



Date: June 13, 2025

To: Hearings Officer

From: Scott & Stacy Reed, Property Owners  
12424 NW Springville Road, Portland, OR 97229

Re: Hearing Memorandum  
Public Hearing on Appeal of Case File T2-2021-14981, COA-2025-0004

The purpose of this Post-Hearing Memorandum summarizes Scott and Stacy Reeds' position on Conditions of Approval 1a and 1b, which are the last of the 14 conditions.

### **Background**

For the last 11 years, my wife and our four kids have been working on the abandoned 84-acre former dairy we purchased and turning it into a productive chicken egg and goat meat operation. We have installed miles of fences, applied tons of organic mulch to our pastures, and built over 3,000 sqft feet of new barns and processing buildings. The farm is now called Springwood Acres and we sell over 80,000 chicken eggs and over 6,000 lbs. of goat meat annually to our local community.

I am a member of the American Boer Goat Association and American Poultry Association. I am a member of the Oregon Farm Bureau and have twice been elected to the Multnomah County Farm Bureau Board of Directors. The Multnomah County Farm Bureau has over 7,500 members in the county and is the largest agricultural organization in the county.

### **Farm Income Test**

The question posed in the Condition of Approval 1a is whether the subject tract is currently employed for a farm use, as defined in ORS 215.203, at a level capable of producing the annual gross sales required by OAR 660-033-00135(2)(B). For this test the undisputed amount for the test is \$14,942.91 in annual gross sales (see chart below).

Table 2 - Potential Earning Capacity for Each Tract									
Tract Name	Acres in Each Land Class				Gross Sales Per Acre by Class				Potential Earning Capability
	Class 2	Class 3	Class 4	Class 6	Class 2	Class 3	Class 4	Class 6	
Andrews	0.01	0.93	0.00	0.00	484.11	397.66	203.89	103.74	\$ 374.66
Azhar	0.00	3.48	1.48	0.00	484.11	397.66	203.89	103.74	\$ 1,685.61
Beovich	0.00	43.81	36.70	12.97	484.11	397.66	203.89	103.74	\$ 26,249.76
Blumenkron	0.00	12.67	7.82	0.00	484.11	397.66	203.89	103.74	\$ 6,632.77
Bothum	0.27	2.38	3.11	0.00	484.11	397.66	203.89	103.74	\$ 1,711.24
Burnham	3.57	73.16	31.75	6.21	484.11	397.66	203.89	103.74	\$ 37,938.81
Charlie Potatoes LLC	2.99	3.51	1.60	0.00	484.11	397.66	203.89	103.74	\$ 3,169.50
Fox	0.70	0.44	0.14	0.00	484.11	397.66	203.89	103.74	\$ 542.39
Hyde	0.00	0.91	0.07	0.00	484.11	397.66	203.89	103.74	\$ 376.14
Kolander	0.00	8.85	7.11	0.00	484.11	397.66	203.89	103.74	\$ 4,968.95
Malinowski	12.13	13.62	7.35	0.00	484.11	397.66	203.89	103.74	\$ 12,786.98
Tri-County Investments	1.01	35.44	1.77	0.00	484.11	397.66	203.89	103.74	\$ 14,942.91
Wolf Creek	0.00	4.58	0.00	0.00	484.11	397.66	203.89	103.74	\$ 1,821.28
Zahler	0.28	30.16	6.96	0.00	484.11	397.66	203.89	103.74	\$ 13,548.05
Subject Tract (Reed)	7.10	30.42	30.10	16.64	484.11	397.66	203.89	103.74	\$ 23,397.32
Median Annual Gross Sales Figures for County Indicator Crops within Study Area									\$ 14,942.91

We have provided a copy of our 2020 Schedule F, which would be the Schedule F as of August 18, 2021 (income required by this condition set at the timing of the application filing). The 2020 Schedule F details annual gross sales at \$44,511. Our Schedule F is attached to the letter from Taylor Bethell, CPA with the accounting firm RF Associates LLC.

Our farm has produced more than \$14,942.91 for over 10 years (except 2017) and Land Use Department has records of earlier Schedule F returns for the farm from previous applications. In fact, the Land Use Department determined that our farm met the income test we are currently discussing back on September 15, 2015 (T2-2014-3377) for the same house in the same location- no changes to current house plan.

As we have often shared with the Land Use Department, at the time of application our 2021 we were under a major audit with the IRS. It was our third audit in 10 years. Our first two audit were closed out by the IRS with no changes, adjustments, or penalties. But the third audit dragged on until this year when we went to a four-day trial in tax court in Little Rock, Arkansas. The trial went very well for us and we have since been cleared by our tax counsel to file our past draft returns. That is why our 2020 return was not filed until late 2024.