the opinion that a  2 waste transfer station can have an adverse impact on  3 local real estate values; isn't that true?  4 A. Not quite. I have never --  5 Q. Is that what you've testified to or not?  6 A. What I've testified to is that those  7 particular applications meet the criterion.  8 I've also gone on record very clearly  9 saying that there are circumstances where they could.  10 Q. Well, but the point of the matter is, in  11 every one of those siting hearings, you have testified  12 that the erection of a transfer station will not have  13 an adverse impact because each one of those applicants  14 met Criterion No. 3. Isn't that a true statement?  15 A. Yes.  16 Q. With respect to your report and the  17 opinions that you rendered concerning the industrial  18 evaluation in Batavia, do you recall your testimony  19 with respect to that?  20 A. Yes.  21 Q. Okay. You did not make any analysis, did  22 you, in that report of the recent siting of the Onyx  23 station; isn't that true?  24 A. That's true.</p>	<p style="text-align: right;">Page 512</p> <p>1 why not?  2 A. My conclusions on those studies were  3 really just drawn from the market. In other words,  4 the market was not indicating any loss in value for  5 all those properties in the area, so I didn't make  6 that conclusion that there was. It's just the  7 evidence wasn't there.  8 Q. Okay. Please explain if there is a -- if  9 there is minimal effect on the surrounding areas why  10 are 90 percent of the vacant land and buildings within  11 1,200 feet of the proposed location?  12 A. I'm not sure I understand that question.  13 Q. Well, I think what the questioner is  14 trying to say is, does the fact that 90 percent of the  15 vacant land and buildings in the industrial park which  16 is, according to the questioner, in the vicinity of  17 the proposed site, why does that not have any effect  18 on your opinion?  19 A. First of all, I'm not sure that 90 percent  20 of the vacant land in that industrial park is in the  21 immediate vicinity. There's some all the way out at  22 Gary Avenue.  23 Q. No, he said within 1,200 feet of the  24 proposed location.</p>
<p style="text-align: right;">Page 511</p> <p>1 HEARING OFFICER KINNALLY: Thank you.  2 Mr. Flynn, please be brief, if you  3 can, sir.  4 MR. FLYNN: I do have a couple redirect, but I  5 don't know if you have questions from the public that  6 you want to ask?  7 HEARING OFFICER KINNALLY: I do. Thank you for  8 reminding me. I had them here, and they got lost in  9 my paperwork. I do have three questions.  10 BY HEARING OFFICER KINNALLY:  11 Q. Number one. Mr. McCann, why doesn't the  12 athletic field on Fullerton factor into your  13 compatibility findings?  14 A. I'm not sure how I can answer that.  15 I mean I'm certainly aware that it's  16 there, but it's not a use like an industrial use or a  17 residential housing subdivision. It's essentially  18 open space except when it's being used for athletic  19 purposes. It's a use that was permitted in that  20 industrial park.  21 Q. Okay. Did your comparison studies of the  22 Alsip and Elmhurst Road site include any effect on  23 commercial or residential properties surrounding or  24 adjacent to those waste transfer stations? If not,</p>	<p style="text-align: right;">Page 513</p> <p>1 A. Well, the vacant land certainly represents  2 future development opportunities that I would expect,  3 by virtue of these being compatible uses, to be  4 developed when the market demand for development of  5 those sites exists.  6 Q. Are you aware that there are two  7 warehouses directly behind the proposed property which  8 are awaiting the results of this hearing as to whether  9 or not they will be filled or not filled?  10 A. I'm not aware of any such information.  11 Q. Would that have any effect on your  12 opinion?  13 A. If that were the case, if that were a  14 fact, that's certainly information I'd want to  15 consider. I'd want to interview those people.  16 What I am aware of is a property  17 directly across the street, the Beltman Group  18 property, that's available on a sublease and they're  19 asking a market rate for that property. Beltman no  20 longer needs it, I'm told.  21 Q. Explain how existing businesses near the  22 site that will not be able to open their warehouse  23 doors due to fumes and rodents will not affect the  24 value of their property?</p>

<p style="text-align: right;">Page 514</p> <p>1 A. I'm not so sure that the question fairly  2 characterizes what will be happening there.  3 Q. Well, assume that it does.  4 A. Well, if I were to assume that it does,  5 that would -- if there were ongoing obnoxious odor  6 problems or rodents running from the facility, that  7 could certainly affect whether or not the other  8 facilities would feel comfortable opening their doors.  9 Q. Thank you.  10 All right. This participant wants to  11 know do you work with buyers that are looking to  12 purchase properties, and do you know what buyers are  13 looking for?  14 A. I have on occasion worked with buyers, and  15 they tell me what they're looking for.  16 HEARING OFFICER KINNALLY: Mr. Flynn. It's  17 your turn.  18 MR. FLYNN: Thank you.  19 REDIRECT EXAMINATION  20 BY MR. FLYNN:  21 Q. With respect to the questions that you've  22 been asked concerning the average daily tonnage at  23 these various facilities, is that based upon the  24 numbers reported to the IEPA?</p>	<p style="text-align: right;">Page 516</p> <p>1 BY MR. FLYNN:  2 Q. What was your role in that case?  3 A. Excuse me. To work in a review capacity  4 with the village, their engineer, and legal counsel  5 regarding the real estate criterion, Criterion 3.  6 Q. And that's not the only time you've been  7 retained by a government or municipality to do a  8 Criterion 3 analysis?  9 MR. BLAZER: I object to the characterization.  10 That's not what this witness testified to.  11 HEARING OFFICER KINNALLY: I'm sorry. Can you  12 read that question back, please?  13 (Question read.)  14 HEARING OFFICER KINNALLY: I'm going to  15 overrule that objection.  16 BY THE WITNESS:  17 A. No, I have also reviewed applications for  18 Rochelle and Ogle County. And very similar to a  19 Criterion 3 analysis, I've worked for the DuPage  20 County Forest Preserve District in evaluating the  21 property value trends surrounding the Mallard Lake and  22 Green Valley Landfills; the McHenry County board, oh,  23 about 12, 14 years ago in a site selection process  24 that they were going through.</p>
<p style="text-align: right;">Page 515</p> <p>1 A. Yes.  2 Q. Do you know whether or not those numbers  3 include recyclables?  4 A. No, I don't.  5 Q. You were asked some questions by the  6 hearing officer concerning your Criterion 3 analysis  7 for transfer stations.  8 Do you recall those questions?  9 A. Yes.  10 Q. There was recently a siting hearing in  11 Batavia?  12 A. That's correct.  13 Q. Were you hired in that case?  14 A. I was.  15 Q. Were you hired to review the work  16 submitted by the applicant?  17 A. Yes, I was.  18 Q. You were essentially the guard for the  19 particular village or municipality in that case?  20 MR. BLAZER: I object to the form of the  21 question.  22 HEARING OFFICER KINNALLY: Yes, that's  23 sustained.  24</p>	<p style="text-align: right;">Page 517</p> <p>1 BY MR. FLYNN:  2 Q. Now, in this particular case I believe  3 you've indicated you've reviewed or did six case  4 studies for this particular siting location?  5 A. Yes.  6 Q. Mr. Blazer rattled off several transfer  7 stations during his questioning of you.  8 Do you recall that?  9 A. Yes.  10 Q. On other occasions where you've been  11 involved in preparing a Criterion 3 analysis for a  12 hearing such as this, have you performed case studies  13 on other facilities other than the ones that you've  14 done here today?  15 A. Yes.  16 Q. Approximately how many facilities over the  17 course of your career have you utilized in an impact  18 study?  19 A. I really don't have an exact number. I've  20 inspected, studied, analyzed, or appraised probably  21 100 different facilities, and in each and every one of  22 those I've had occasion to see land use pattern trends  23 and value trends surrounding them even if that wasn't  24 the primary purpose of my appraisal or my assignment.</p>



<p style="text-align: right;">Page 518</p> <p>1 Q. I believe Mr. Blazer asked you a question  2 about research.  3 Are you aware of any literature  4 concerning the study of transfer stations and their  5 impact on surrounding land values?  6 A. Yes.  7 Q. How many articles did you come up with?  8 A. One.  9 Q. What was the name of the article?  10 A. I believe it was impact of transfer  11 stations on surrounding property.  12 Q. What was the conclusion of that study?  13 MR. BLAZER: Objection; foundation and hearsay.  14 HEARING OFFICER KINNALLY: What are we talking  15 about here?  16 MR. FLYNN: He's talking about a study --  17 HEARING OFFICER KINNALLY: What are we talking  18 about? If there's a study, what's the name of the  19 study. I mean, we'd like to know. It's not just in a  20 vacuum here.  21 Objection sustained.  22 BY MR. FLYNN:  23 Q. Would you identify the study you're  24 referring to?</p>	<p style="text-align: right;">Page 520</p> <p>1 MR. BLAZER: Same objection, Mr. Hearing  2 Officer.  3 HEARING OFFICER KINNALLY: Sustained.  4 BY MR. FLYNN:  5 Q. Was the name of the article "Evaluating  6 the Impact of Solid Waste Transfer Stations" authored  7 by J.R. Kimball, MAI, and William C. Weaver.  8 MR. BLAZER: Same objection and move that the  9 question be stricken.  10 HEARING OFFICER KINNALLY: I'm going to sustain  11 the objection.  12 BY MR. FLYNN:  13 Q. You were asked a couple questions  14 concerning the lease.  15 Is it your understanding that the  16 parcel, the subject site, is being leased by Flood  17 Bros with an option to purchase?  18 A. That is my understanding, yes.  19 MR. FLYNN: Those are all the questions I have.  20 HEARING OFFICER KINNALLY: Thank you. Is there  21 any other questions?  22 MR. BLAZER: Three.  23 HEARING OFFICER KINNALLY: Three questions.  24 Thank you. Mr. Blazer it's your turn for three</p>
<p style="text-align: right;">Page 519</p> <p>1 A. I'm trying to recall the author, but it  2 was published in the Appraisal Journal through the  3 American Institute of Real Estate Appraisers, or the  4 Appraisal Institute as it is now known. It was  5 authored by two appraisers, one an MAI, one that  6 wasn't. It referred to --  7 HEARING OFFICER KINNALLY: Do you know what --  8 who they were?  9 THE WITNESS: I'm not recalling their names. I  10 want to say Kinnard --  11 HEARING OFFICER KINNALLY: Did you rely on this  12 in reaching your opinion?  13 THE WITNESS: No, I've done my own study, but  14 I've definitely considered it.  15 HEARING OFFICER KINNALLY: Did you rely upon it  16 and put it in your report?  17 THE WITNESS: I did not put it in my report.  18 HEARING OFFICER KINNALLY: Next question,  19 please.  20 BY MR. FLYNN:  21 Q. Did you consider it?  22 A. Yes, I did.  23 Q. Did it reach the same conclusion you've  24 reached?</p>	<p style="text-align: right;">Page 521</p> <p>1 questions.  2 RE-CROSS-EXAMINATION  3 BY MR. BLAZER:  4 Q. Number one, Mr. McCann, you stated that it  5 was your understanding that the facility that is the  6 subject of the photographs we've been looking at was a  7 recycling facility as opposed to a transfer station.  8 Do you remember that testimony? I  9 think that was in response to Mr. Price's question.  10 A. Yes.  11 Q. Who told you that?  12 A. I'm not sure that I was told that by  13 anyone in specific or if it was just, you know,  14 something that was discussed briefly at a meeting.  15 Q. In your opinion, is the athletic field on  16 Fullerton Avenue comparable in any way to the Daniel  17 Webster Elementary School across the street from the  18 facility we've been looking at?  19 MR. FLYNN: Objection; beyond the scope of  20 redirect.  21 HEARING OFFICER KINNALLY: No, that's  22 overruled.  23 Mr. Price asked him those questions.  24 He's got a right to go into it.</p>

<p style="text-align: right;">Page 522</p> <p>1 BY THE WITNESS:  2 A. I misunderstood the overruled or  3 sustained.  4 Your question is, is that --  5 BY MR. BLAZER:  6 Q. Is the athletic field on Fullerton Avenue,  7 in your opinion, a comparable use to the Daniel  8 Webster Elementary School that has been there for a  9 number of years across the street from the facility  10 that we've been looking at in those photos?  11 A. Well, certainly a school has, you know,  12 usually a playground, an athletic-type field adjacent  13 to it. But I wouldn't call a school use comparable to  14 an athletic field, necessarily, in its own right.  15 Q. Now, you had indicated that you had some  16 familiarity with the area surrounding this facility;  17 correct?  18 A. Just generally, yes.  19 Q. All right. But you didn't know there was  20 a school across the street?  21 A. Well, that would be more specifically. I  22 haven't gone out and looked at this property.  23 MR. BLAZER: That's all I have, Mr. Kinnally.  24 HEARING OFFICER KINNALLY: Thank you.</p>	<p style="text-align: right;">Page 524</p> <p>1 (The hearing adjourned  2 at.10:08 p.m.)  3 * * * * *  4  5  6  7  8  9  10  11  12  13  14  15  16  17  18  19  20  21  22  23  24</p>
<p style="text-align: right;">Page 523</p> <p>1 Mr. Price?  2 MR. PRICE: No, thank you.  3 HEARING OFFICER KINNALLY: Do you have any  4 questions?  5 Mr. McCann, we appreciate you coming  6 to the hearing here and sharing your insights and  7 information that you've been able to give to us  8 concerning the siting of this facility, and on behalf  9 of everyone, I want to thank you.  10 THE WITNESS: Thank you, Mr. Kinnally.  11 HEARING OFFICER KINNALLY: That will be the  12 conclusion of the hearing tonight, and we will start  13 again tomorrow. Remember we're going to be in the  14 Holiday Inn.  15 Ms. Pohlenz, Mr. Flynn, can you tell  16 us what criteria we're going to be doing tomorrow  17 night? Do you know, just so the participants if they  18 had some questions they could start thinking about  19 them?  20 MS. SACKETT POHLENZ: Criterion 2.  21 HEARING OFFICER KINNALLY: 2. Okay. We'll see  22 you tomorrow night, and thanks everyone for  23 participating.  24</p>	<p style="text-align: right;">Page 525</p> <p>1 STATE OF ILLINOIS )  ) SS.  2 COUNTY OF DU PAGE )  3 I, Amy K. Bateman, CSR. No. 84-003803, RPR, do  4 hereby certify that I reported in shorthand the  5 proceedings had at the hearing of the above-entitled  6 cause and that the foregoing Report of Proceedings,  7 Pages 358 through 437, inclusive, is a true, correct,  8 and complete transcript of my shorthand notes taken at  9 the time and place aforesaid.  10 I further certify that I am not counsel for  11 nor in any way related to any of the parties to this  12 suit, nor am I in any way, directly or indirectly  13 interested in the outcome thereof.  14 This certification applies only to those  15 transcripts, original and copies, produced under my  16 direction and control; and I assume no responsibility  17 for the accuracy of any copies which are not so  18 produced.  19 IN WITNESS WHEREOF I have hereunto set my hand  20 this 22nd day of September, 2004.  21  22  23 Certified Shorthand Reporter  24</p>

1 STATE OF ILLINOIS )  
                                  ) SS.

2 COUNTY OF DU PAGE )

3       I, Kathleen M. Grove, CSR. No. 84-002197, RPR,  
4 do hereby certify that I reported in shorthand the  
5 proceedings had at the hearing of the above-entitled  
6 cause and that the foregoing Report of Proceedings,  
7 Pages 437 through 523, inclusive, is a true, correct,  
8 and complete transcript of my shorthand notes taken at  
9 the time and place aforesaid.

10       I further certify that I am not counsel for  
11 nor in any way related to any of the parties to this  
12 suit, nor am I in any way, directly or indirectly  
13 interested in the outcome thereof.

14       This certification applies only to those  
15 transcripts, original and copies, produced under my  
16 direction and control; and I assume no responsibility  
17 for the accuracy of any copies which are not so  
18 produced.

19       IN WITNESS WHEREOF I have hereunto set my hand  
20 this 22nd day of September, 2004.

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Certified Shorthand Reporter