

DISCUSSION TABLES**EL DORADO COUNTY TRANSPORTATION FEE UPDATE****RETAIL AND OFFICE FEE ANALYSIS**

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Table 1
El Dorado County Transportation Fee Update
Summary of Office Fee Burden per Sq. Ft.
150,000 Sq. Ft. Building, 10-Acre Site

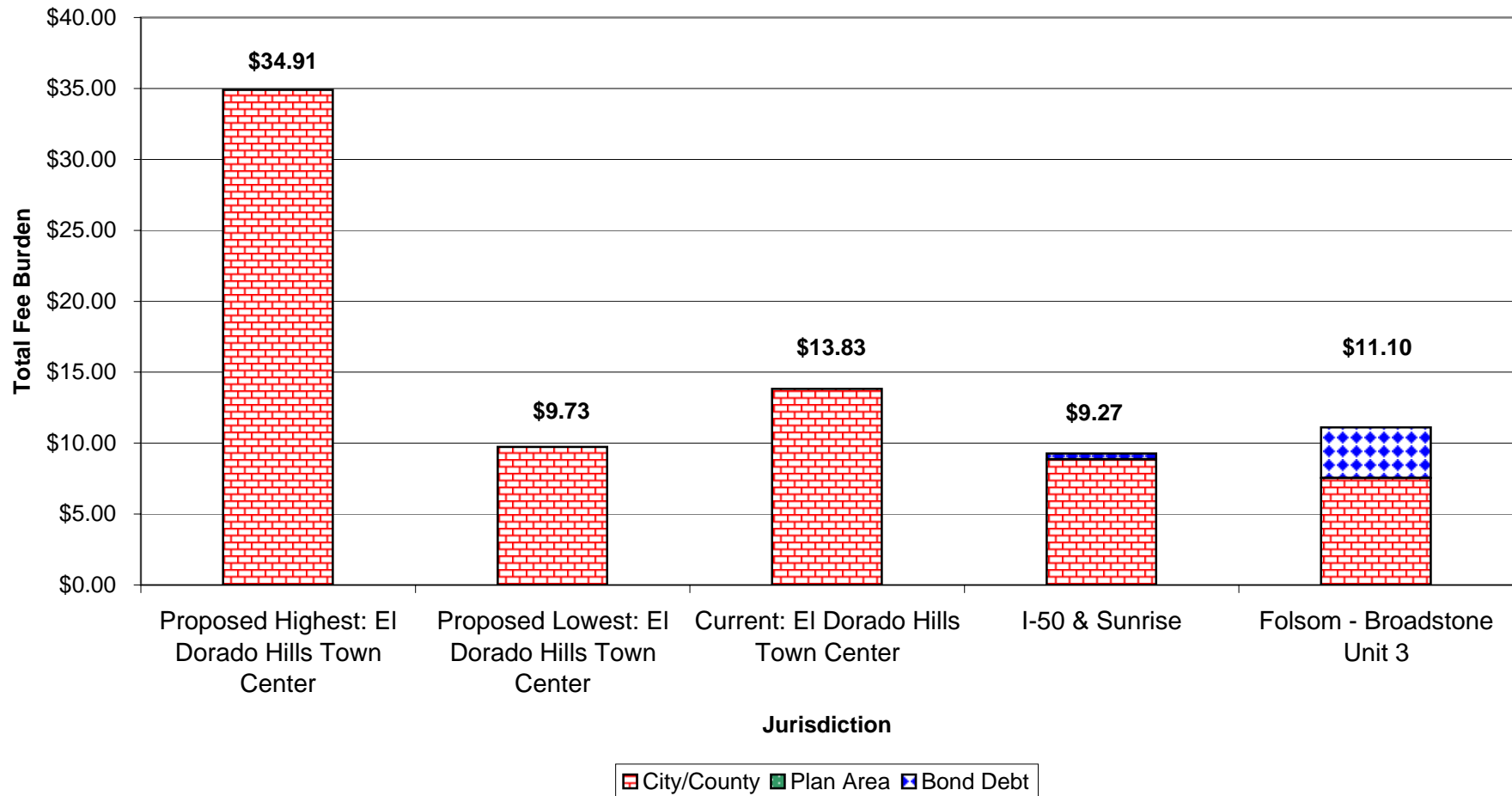
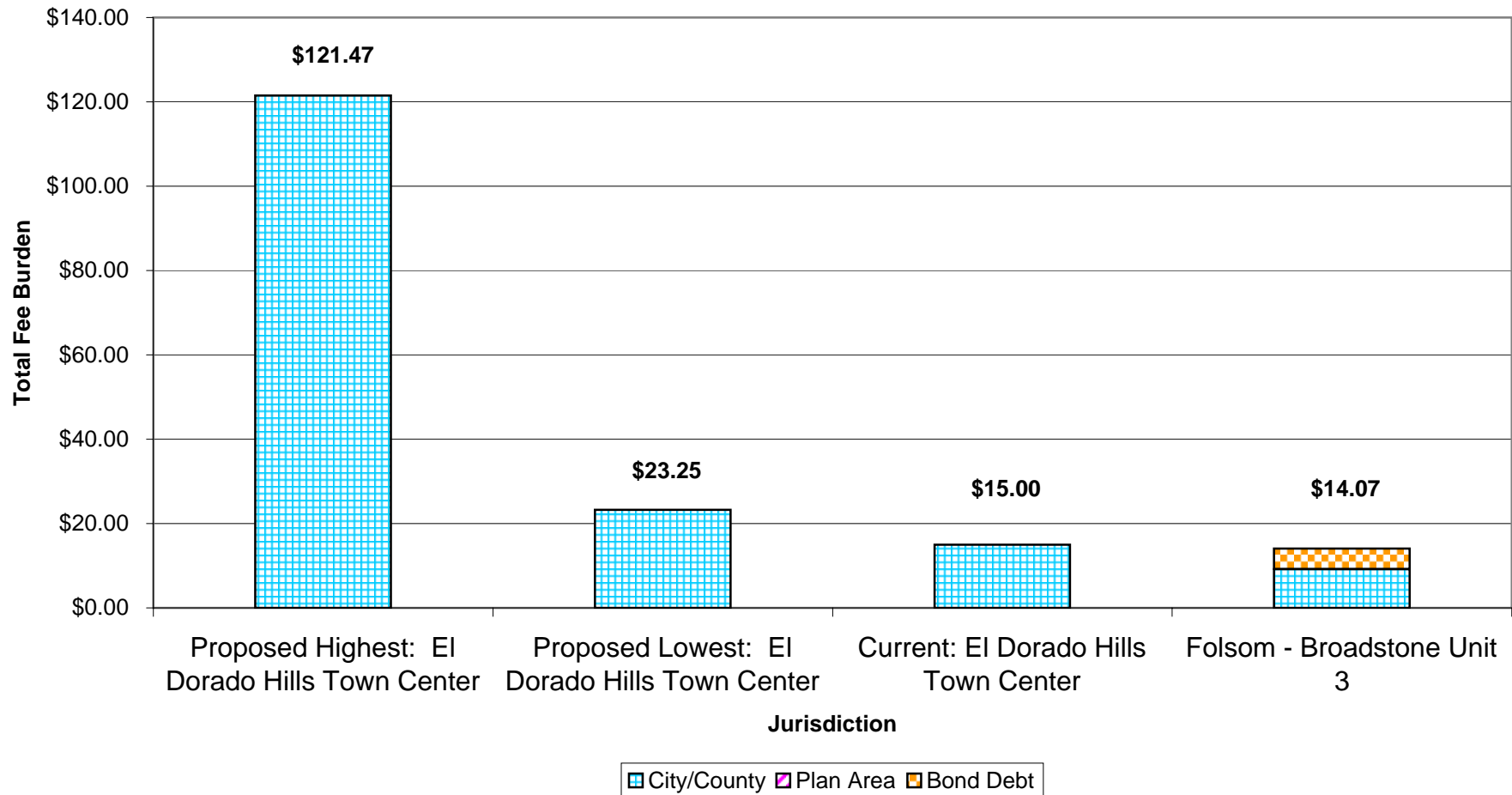


Table 2
El Dorado County Transportation Fee Update
Summary of Retail Fee Burden per Sq. Ft.
110,000 Sq. Ft. Project, 10-Acre Site



2

Table 3
El Dorado County Transportation Fee Update
Summary of Transportation Fee and Required Rent for Office
El Dorado Hills Traffic Zone 8

Scenario	Traffic Fee per Bldg. Sq. Ft.	Current Market Rent per Bldg. Sq. Ft.	Rent Required To Achieve \$10 per Land Sq. Ft.	Rent Increase Percentage For Feasibility
Office Scenario 1: Current Fee	\$8.36	\$1.70	\$2.31	35.88%
Office Scenario 2: Low Fee	\$4.26	\$1.70	\$2.26	32.94%
Office Scenario 3: Mid Fee	\$12.43	\$1.70	\$2.36	38.82%
Office Scenario 4: High Fee	\$29.44	\$1.70	\$2.57	51.18%

"office_summary"

Table 4
El Dorado County Transportation Fee Update
Summary of Transportation Fee and Required Rent for Retail
El Dorado Hills Traffic Zone 8

Scenario	Traffic Fee per Bldg. Sq. Ft.	Current Market Rent per Bldg. Sq. Ft.	Rent Required To Achieve \$15 per Land Sq. Ft.	Rent Increase Percentage For Feasibility
Retail Scenario 1: Current Fee	\$8.36	\$2.50	\$2.25	-
Retail Scenario 2: Low Fee	\$16.61	\$2.50	\$2.33	-
Retail Scenario 3: Mid Fee	\$48.49	\$2.50	\$2.63	5.20%
Retail Scenario 4: High Fee	\$114.83	\$2.50	\$3.26	30.40%

"retail_summary"

Table 5
El Dorado County Transportation Fee Update
Summary of Traffic and Transit Fees per Sq. Ft.
Office Development

Jurisdiction	Fee per Bldg. Sq. Ft.
El Dorado Hills - Town Center	
County Road Impact Fee	\$4.49
State Traffic Impact Mitigation Fee	\$2.17
El Dorado Hills District Fee	\$1.70
Total	\$8.36
I-50 & Sunrise	
Traffic Impact Mitigation Fee - Roadway	\$2.87
Traffic Impact Mitigation Fee - Transit	\$0.70
Total	\$3.57
Folsom - Broadstone Unit 3	
Road Fees [1]	\$1.81
Transportation Management Fee	\$0.15
Total	\$1.96

"office_traffic"

[1] Plan areas in the East area of Folsom get a 23.3% credit off the Road Fee. The full fee is \$2.36 per square foot for office.

Table 6
El Dorado County Transportation Fee Update
Summary of Traffic and Transit Fees per Sq. Ft.
Retail Development

Jurisdiction	Fee per Bldg. Sq. Ft.
El Dorado Hills - Town Center	
County Road Impact Fee	\$4.49
State Traffic Impact Mitigation Fee	\$2.17
El Dorado Hills District Fee	\$1.70
Total	\$8.36
Folsom - Broadstone Unit 3	
Road Fees [1]	\$4.16
Transportation Management Fee	\$0.15
Total	\$4.31

"retail_traffic"

[1] Plan areas in the East area of Folsom get a 23.3% credit off the Road Fee. The full fee is \$5.43 per square foot for retail.

Table 7
El Dorado County Transportation Fee Update
Calculation of El Dorado Impact Fees Net of Current Traffic Fees
El Dorado Hills Traffic Zone 8

Item	Office Fee	Retail Fee
	<i>Per Bldg. Sq. Ft.</i>	
Total Building Permit and Impact Fees	\$13.83	\$15.00
Less: Current Traffic Fees	(\$8.36)	(\$8.36)
Building Permit/Impact Fees Net of Current Traffic Fees	\$5.47	\$6.64

"net_bldg_fees"

Table 8
El Dorado County Transportation Fee Update
Proforma Analysis: Retail

Retail Scenario 2:
Low Fee

Assumption	Assumptions	Value
PROJECT DESCRIPTION: EL DORADO HILLS TRAFFIC ZONE 8		
Retail		
Total sq. ft. of Retail	110,000 sq. ft.	
Net Square Feet	104,500 NSF	
Number of Floors	1	
Parking		
Surface	440 Spaces	
Structured	0 Structured	
Total	440	
Total Sq. Ft. of Project	110,000 sq. ft.	
Total Net Sq. Ft. of Building (NSF)	104,500 NSF	
Total Sq. Ft. of Land [1]	440,000 sq. ft.	\$6,600,000
DEVELOPMENT COST ASSUMPTIONS		
Direct Costs		
Site Preparation and Demolition [2]	\$2.50 per land sq. ft.	\$1,100,000
In-Tract Improvements [2]	\$0.00 per land sq. ft.	\$0
Retail Shell and Core (includes tenant imp.'s)	\$110 per sq. ft.	\$12,100,000
Surface Parking Construction	\$3,500 per space	\$1,540,000
Structured Parking Construction	\$15,000 per space	N/A
Subtotal Direct Costs		\$14,740,000
Indirect Costs		
Building Fees (Permits and Impact Fees)		
Retail (Excluding Traffic Fees)	\$6.64 per sq. ft.	\$730,456
Proposed Traffic Fee	\$16.61 per sq. ft.	\$1,827,100
Architecture and Engineering	4.5% of direct costs	\$663,300
Developer Project Management	4.0% of direct costs	\$589,600
Taxes, Insurance, Legal, and Accounting	3.0% of direct costs	\$442,200
Marketing	Allowance	\$100,000
Leasing Commission	\$3.50	\$365,750
Cost Contingency	7.5% of direct costs	\$1,105,500
Subtotal Indirect Costs		\$5,823,906
Financing		
Construction Loan Amount	80.0% of Hard and Soft Costs	\$16,451,125
Interest Rate	6.5% per year	
Construction Period Interest	1 year	\$534,662
Points and Fees - Construction	1.0% of loan	\$164,511
Points, Fees, and Closing Costs - Permanent	1.3% of loan	\$213,865
Subtotal Financing		\$913,037
Total Direct Development Costs		\$21,476,944

[1] Assumes Land is valued at \$15 per sq. ft.

[2] Assumes some demolition of existing buildings and toxics assumed owner responsibility.
 In tract improvements assumed as part of site preparation costs. Assumes utilities are stubbed to the site and access provided.

[3] Includes proposed City of Sacramento Combined Sewer Fee estimated to be \$680 per 1,000 nonresidential square feet.

Table 8
El Dorado County Transportation Fee Update
Proforma Analysis: Retail

Retail Scenario 2:
Low Fee

Assumption	Assumptions	Value
INCOME		
Gross Potential Income		
Retail	\$2.33 per sq. ft. (NNN) per month	\$2,920,533
Total Gross Potential Income		\$2,920,533
Expenses		
Less Vacancy and Collection	5.0% of GPI	\$146,027
Less Operating Expenses Retail	3.0% of Retail GPI	\$87,616
Less Replacement Reserves	2.0% of GPI	\$58,411
Total Expenses		\$292,053
Net Operating Income		\$2,628,480
RESIDUAL VALUE		
Capitalized Value	8.0% cap rate	\$32,855,998
Less Total Development Costs		(\$21,476,944)
Less Developer Profit [1]	10.0% of development costs	(\$2,807,694)
Less Cost of Sales	6.0% of capitalized value	(\$1,971,360)
Residual Land Value [2]		\$6,600,000
Residual Land Value per Building Sq. Ft. [2]		\$60
Residual Value per Land Sq. Ft. [2]		\$15

"retail_2"

RENT SENSITIVITY TESTING

Current Market Rent	
Retail	\$2.50
Required Rent for Feasibility (solve to \$15 for land value)	
Retail	\$2.33
Required Rent Increase	-7%

[1] Developer Profit is calculated as a percentage of total development costs and land costs.

[2] Residual land value is an estimate of the value of the land based on the property's expected income stream as compared to the costs to develop the site. The residual land value does not include the actual cost to acquire the site. The developer should be prepared to spend approximately \$15 per land square foot to acquire property.