

**MEMORANDUM**

To: Michael Mahoney, Penryn Development LLC

From: Jamie Gomes, Ellen Martin, and Lucas Perretti

Subject: Economic Impacts of the Orchards at Penryn Project,  
EPS #122025

Date: May 16, 2012

*The Economics of Land Use*



The Orchards at Penryn (Project) is a 150-unit multifamily development proposed to be located along Penryn Road in the community of Penryn in Placer County, California. The Project applicant, Penryn Development, LLC (Penryn Development), requested that Economic & Planning Systems, Inc. (EPS), conduct studies of the Project to estimate the total amount of development impact fees that would be generated by the Project and the Project's potential economic benefits to Placer County (County).

The Project's proposed development consists of 32 residential buildings plus a 3,900-square-foot recreation building. The Project is proposed for 150 units arranged in 3-plex and 6-plex building designs.

**Development Impact Fees**

Development impact fee programs fund a variety of infrastructure improvements that are needed to serve the Project. This study includes a detailed analysis of the total fees the Project will pay into existing development impact fee programs for the County, special districts, and other public agencies.

As shown in **Table 1**, at building permit stage, the Project is estimated to pay approximately \$4.6 million into various development fee programs for the County, special districts, and other public agencies. Of the total estimated fees, County development fee programs are expected to receive approximately \$1.4 million, while other fee programs (special districts, school districts, and other agencies) will receive approximately \$3.2 million.

Detailed fee calculations are shown in **Table A-1** through **Table A-3**.

Economic & Planning Systems, Inc.  
2295 Gateway Oaks Drive, Suite 250  
Sacramento, CA 95833-4210  
916 649 8010 tel  
916 649 2070 fax

Berkeley  
Denver  
Los Angeles  
Sacramento

[www.epsys.com](http://www.epsys.com)

## Economic Impact

Industries in a geographic region are interdependent in the sense that they purchase outputs from and supply inputs to other industries. For example, consider the implications of restaurant expenditures. Restaurants purchase goods from producers, which in turn purchase raw materials from suppliers. Thus, an increase/decrease in restaurant activity will stimulate an increase/decrease in output and employment in the interdependent secondary industries.

This regional economic impact analysis relies on IMPLAN (Impact Analysis for Planning) software, an Input/Output (I/O) model that draws on data collected by the Minnesota IMPLAN Group (MIG) from several state and federal sources, including the Bureau of Economic Analysis, Bureau of Labor Statistics (BLS), and the Census Bureau. The model is widely used for estimating economic impacts across a wide array of industries and economic settings.

Regional economic impact analysis and I/O models in particular provide a means to estimate total regional effects stemming from a particular industry or activity. Specifically, I/O models produce quantitative estimates of the magnitude of regional economic activity resulting from some initial activity (e.g., residential development). I/O models rely on economic "multipliers" that mathematically represent the relation between the initial change in one sector of the economy and the effect of that change on economic output, income, or employment in other local industries. These economic data provide a quantitative estimate of the magnitude of shifts in jobs and revenues in the regional economy.

Development of the proposed Project will result in activity in several sectors. For example, the specific set of multipliers that apply for site work improvements is different than those for the actual vertical construction of the individual buildings.

### Interpretation of Model Results

Economic impacts using an I/O model are based on an initial change in output or employment in some sector. The model then translates that initial change into changes in demand for output from other interdependent sectors, corresponding changes in demand for inputs to those sectors, and so on. These effects are commonly described as direct, indirect, or induced effects and are generally defined as follows:

- The **direct effect** represents the change in output or employment attributable to a change in demand or increased supply. For example, the total cost of construction of a new project or the total employees hired by that project would represent the direct impact on the County economy.
- The **indirect effect** results from industry-to-industry transactions required to satisfy the direct effect. This effect is a measure of the change in the output of suppliers linked to the industry that is directly affected. For example, Project construction requires the purchase of numerous goods from County suppliers, raw materials, and professional services.
- The **induced effect** consists of impacts from employee spending in the local economy. Specifically, the employees of directly and indirectly affected businesses generate this effect by purchasing goods and services in the local economy.

The total impact is the sum of the direct, indirect, and induced effects. The total effect measures the impact of an activity as it "ripples" throughout the regional economy. In the subsequent section, the regional economic effects described above are reported in three categories:

- **Output**—The estimated value of total production. The Project's total production is measured by total costs of Project construction.
- **Employment**—Estimates the total number of jobs, both full-time and part-time, created as a result of the Project.
- **Labor Income**—The sum of total compensation (wages and benefits) received by employees and proprietors. Income represents a portion of the Project's value added and is one component of the Project's total output described above.

The duration of these impacts is limited to the development period of the Project. Because it is a residential project with no significant retail or other nonresidential components, the Project's economic impacts are considered one-time impacts to the County associated with the construction of the Project. In addition, the construction period is considered relatively short; therefore, this analysis assumes no significant induced effects.

### **Caveats to I/O Modeling**

Several important caveats are relevant to interpreting IMPLAN model estimates.

First, IMPLAN relies on I/O relations derived from 2010 data (latest available from IMPLAN). Thus, EPS's analysis assumes that the present characterization of the economy is a reasonable approximation of current conditions. Based upon its knowledge of the region, EPS is not aware of any recent structural changes that may have occurred. However, to the extent that unknown significant structural changes have occurred in the regional economy since 2010, the analysis results may not account for such changes.

Second, the I/O methodology assumes that an industry's demand for goods and services results in a corresponding increase in supply and therefore employment. This implies that key industry suppliers can increase output rather than shift output from one set of consumers or products to another.

### **Summary of One-Time Economic Impact**

Based on the construction cost estimates provided by Penryn Development, Project construction is estimated to generate a one-time impact of approximately \$41 million in total output and 240 total jobs for the duration of the construction period, as shown in **Table 2**. In addition, total income earned by employees, proprietors, and corporations is estimated to be \$4.8 million.

According to IMPLAN, different construction components provide different annual impacts. In addition to the direct cost of a given construction component, an estimated multiplier provides an estimate of indirect impacts. The primary components evaluated for this analysis include site improvements and remediation, vertical construction, and soft costs. **Tables A-4 through A-6** show the calculation of these direct and indirect impacts.

## Assumptions

Assumptions used in the analysis are included in **Appendix B**. The following list documents the sources of key assumptions used in this analysis:

- **Land Use Plan Assumptions.** Specific residential and nonresidential building, apartment sizes, and apartment mix were provided by Penryn Development. These assumptions are included in **Table B-1**. EPS allocated the parcel's 15.1 gross acres to each building based on share of building square feet. This assumption is shown in **Table B-2**.
- **Assessed Valuation and Construction Cost Assumptions.** For purposes of calculating building permit fee estimates, Project valuations were estimated using valuation assumptions published by the County. These estimates are shown in **Tables B-3** and **B-4**. The estimated construction costs of the Project were provided by Penryn Development. These costs are used to evaluate the direct impacts of the Project. EPS categorized the cost assumptions by IMPLAN Sector category as shown in **Table B-5**.
- **Loomis Union School District Fees.** Discussions with the Loomis Union School District indicate that fees are proposed to increase. However, new rates are unavailable at this time. Therefore, this analysis assumes current fee rates.
- **Traffic-Related Fees for the Recreation Building.** According to the County, traffic fees are not typically charged to the construction of a multifamily community's recreational building because it is considered ancillary to the residential development (i.e., private) and is present to provide amenities to existing residents. This analysis assumes no traffic fees for the recreation building.

If you have questions regarding this analysis, please call either Jamie Gomes or Lucas Perretti at (916) 649-8010.

**Table 1**  
**The Orchards at Penryn**  
**Summary of Estimated Gross Fee Revenue by Jurisdiction**

Item	Est. Revenue Per Building			Est. Revenue all Buildings			TOTAL
	3-Plex Buildings	6-Plex Buildings	Recreation Building	3-Plex Buildings	6-Plex Buildings	Recreation Building	
Number of Buildings				12	19	1	32
<b>Placer County</b>							
Parks Fee	\$7,895	\$15,335	\$0	\$94,740	\$291,365	\$0	\$386,105
Traffic Fee	\$8,536	\$17,072	\$0	\$102,430	\$324,361	\$0	\$426,791
County/City Traffic Fee	\$68	\$136	\$0	\$818	\$2,590	\$0	\$3,408
Capital Facilities Fee	\$8,052	\$16,104	\$2,028	\$96,623	\$305,973	\$2,028	\$404,624
All Other Fees	\$4,095	\$7,979	\$3,001	\$49,143	\$151,595	\$3,001	\$203,739
<b>Subtotal</b>	<b>\$28,646</b>	<b>\$56,625</b>	<b>\$5,029</b>	<b>\$343,754</b>	<b>\$1,075,884</b>	<b>\$5,029</b>	<b>\$1,424,666</b>
<b>Other Agency Fees</b>							
South Placer Regional Traffic Fee	\$2,575	\$5,150	\$0	\$30,901	\$97,854	\$0	\$128,756
Penryn Fire District Fire Fee	\$1,866	\$3,731	\$1,443	\$22,386	\$70,891	\$1,443	\$94,720
Loomis Union School District	\$6,892	\$13,784	\$1,209	\$82,706	\$261,902	\$1,209	\$345,817
Placer Union High School District	\$4,608	\$9,215	\$741	\$55,292	\$175,092	\$741	\$231,125
SPMUD Sewer Fee	\$27,141	\$54,282	\$0	\$325,692	\$1,031,358	\$0	\$1,357,050
PCWA Water Fee (Domestic & Irrigation)	\$21,043	\$42,086	\$1,234	\$252,517	\$799,638	\$1,234	\$1,053,390
<b>Subtotal</b>	<b>\$64,125</b>	<b>\$128,249</b>	<b>\$4,627</b>	<b>\$769,495</b>	<b>\$2,436,735</b>	<b>\$4,627</b>	<b>\$3,210,858</b>
<b>TOTAL</b>	<b>\$92,771</b>	<b>\$184,875</b>	<b>\$9,656</b>	<b>\$1,113,249</b>	<b>\$3,512,619</b>	<b>\$9,656</b>	<b>\$4,635,524</b>

"fees\_juris"

**Table 2**  
**The Orchards at Penryn**  
**Estimated Economic Impact of Project Construction (2012\$) [1]**

Overall
---------

Impacts (Rounded)	Indirect	Annual Impacts [3]		Total Impact
	Multiplier [2]	Direct	Indirect	
<b>Output</b>	0.31	\$31,200,000	\$9,780,000	<b>\$40,980,000</b>
<b>Total Employment (Job Years)</b>	0.50	160	80	<b>240</b>
<i>Average Annual Jobs [4]</i>		107	53	<b>160</b>
<b>Labor Income [5]</b>	0.37	\$3,500,000	\$1,300,000	<b>\$4,800,000</b>

"constr\_1"

Source: Penryn Development LLC; MIG, Inc. 2010; and EPS.

- [1] Unless included in Table A-4, impacts associated with onsite and offsite improvements and backbone infrastructure have not been estimated at this time because cost estimates are not available.
- [2] See Table B-5 for categorization of construction activities by IMPLAN sector.
- [3] Because the construction period is relatively short, this analysis assumes that no significant induced effects will occur; therefore, induced impacts have not been estimated.
- [4] Assumes an 18-month construction timeline.
- [5] Includes employee compensation and proprietors income.

APPENDICES:

Appendix A: Analysis Tables

Appendix B: Analysis Assumptions



## APPENDIX A: Analysis Tables



Table A-1	Estimated Development Impact Fees—3-Plex
Table A-2	Estimated Development Impact Fees—6-Plex
Table A-3	Estimated Development Impact Fees—Recreation Building
Table A-4	Estimated Economic Impact of Site Improvements and Remediation Costs
Table A-5	Estimated Economic Impact of Vertical Construction
Table A-6	Estimated Economic Impact of Soft Costs

**Table A-1**  
**The Orchards at Penryn**  
**Estimated Development Impact Fees**

3-Plex
--------

Fee Category	Total Gross Fee	Comments
<b>Development Assumptions</b>		
	5,042	gross square feet
	3,872	living area square feet
	0.30	est. acres per building
	\$383,011	Valuation for Type V wood frame with sprinklers
	3	Number of Units
<b>Building Permit Fees</b>		
<b>Existing County Fees</b>		
Building Permit	\$1,341	50% of building permit cost of \$2,681
Plan Check	\$1,341	50% of building permit cost of \$2,681
Plumbing Permit Fee	\$383	0.001 of building permit valuation
Electrical Permit Fee	\$383	0.001 of building permit valuation
Mechanical Permit Fee	\$383	0.001 of building permit valuation
Strong Motion Instrumentation Fee	\$38	0.0001 of building permit valuation
Energy Compliance Fee	\$105	per application
Accessibility Compliance Fee	\$105	per application
Building Standards Commission Fee	\$16	\$1.00 per \$25,000 of valuation
Parks Fee	\$7,895	A portion is due at Final Map
Placer County Traffic Fee	\$8,536	Assumes apartment DUE factor of 0.614
Placer County/City Traffic Fee	\$68	Assumes apartment DUE factor of 0.614
Placer County Capital Facilities Fee	\$8,052	\$2,683.97 per multifamily unit
<b>Subtotal County Fees</b>	<b>\$28,646</b>	
<b>Other Agency/Special District Fees</b>		
South Placer Regional Traffic Fee	\$2,575	Assumes apartment DUE factor of 0.614
Penryn Fire District Fire Fee	\$1,866	\$0.37 per living area sq. ft.
Loomis Union School District	\$6,892	\$1.78 per living area sq. ft. [1]
Placer Union High School District	\$4,608	\$1.19 per living area sq. ft.
SPMUD Sewer Fee	\$27,141	\$9,047 per multifamily unit
PCWA Water Fee - Domestic	\$19,447	\$16,206 per DUE; 40% of a DUE per MFR unit
PCWA Water Fee - Irrigation	\$1,596	Allocated portion of 1.5" irrigation [2]
<b>Subtotal Other Fees</b>	<b>\$64,125</b>	
<b>Total Permit Fees</b>	<b>\$92,771</b>	
Per Residential Unit (Average)	\$30,924	
Per Gross Building Square Foot	\$18.40	

"3-plex"

[1] Loomis Union School District is currently increasing fees. The analysis assumes current rates.

[2] According to PCWA, the proposed 1.5" irrigation line for the project will incur a total connection charge of \$81,030. The cost was allocated to each building based on estimated acreage.

**Table A-2**  
**The Orchards at Penryn**  
**Estimated Development Impact Fees**

6-Plex
--------

Fee Category	Total Gross Fee	Comments
<b>Development Assumptions</b>		
	10,084	gross square feet
	7,744	living area square feet
	0.59	est. acres per building
	\$766,023	Valuation for Type V wood frame with sprinklers
	6	Number of Units
<b>Building Permit Fees</b>		
<b>Existing County Fees</b>		
Building Permit	\$2,681	50% of building permit cost of \$5,362
Plan Check	\$2,681	50% of building permit cost of \$5,362
Plumbing Permit Fee	\$766	0.001 of building permit valuation
Electrical Permit Fee	\$766	0.001 of building permit valuation
Mechanical Permit Fee	\$766	0.001 of building permit valuation
Strong Motion Instrumentation Fee	\$77	0.0001 of building permit valuation
Energy Compliance Fee	\$105	per application
Accessibility Compliance Fee	\$105	per application
Building Standards Commission Fee	\$31	\$1.00 per \$25,000 of valuation
Parks Fee	\$15,335	A portion is due at Final Map
Placer County Traffic Fee	\$17,072	Assumes apartment DUE factor of 0.614
Placer County/City Traffic Fee	\$136	Assumes apartment DUE factor of 0.614
Placer County Capital Facilities Fee	\$16,104	\$2,683.97 per multifamily unit
<b>Subtotal County Fees</b>	<b>\$56,625</b>	
<b>Other Agency/Special District Fees</b>		
South Placer Regional Traffic Fee	\$5,150	Assumes apartment DUE factor of 0.614
Penryn Fire District Fire Fee	\$3,731	\$0.37 per living area sq. ft.
Loomis Union School District	\$13,784	\$1.78 per living area sq. ft. [1]
Placer Union High School District	\$9,215	\$1.19 per living area sq. ft.
SPMUD Sewer Fee	\$54,282	\$9,047 per multifamily unit
PCWA Water Fee - Domestic	\$38,894	\$16,206 per DUE; 40% of a DUE per MFR unit
PCWA Water Fee - Irrigation	\$3,192	Allocated portion of 1.5" irrigation [2]
<b>Subtotal Other Fees</b>	<b>\$128,249</b>	
<b>Total Permit Fees</b>	<b>\$184,875</b>	
Per Residential Unit (Average)	\$30,812	
Per Gross Building Square Foot	\$18.33	

"6-plex"

[1] Loomis Union School District is currently increasing fees. The analysis assumes current rates

[2] According to PCWA, the proposed 1.5" irrigation line for the project will incur a total connection charge of \$81,030. The cost was allocated to each building based on estimated acreage

**Table A-3**  
**The Orchards at Penryn**  
**Estimated Development Impact Fees**

<b>Recreation Building</b>
--------------------------------

Fee Category	Total Gross Fee	Comments
<b>Development Assumptions</b>	3,900	gross square feet
	0.23	est. acres per building
	\$275,067	Valuation for Type V wood frame with sprinklers
<b>Building Permit Fees</b>		
<b>Existing County Fees</b>		
Building Permit	\$963	50% of building permit cost of \$1,925
Plan Check	\$963	50% of building permit cost of \$1,925
Plumbing Permit Fee	\$275	0.001 of building permit valuation
Electrical Permit Fee	\$275	0.001 of building permit valuation
Mechanical Permit Fee	\$275	0.001 of building permit valuation
Strong Motion Instrumentation Fee	\$28	0.0001 of building permit valuation
Energy Compliance Fee	\$105	per application
Accessibility Compliance Fee	\$105	per application
Building Standards Commission Fee	\$12	\$1.00 per \$25,000 of valuation
Parks Fee	\$0	Applies only to residential units
Placer County Traffic Fee	\$0	Assumes traffic generated by residents [1]
Placer County/City Traffic Fee	\$0	Assumes traffic generated by residents [1]
Placer County Capital Facilities Fee	\$2,028	\$0.52 per square foot
<b>Subtotal County Fees</b>	<b>\$5,029</b>	
<b>Other Agency/Special District Fees</b>		
South Placer Regional Traffic Fee	\$0	Assumes traffic generated by residents [1]
Penryn Fire District Fire Fee	\$1,443	\$0.37 per living area sq. ft.
Loomis Union School District	\$1,209	\$0.31 per sq. ft. [2]
Placer Union High School District	\$741	\$0.19 per sq. ft.
SPMUD Sewer Fee	\$0	Applies only to residential units
PCWA Water Fee - Domestic	\$0	Included with residential units
PCWA Water Fee - Irrigation	\$1,234	Allocated portion of 1.5" irrigation [3]
<b>Subtotal Other Fees</b>	<b>\$4,627</b>	
<b>Total Permit Fees</b>	<b>\$9,656</b>	
Per Gross Building Square Foot	\$2.48	

"rec"

- [1] Assumes the recreation center is a community amenity available to residents only. Therefore, no additional traffic is generated nor fees justified.
- [2] Loomis Union School District is currently increasing fees. The analysis assumes current rates
- [3] According to PCWA, the proposed 1.5" irrigation line for the project will incur a total connection charge of \$81,030. The cost was allocated to each building based on estimated acreage

**Table A-4**  
**The Orchards at Penryn**  
**Est. Economic Impact of Site Improvements and Remediation Costs (2012\$)**

Site Improvements and Remediation
--------------------------------------

Impacts (Rounded)	Indirect	Annual Impacts [2]		Total Impact
	Multiplier [1]	Direct	Indirect	
<b>Output</b>	0.31	\$4,320,000	\$1,320,000	<b>\$5,640,000</b>
<b>Total Employment (Job Years)</b>	0.40	25	10	<b>35</b>
<i>Average Annual Jobs [3]</i>		17	7	<b>23</b>
<b>Labor Income [4]</b>	0.33	\$690,000	\$230,000	<b>\$920,000</b>

"constr\_2"

Source: Penryn Development LLC; MIG, Inc. 2010; and EPS.

- [1] See Table B-5 for categorization of construction activities by IMPLAN sector.  
 [2] Because the construction period is relatively short, this analysis assumes that no significant induced effects will occur; therefore, induced impacts have not been estimated.  
 [3] Assumes an 18-month construction timeline.  
 [4] Includes employee compensation and proprietors income.

**Table A-5**  
**The Orchards at Penryn**  
**Estimated Economic Impact of Vertical Construction (2012\$)**

Vertical Construction
--------------------------

Impacts (Rounded)	Indirect	Annual Impacts [2]		Total Impact
	Multiplier [1]	Direct	Indirect	
<b>Output</b>	0.32	\$23,040,000	\$7,380,000	<b>\$30,420,000</b>
<b>Total Employment (Job Years)</b>	0.57	105	60	<b>165</b>
<i>Average Annual Jobs [3]</i>		70	40	<b>110</b>
<b>Labor Income [4]</b>	0.39	\$2,300,000	\$900,000	<b>\$3,200,000</b>

"constr\_3"

Source: Penryn Development LLC; MIG, Inc. 2010; and EPS.

- [1] See Table B-5 for categorization of construction activities by IMPLAN sector.  
 [2] Because the construction period is relatively short, this analysis assumes that no significant induced effects will occur; therefore, induced impacts have not been estimated.  
 [3] Assumes an 18-month construction timeline.  
 [4] Includes employee compensation and proprietors income.

**Table A-6**  
**The Orchards at Penryn**  
**Estimated Economic Impact of Soft Costs (2012\$)**

Soft Costs
---------------

Impacts (Rounded)	Indirect	Annual Impacts [2]		Total Impact
	Multiplier [1]	Direct	Indirect	
<b>Output</b>	0.29	\$3,800,000	\$1,100,000	<b>\$4,900,000</b>
<b>Total Employment (Job Years)</b>	0.33	30	10	<b>40</b>
<i>Average Annual Jobs [3]</i>		20	7	<b>27</b>
<b>Labor Income [4]</b>	0.17	\$600,000	\$100,000	<b>\$700,000</b>

"constr\_4"

Source: Penryn Development LLC; MIG, Inc. 2010; and EPS.

- [1] Assumes an average of multiple IMPLAN sectors. See Table B-5 for IMPLAN sector assumptions.  
 [2] Because the construction period is relatively short, this analysis assumes that no significant induced effects will occur; therefore, induced impacts have not been estimated.  
 [3] Assumes an 18-month construction timeline.  
 [4] Includes employee compensation and proprietors income.

**APPENDIX B:**  
**Analysis Assumptions**



Table B-1	Unit Summary Assumptions
Table B-2	Calculation of Acreage Assumptions
Table B-3	Valuation Estimate for Each Building Type
Table B-4	Building Valuations
Table B-5	Estimated Project Construction Cost

**Table B-1  
The Orchards at Penryn  
Unit Summary Assumptions**

Unit Model	Number of Units	Number of Bldgs	Per Unit				All Units			
			Conditioned Space (sq. ft.)	Patio Area (sq. ft.)	Garage Area (sq. ft.)	Total Square Feet	Conditioned Space (sq. ft.)	Patio Area (sq. ft.)	Garage Area (sq. ft.)	Total Square Feet
<b>Residential Buildings</b>										
<b>3-Plex Building</b>										
Carriage (2 bdrm)	1		1,195	50	220	1,465	14,340	600	2,640	17,580
Townhouse (2 bdrm)	1		1,250	50	400	1,700	15,000	600	4,800	20,400
Townhouse (3 bdrm)	1		1,427	50	400	1,877	17,124	600	4,800	22,524
<b>Subtotal</b>		<b>12</b>	<b>3,872</b>	<b>150</b>	<b>1,020</b>	<b>5,042</b>	<b>46,464</b>	<b>1,800</b>	<b>12,240</b>	<b>60,504</b>
<b>6-Plex Building</b>										
Carriage (2 bdrm)	2		1,195	50	220	1,465	45,410	1,900	8,360	55,670
Townhouse (2 bdrm)	2		1,250	50	400	1,700	47,500	1,900	15,200	64,600
Townhouse (3 bdrm)	2		1,427	50	400	1,877	54,226	1,900	15,200	71,326
<b>Subtotal</b>		<b>19</b>	<b>7,744</b>	<b>300</b>	<b>2,040</b>	<b>10,084</b>	<b>147,136</b>	<b>5,700</b>	<b>38,760</b>	<b>191,596</b>
<b>Total Residential Buildings</b>		<b>31</b>					<b>193,600</b>	<b>7,500</b>	<b>51,000</b>	<b>252,100</b>
<b>Recreation Center</b>		<b>1</b>	<b>3,900</b>				<b>3,900</b>	<b>0</b>	<b>0</b>	<b>3,900</b>
<b>TOTAL</b>	<b>150</b>	<b>32</b>					<b>197,500</b>	<b>7,500</b>	<b>51,000</b>	<b>256,000</b>

"unit\_summ"

Source: Penryn Development LLC and EPS.

**Table B-2**  
**The Orchards at Penryn**  
**Calculation of Acreage Assumptions**

<b>Building</b>	<b>Number Of Buildings</b>	<b>Gross Building Sq. Ft.</b>	<b>Percent Of Total</b>	<b>Gross Acres per Building</b>	<b>Total Gross Acres</b>
3-Plex Building	12	60,504	23.6%	0.30	3.6
6-Plex Building	19	191,596	74.8%	0.59	11.3
Recreation Center	1	3,900	1.5%	0.23	0.2
<b>Total</b>	<b>32</b>	<b>256,000</b>	<b>100%</b>		<b>15.1</b>

"acreage\_assumptions"

Note: The calculation of acreage for each building is for estimation purposes only and may not reflect the actual acreage for each building.

**Table B-3  
The Orchards at Penryn  
Valuation Estimate for Each Building Type**

<b>Building Type</b>	<b>Conditioned Sq. Ft.</b>	<b>Sprinkler/AC Sq. Ft.</b>	<b>Patio Area Sq. Ft.</b>	<b>Garage Area Sq. Ft.</b>	<b>Total All Buildings</b>	<b>Total Per Building</b>
<b>Total Square Feet</b>						
3-Plex Building	46,464	46,464	1,800	12,240	<b>60,504</b>	
6-Plex Building	147,136	147,136	5,700	38,760	<b>191,596</b>	
Recreation Center	3,900	3,900	0	0	<b>3,900</b>	
<b>Valuation Estimate</b>						
3-Plex Building	\$3,902,511	\$283,430	\$39,078	\$371,117	<b>\$4,596,137</b>	\$383,011
6-Plex Building	\$12,357,953	\$897,530	\$123,747	\$1,175,203	<b>\$14,554,432</b>	\$766,023
Recreation Center	\$251,277	\$23,790	\$0	\$0	<b>\$275,067</b>	\$275,067
<b>Total</b>	<b>\$16,511,741</b>	<b>\$1,204,750</b>	<b>\$162,825</b>	<b>\$1,546,320</b>	<b>\$19,425,636</b>	

"valuation"

[1] See Table B-4 for building valuations.

**Table B-4  
The Orchards at Penryn  
Building Valuations**

<b>Structure</b>	<b>Valuation Category</b>	<b>Valuation Per Sq. Ft.</b>
<i>Construction Type:</i>		<i>Type V Wood Frame</i>
Living Area	Living Area (R3)	\$83.99
Patio Area	Covered Deck/Porch	\$21.71
Garages	Garage/Storage (U1)	\$30.32
Recreation Building	Stores	\$64.43
Air Conditioning	Air Conditioning (Res)	\$3.50
Sprinklers	Sprinklers	\$2.60
		<i>"values"</i>

Source: Placer County

**Table B-5**  
**The Orchards at Penryn**  
**Estimated Project Construction Cost (2012\$) [1]**

Land Uses	IMPLAN Sector	Building Sq. Ft. [2]	Est. Cost per Sq. Ft. [3]	Total Project [3]
<b>Environmental Remediation</b>	Sector #390 Waste Management and Remediation			\$850,000
<b>Infrastructure &amp; Site Improvements</b>	Sector #36 - Other New Nonresidential			
Other Site Improvements [4]				\$3,172,502
Widening of Penryn Road				\$300,000
<b>Subtotal Infrastructure and Site Improvements</b>				<b>\$3,472,502</b>
<b>Vertical Construction [5]</b>				
Residential	Sector #37 - New Residential Construction	252,100	\$90	\$22,689,000
Other Nonresidential Construction	Sector #36 - Other New Nonresidential	3,900	\$90	\$351,000
<b>Subtotal Vertical Construction</b>		<b>256,000</b>		<b>\$23,040,000</b>
<b>Estimated Soft Costs</b>	See Note [6]			<b>\$3,840,000</b>
<b>Total</b>		<b>256,000</b>		<b>\$31,202,502</b>

"cost"

Source: Penryn Development LLC; MIG, Inc. 2010; and EPS.

- [1] Project construction cost estimates do not include offsite improvements and backbone infrastructure costs for which costs are unavailable. Costs shown are based on pro forma cost estimates, which are subject to adjustment, change orders and other actual expenses. However, for purposes of this analysis, these these estimates approximate the expected cost of development.
- [2] See Table B-1 for square foot assumptions.
- [3] Construction cost assumptions provided by the Penryn Development LLC.
- [4] Site work is approximately \$15 per rentable square foot, which includes \$850,000 in contaminated soil included in the Environmental Remediation line-item.
- [5] Includes all costs of vertical construction including materials, labor, construction management, impact and other fees, etc.
- [6] Includes estimated costs for all services including architectural, legal, engineering, environmental reporting, geo-technical studies, and other related costs. Actual costs will vary based on actual needs and findings. This analysis assumes an average of the following IMPLAN sectors to reflect various economic activities:
- Sector #367 - Legal Services
  - Sector #369 - Architecture, Engineering and Related Services
  - Sector #375 - Environmental and Other Technical Consulting Services