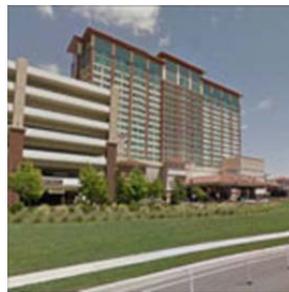


The Economics of Land Use



Sunset Industrial Area Plan Update Market Analysis



Prepared for: Placer County

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1. EXECUTIVE SUMMARY

Key Findings

For several decades, Placer County has viewed the 8,200-acre Sunset Industrial Area (SIA) as its industrial core and primary location in the unincorporated areas for economic development activity. The current SIA plan stresses high quality employment opportunities as well as ample space for industrial uses. Several industrial properties have been developed along the east side of the SIA, including large properties such as the former Formica plant, the Ace warehouse, and the Placer Corporate Center campus. Many existing properties, however, are occupied by non-industrial users that received conditional use permits. In addition, the Thunder Valley Casino Resort, opened in 2003, has changed the character of the surrounding area with an orientation toward entertainment uses.

Westpark recently reinitiated the planning and development process for the 2,200-acre Placer Ranch project along the southern portion of the SIA, which includes satellite campuses for California State University, Sacramento and Sierra College, a mix of nonresidential space, and single-family and multifamily housing. If approved, this project could change the character of the SIA. For several large, undeveloped parcels, the lack of infrastructure and utilities, buffer considerations related to the landfill and materials recovery facility, and several wetland mitigation areas have constrained development in the rest of the SIA.

The momentum created by the proposed Placer Ranch development, coupled with development plans in nearby areas, has the potential to redefine the SIA as an area with significant economic development opportunities. Therefore, planning for the future of the SIA must take into account existing conditions, future trends, and key opportunities and challenges.

1. The SIA sits in the middle of the South Placer market, which is one of the major population and employment centers in the dynamic Sacramento Region.

As one of the state's leading inland markets, the Sacramento Region has seen its population expand rapidly since 2000, growing by 23 percent compared to the statewide average of just 13 percent. Over the same period, the South Placer market (defined as the southwestern portion of the County centered on Lincoln, Rocklin, and Roseville) saw its population increase by 64 percent, more than double the rate of the Region. The South Placer market currently contains 13 percent of the Sacramento Region's population and accounted for 27 percent of the Region's absolute population growth between 2000 and 2014.

This market also contains about 13 percent of the Region's labor force; however, around two-thirds of these working residents commute outside South Placer for employment opportunities. The number of jobs in the South Placer market has increased by 40 percent over the past 10 years with the market's share of the Region's employment base reaching 11 percent (notably below the corresponding share of population). Over this period, the South Placer market captured a significant share of the net absolute job gains in the Region, demonstrating the market's capacity to expand its employment base and play an even larger role in the regional economy.

2. The SIA offers one of the greatest opportunities to generate desired economic development outcomes in the South Placer market.

With an orientation toward employment-generating uses, the SIA represents a major opportunity to continue to expand the job base in the South Placer market to come closer to the market's role as a regional population center. At the same time, the SIA offers Placer County a means to realize several desirable economic development outcomes in a market area that has been dominated by dynamics in Roseville and Rocklin. Employment in economic activities that generate net new wealth and drive growth in other segments of the economy, generally referred to as the "economic base," has been declining while local-serving activities have seen job gains in the past 10 years. With only 21 percent of all jobs in the market being part of the economic base (a measure notably below regional benchmarks), the SIA offers an opportunity area for business attraction and expansion efforts focused on boosting this measure. The expansion of employment-generating uses could create additional job opportunities that better use the large local labor force and reduce some of the out-commute and related roadway congestion in the long-term.

The SIA currently benefits from several competitive attributes that can be leveraged for economic development purposes. From a workforce perspective, the SIA has access to a high quality and growing labor force in the South Placer market. The South Placer workforce and business community benefit from the presence of existing higher education institutions, like William Jessup University and Sierra College, and will see investments from California State University, Sacramento and the University of Warwick result in new campuses and partnerships. In terms of development, the SIA has an advantage in the fact that large areas of developable land are under the control of relatively few but motivated owner groups. Competitive development fees, major planned catalytic projects, and the connections supported by the proposed Placer Parkway alignment are also positive markers for development.

3. Regional and local economic analysis indicates that Placer County economic development efforts could target a combination of 10 viable industry clusters.

Through the Next Economy initiative, regional economic development organizations and local jurisdictions, including Placer County, have prioritized six industry clusters for targeted efforts to grow and retain jobs and investment including Advanced Manufacturing, Agriculture & Food, Clean Energy Technology, Education & Knowledge Creation, Information & Communications Technology, and Life Sciences & Health Services. Economic analysis also suggests that four other clusters present opportunities for growth and development in Placer County including Advanced Materials, Business & Financial Services, Distribution & Electronic Commerce, and Recreation & Tourism.

Economic activities that are part of these 10 viable clusters use all types of nonresidential space with a weighting toward the office, flex, and industrial segments. Many of these clusters maintain staffing patterns that align with the South Placer labor force and several the activities are represented among the University of Warwick's research priorities. Economic development potential in the South Placer market could be enhanced if future development patterns in the SIA account for the types of users in the 10 viable clusters. Growth in these clusters, all of which contain economic base activities, often generates other benefits such as strong employment multiplier effects, regional linkages, and import substitution.

4. General economic recovery and momentum created by major planned projects are prompting SIA landowners to explore development options.

Most of the major land owners in the SIA have held properties for several economic cycles and anticipated being able to move development plans forward before the recent recession. The general economic recovery has led some of these owners to begin to seriously explore options that would allow them to take advantage of the current market expansion phase. In addition, the Placer Parkway, Placer Ranch (including the Sacramento State and Sierra College campuses), and University of Warwick plans have generated momentum in the market as other land owners are able to better understand the components and timing of these major projects.

There is already a proposal that has been submitted to the County for an industrial park subdivision which incorporates the former Formica facility and undeveloped land to the east. The United Auburn Indian Community (UAIC) is also in the early stages of assessing opportunities in areas adjacent to the Thunder Valley Casino Resort. In addition, the owners of several hundred acres on both the east and west sides of the landfill and materials recovery facility and immediately north of the Placer Parkway and Placer Ranch plans have expressed a desire to effectively position their properties for future development.

5. Real estate market indicators show that the South Placer office and retail segments have outperformed the flex and industrial uses since 2000.

Annual average absorption between 2000 and 2014 has exceeded 330,000 square feet for office space and 250,000 square feet for retail space in the South Placer market. During this period of positive net absorption there was a notable amount of space constructed in these segments. Although annual average vacancy rates have been higher than the Sacramento Region overall, South Placer asking rents are around or above the regional average.

While industrial and flex space have both seen positive absorption on an annual average basis over the past 14 years, these segments have not performed as well as office and retail in the South Placer market. Combined, only about 132,000 square feet of flex and industrial space were absorbed annually in the 2000 to 2014 period while vacancy rates and asking rents were in line with the rest of the Region. These two segments represent the greatest amount of space available in the SIA at more than 3.9 million square feet, which equates to about one-quarter of the South Placer market. Just more than 55,000 square feet of industrial and flex space were absorbed in the SIA on an annual average basis between 2000 and 2014 with nearly 59,000 square feet constructed annually.

Combined, the flex, industrial, and office segments, those most closely aligned with SIA opportunities, showed annual absorption equating to approximately 29 acres on an annual average basis in the South Placer market between 2000 and 2014.

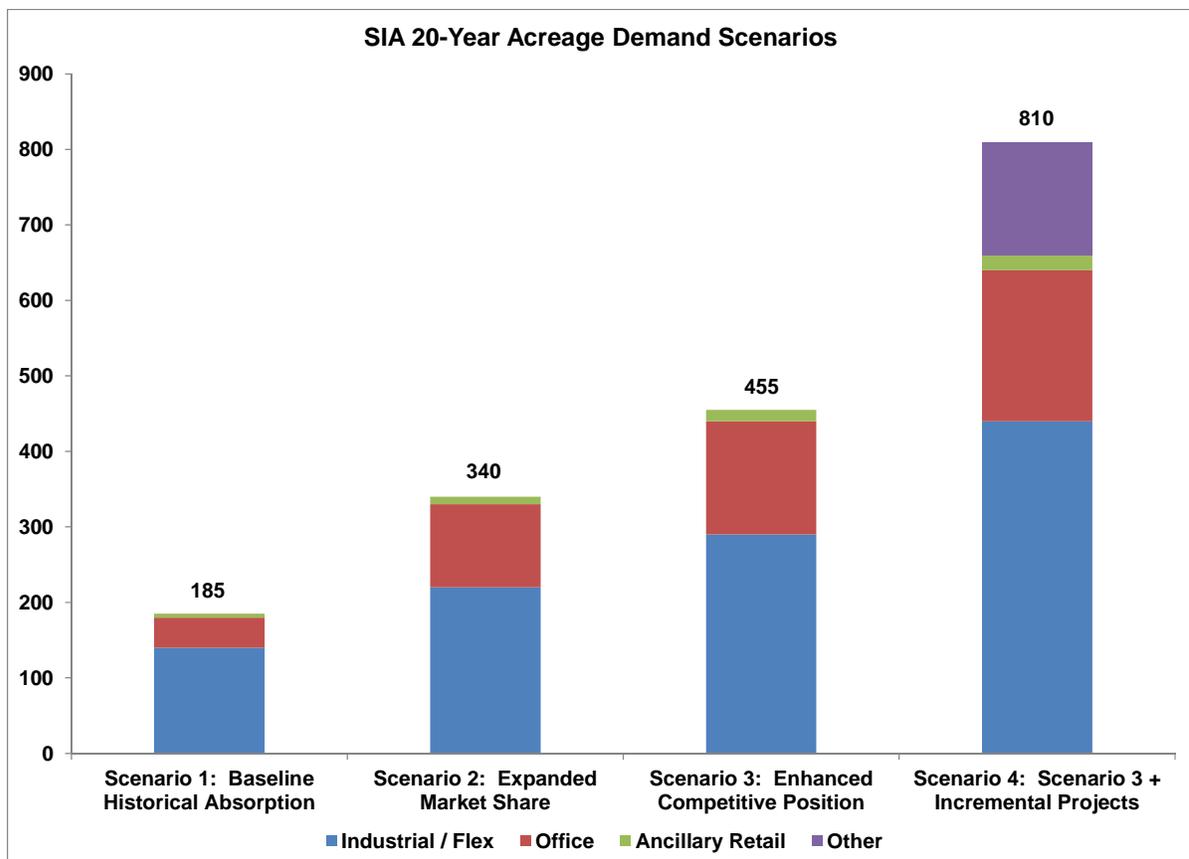
6. Market forecasts suggest that there could be demand for as much as 460 acres of industrial/flex and office land in the SIA through 2035 with major "game-changing" projects bringing total demand up to 810 acres.

Estimates from SACOG suggest that roughly 94 percent of the projected acreage demand for Placer County will be captured in the South Placer market. Translating Placer County employment forecasts from various sources to land use for the 20-year period from 2015 to 2035 results in an estimated demand of approximately 360 acres of industrial/flex uses and

740 acres of office uses. Several different scenarios reflect the SIA’s ability to capture the South Placer market demand ranging from baseline conditions to an enhanced competitive position plus the insertion of major “game-changing” projects like a corporate campus or destination entertainment/retail use. As shown in **Figure 1**, total SIA acreage demand across these scenarios—inclusive of industrial/flex, office, and ancillary, employee-serving retail—ranges from 190 to 810 acres or between 10 and 40 acres per year over the 20-year period. This land demand could support between 3,700 and 15,300 additional jobs in the SIA by 2035.

The most conservative scenario essentially accounts for status quo conditions that translate to an industrial/flex and office footprint smaller than what is being proposed in the Placer Ranch project. The opportunity for the SIA to develop an enhanced competitive position in the South Placer market and broader Sacramento Region is reflected in the more aggressive scenarios. The enhanced competitive position considers the fact that the Placer Ranch, Placer Parkway, and University of Warwick developments could all act as catalysts and raise the visibility of the area plus the SIA could further leverage the increased labor force housing planned in surrounding development areas. The large amount of contiguous developable land in the SIA also opens up the opportunity to attract one or more major “game changing” projects in the area, which could incrementally add to the overall land demand. Where the SIA falls on the range of land use demand depends on the County’s ability to address opportunities and challenges and implement strategies to maximize its capture.

Figure 1
SIA 20-Year Acreage Demand Scenarios



7. A distinct group of real estate prototypes represent the types of facilities that could be competitive in the SIA and align with users in the viable clusters.

Primary prototypes are expected to include light industrial/flex developed on a speculative basis, complimented by owner-user manufacturing and office. Light industrial/flex development is characterized by its adaptability and can be configured as office, sales-service, assembly, and light manufacturing space. In addition, one to three story office development will be an important component of Placer Ranch and could also be developed on select parts of the remainder of the SIA. A wide variety of manufacturing prototypes will be facilitated by the Placer Parkway, and can be part of a larger manufacturing complex anchored by the Western Placer Waste Management Authority's (WPWMA) Materials Recovery Facility (MRF), which has the essential ingredients of a bona fide eco industrial complex. Cluster analysis indicates manufacture of advanced materials and other advanced manufacturing is a strong prospect for the SIA based on excellent land and labor resources in the South Placer market. While speculative light industrial/flex product is beginning to emerge in the region (and possibly SIA) based on improving market fundamentals (e.g., lease rates escalating faster than construction costs), additional market improvement is needed to develop office and upper end office/flex-R&D products in the South Placer market. The ability to locate such product in the SIA is dependent on the success of the University-driven Placer Ranch project and related new road connections to Roseville (e.g., Foothills Blvd.) to improve access to the SIA from nearby employment districts. Manufacturing product is likely to be developed on a build-to-suit basis and varies substantially in its form and function. SIA presents itself as a leading prospect in the region to capture any new large-scale campus users, which could result in one or more collections of multiple building prototypes in a given project.

8. There is a significant amount of vacant acreage and several major planned projects throughout the South Placer market and broader Sacramento Region that will introduce competitive industrial/flex and office space over the next few decades.

Users seeking commercial and industrial space in the Sacramento Region over the next 20 years will have several options including existing vacant space and facilities in expanded or new projects. The SIA will be competing with some very formidable projects for its market share as nearly every major market area in the Region is planning for new capacity. There is a significant amount of land available for future development in the South Placer market with nearly 1,800 acres of vacant flex, industrial, and office space outside the SIA in Lincoln, Roseville, and Rocklin. Approximately 23 percent of this acreage can be considered "shovel-ready" with almost 91 percent falling in the flex and industrial categories.

In addition to the South Placer vacant land areas, there are at least 2,300 acres of industrial and 1,600 acres of office projects being proposed or planned in Sacramento, Sutter, and Yolo Counties that could also compete directly with the SIA. Some of the projects reflect continued expansions of established areas like McClellan and Southport while others could introduce new large employment-oriented development areas like Metro Air Park, Sutter Pointe, and the Mace Ranch Innovation Center.

The most competitive of these projects present advantages in terms of development and operating costs, transportation access, and locations closer to the central business district of the Sacramento Region. The SIA, however, benefits from a strong labor force housed in high quality of life communities and several catalytic proximate planned projects with higher

education institution presence. Commercial real estate brokers believe that competition for users spans a geographic area much larger than the Sacramento Region and includes Reno, the Central Valley, and the East Bay, all of which have plans for extended development.

9. *The long-term competitiveness of the SIA will be impacted by the extent to which the County is able to build on its strengths and mitigate existing challenges in the area.*

To move from the baseline scenario into the realm of the more aggressive demand scenarios, the County will need to directly establish policies and programs and help facilitate the conditions necessary to encourage development and compete for projects in the South Placer market and the broader region. The ability to leverage the strengths and opportunities and address the identified weaknesses and threats will help the County realize outcomes that are aligned with its vision of supporting economic development and establishing a base of employment in the South Placer market. Several strategies could be implemented to maximize the SIA's capture of market opportunities including:

- Mitigate the landfill, MRF, biomass facility, and propane storage impacts
- Expedite transportation infrastructure investments
- Encourage catalytic projects and speculative development
- Shift negative perceptions of development processes and fees
- Implement incentives that help close the competitive cost gap
- Consider use compatibility in the existing industrial core
- Develop and implement a branding and marketing strategy
- Maintain relationships with higher education institutions
- Allocate economic development resources around viable cluster targets
- Understand the implications of planned regional projects
- Continue to regularly engage representative SIA stakeholders
- Collaborate locally and regionally on economic development initiatives

10. *The size of the SIA, along with existing and proposed development patterns, suggest that planning and marketing efforts for the area would best be served by a district concept.*

Current zoning in the SIA is primarily industrial and agriculture with some commercial zoning in the southeast corner and public use related to the landfill and materials recovery facility. There are several constraints related to land use including the landfill, biomass, and propane tank buffers and wetland areas. The light and heavy industrial facilities that have developed along Cincinnati Avenue and on Athens Avenue near the northeast corner of the landfill in addition to Thunder Valley Casino also have land use implications for the SIA because of the need to consider consistent uses. With the Placer Parkway and Placer Ranch proposals as well as growth in surrounding communities, the blanket industrial and agriculture zoning seems less appropriate particularly in consideration of the goal of creating employment-generating uses.

Breaking the SIA into several self-defined districts is likely the most effective approach for both planning and marketing purposes. Each zone could have uses, design guidelines, and an identity reflecting its location in the SIA, surrounding uses, and major development constraints. This concept will be explored in the alternatives analysis, but key districts could include:

- **Industrial Infill.** This area, located on the eastern side of the SIA and anchored by Cincinnati Ave., will continue to see a range of light industrial, sales-service, and ancillary highway service commercial (e.g., hotels, services).
- **Eco-Industrial/Manufacturing.** Extending eastward from the MRF, north of the Placer Parkway alignment, there is an opportunity to build an integrated eco-industrial and manufacturing district that has the parcel sizes to accommodate major users involved in goods production and related truck/rail movement.
- **Corporate Campus/Innovation Center.** Users in this environment will have a preference for more of a highly amenitized environment having a more upscale identity with fewer heavy manufacturing uses. The area west of the MRF (and associated buffers which should be maintained) is an ideal setting with good access and visibility to the future Placer Parkway. The northwest quadrant of the SIA offers some expansion potential in this regard.
- **Entertainment.** UAIC has acquired substantial holdings around its primary resort area and may consider compatible, entertainment- and retail-related uses that will complement existing resort offerings. It will be important to ensure that a logical and supportive relationship exists between this area and adjoining districts.

Strategic approaches to visual buffering and circulation are of paramount importance. The district concept also allows the County to identify key sites for cost effective implementation in the form of one or more Specific Plans.

11. The proposed Placer Ranch project has a major impact on land use planning and market dynamics in the SIA.

The Placer Ranch area is nearly equal in acreage to the identified vacant and underutilized sites in the SIA. The most recent Placer Ranch plans include more than 318 acres of "Commercial Park" space, which was tentatively defined as a mix of industrial/flex and office uses for the purposes of the related traffic analysis. Noting the proposed types of residential units, university campus, amenities, and location, it seems likely that Placer Ranch will position itself for higher end uses, which could translate to a greater concentration of office and R&D products over light industrial, manufacturing, or warehouse space. As a result, it might be expected that Placer Ranch could capture roughly 20 percent of the projected industrial/flex acreage and 80 percent of the office acreage in the land demand scenarios.

The Placer Ranch plans also call for 83 acres of Regional Commercial positioned at a new major intersection for the Placer Parkway at Fiddymont Road. The other major Placer Parkway intersection is surrounded by the Commercial Park uses primarily to protect the retail and services being contemplated in the nearby university village concept. Should the university village concept change as the project moves through the planning process, it would be reasonable to assume that some of the Commercial Park space would be reallocated to a use like Regional Commercial that takes advantage of the major interchange location. This could result in a somewhat smaller share of the projected industrial/flex and office uses in the SIA.

2. INTRODUCTION

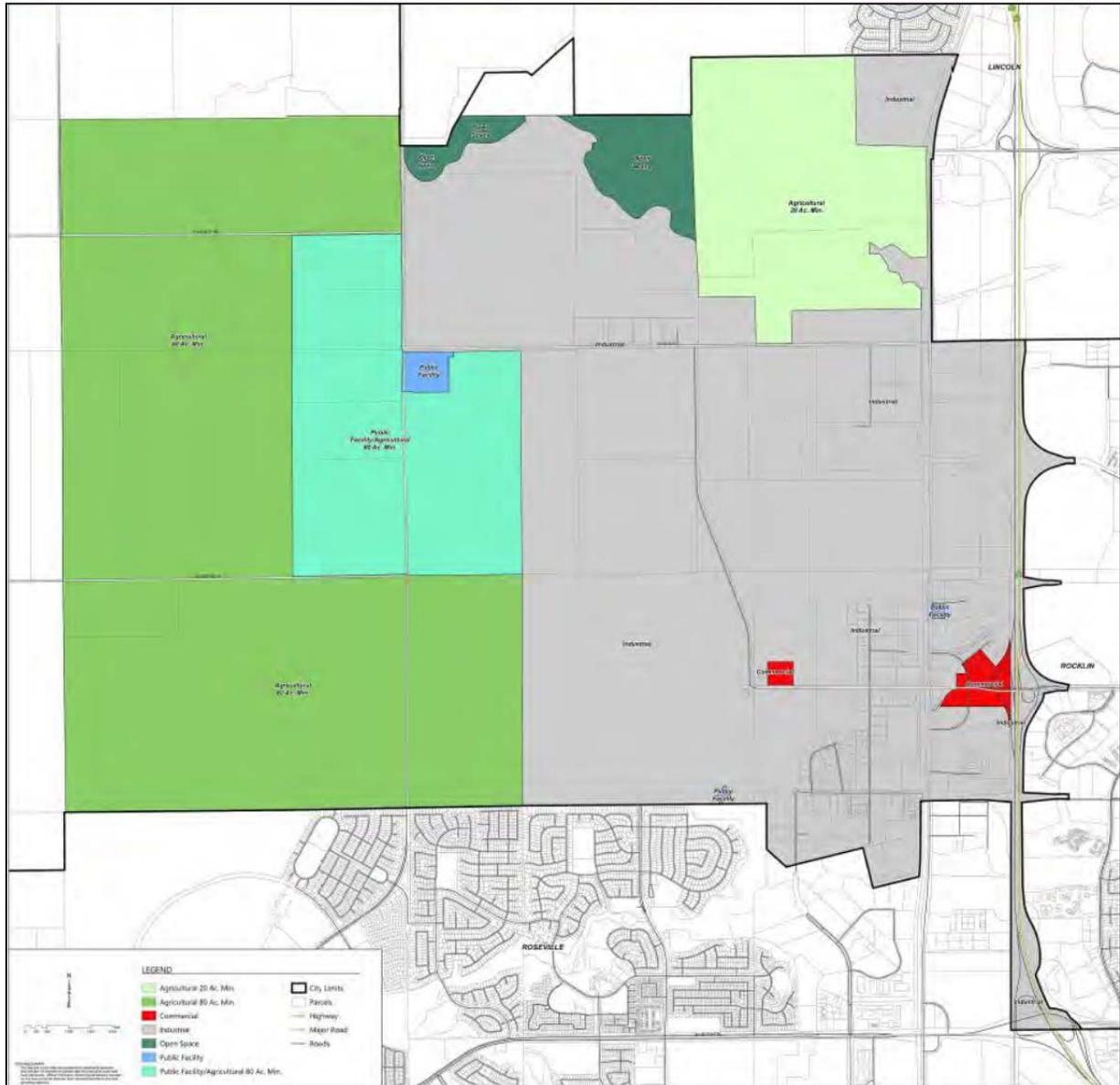
Area Background

The 8,200-acre Sunset Industrial Area (SIA) is located in the southwestern portion of unincorporated Placer County between the cities of Roseville, Rocklin, and Lincoln. Since 1967, Placer County has viewed the SIA as its industrial core and primary location in the unincorporated areas for economic development activity. The County adopted the current SIA plan in 1997 with a focus on creating varied and high quality employment opportunities with a land use pattern dominated by industrial uses, as illustrated in **Map 1**. A large amount of the western portion of the SIA and a piece of the northeastern section is assigned an agricultural land use in the current plan. Some commercial land uses have also been designated in the current plan along the Highway 65-Sunset Boulevard interchange and at the Sunset Boulevard and Foothills Boulevard intersection.

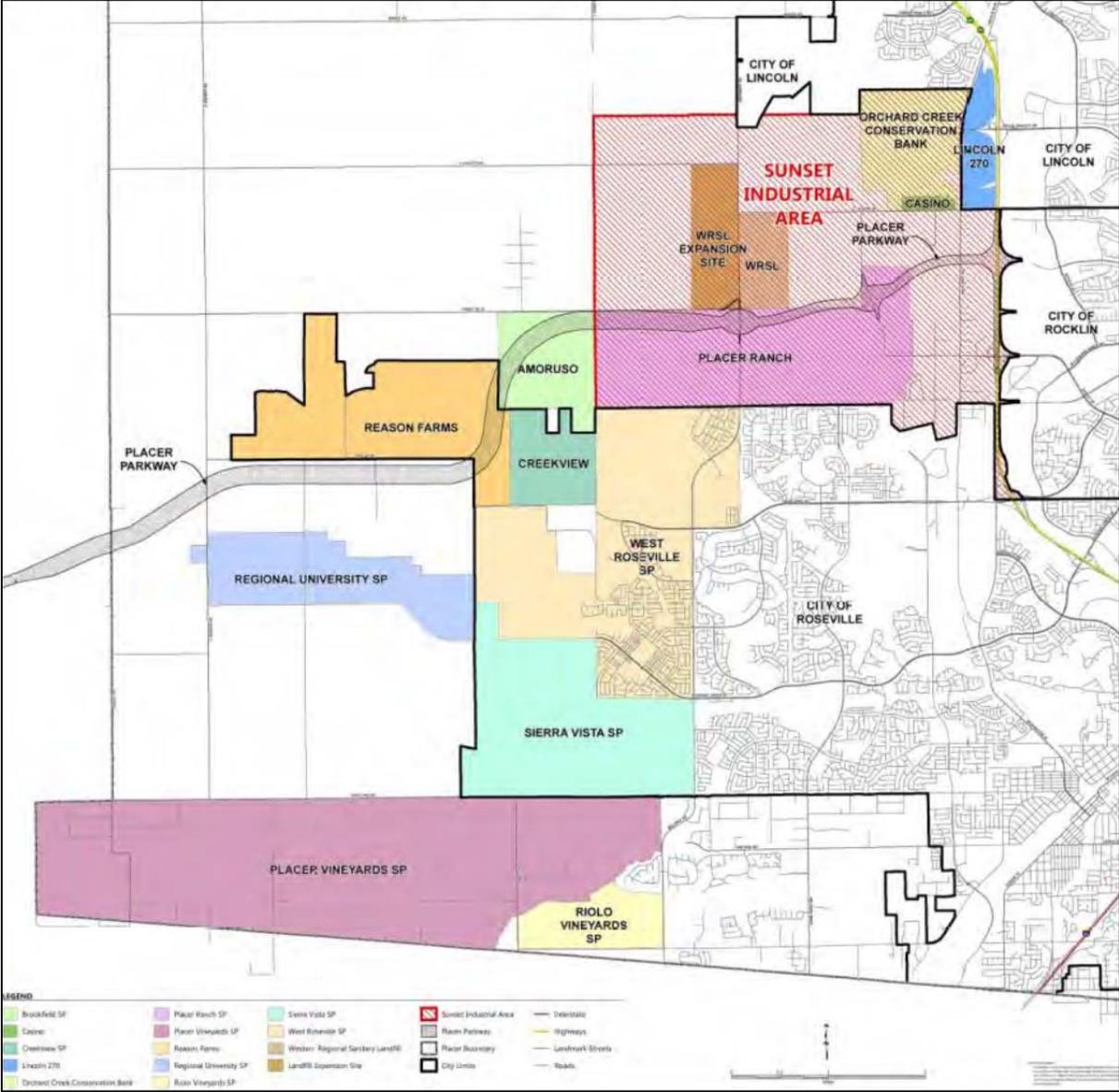
Over the years, an assortment of industrial facilities was built along the eastern edge of the SIA including large sites like the former Formica plant, the Ace warehouse, and the Placer Corporate Center campus. Several of these existing properties are now being occupied under conditional use permits by businesses that are much different than traditional users of industrial space, creating inconsistencies across the area. Thunder Valley Casino Resort opened in 2003 in the northeastern corner of the SIA, changing the character of the surrounding area and attracting a significant amount of entertainment-oriented visitors. The Western Placer Waste Management Authority landfill and related material recovery facility (MRF) are situated in the middle of the SIA along with a large amount of surrounding land for potential expansion purposes. Beyond these notable projects, only a minimal amount of development has occurred in the industrial land use areas as a lack of infrastructure and utilities, wetland mitigation considerations, the timing of economic cycles, and various other regulatory and site constraints have limited options.

There are several proximate planned projects in unincorporated Placer County and the cities of Roseville and Lincoln, as shown in **Map 2**. Many of these projects have a residential focus with supporting commercial uses that will increase access to the workforce in the long-term. The Regional University Specific Plan area also has the potential to support a major asset for development in the SIA. In early 2015, the Coventry, United Kingdom-based University of Warwick announced plans to develop a campus on 600 acres of land donated by AKT Development. The highly-ranked, research-oriented university is still in the early stages of its planning, but has set a goal of establishing a 6,000-student campus by 2031 with various progress milestones over the implementation period. Warwick's main campus in Coventry includes an integrated science park and has established strong relationships with industry aligned with its core academic and research strengths. The university anticipates building ties with industry in the Sacramento Region, which could ultimately benefit activities in the SIA. Another planned project of market significance is the Placer Parkway, which will connect Highway 65 to Highway 99/70 in southern Sutter County and run through the southern portion of the SIA. The 15-mile, high-speed transportation facility will create alternative access points to Sacramento's central business district, the Sacramento International Airport, and a north-south highway route.

Map 1
Current SIA Plan Land Uses



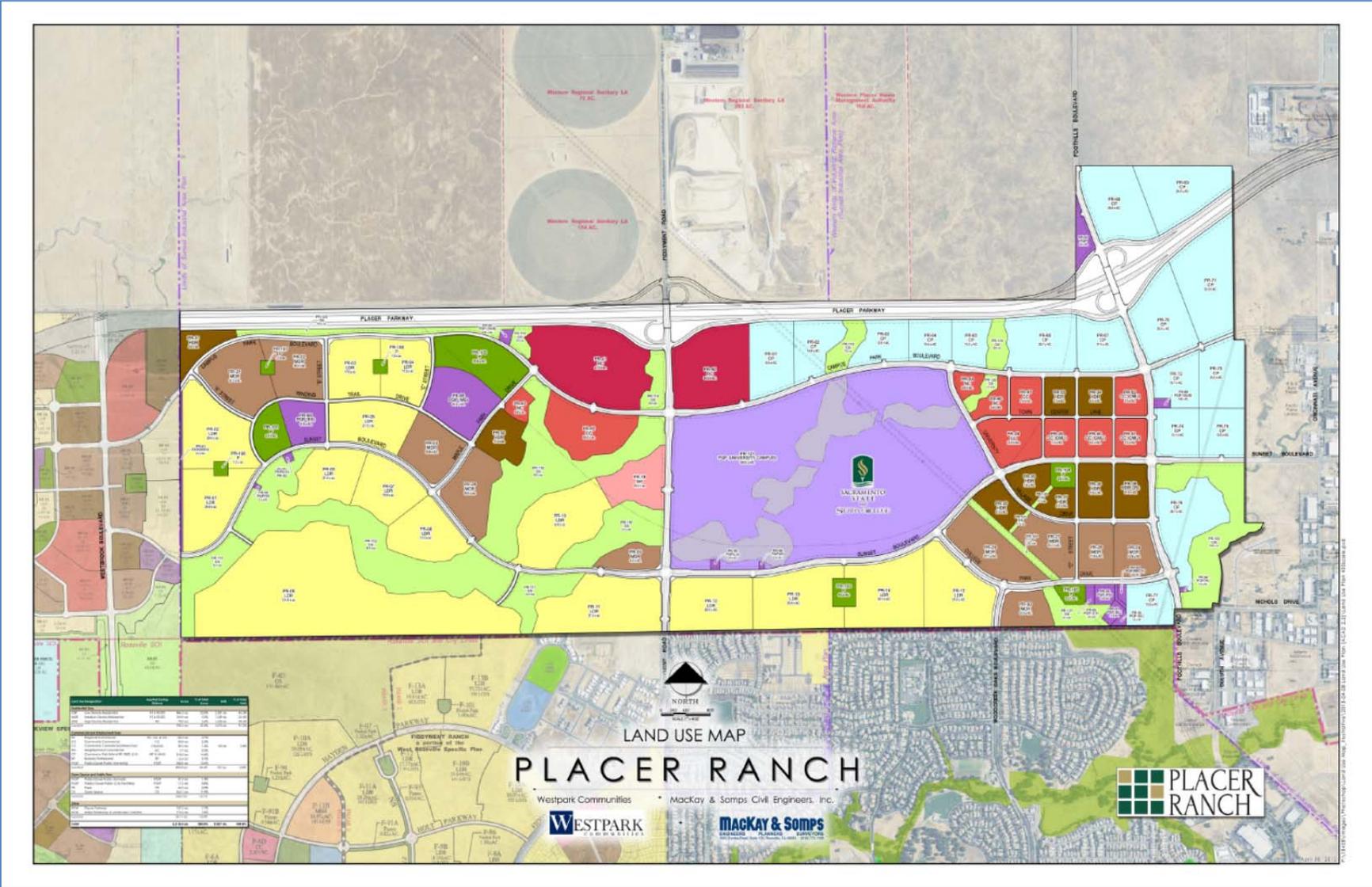
**Map 2
 Proximate Planned Projects**



Placer Ranch Background and Plans

In 2014, Westpark, a developer of master-planned communities, acquired 2,200 acres in the southern portion of the SIA and re-initiated a specific plan process that began in 2007 for a development project on its land known as Placer Ranch. The previous property owner originally initiated the project with Placer County, but withdrew and resubmitted with the City of Roseville before putting the project on hold during the recession. **Map 3** shows the orientation of the project in the SIA and most recent land use plan, including the proposed Placer Parkway alignment along the northern portion of the project. The eastern side of the project aligns with the existing industrial development in the SIA while the northern side is adjacent to the landfill and MRF and land held for landfill capacity expansion. The current City of Roseville boundary sits on the southern side of the project with established and planned housing in the West Roseville Specific Plan area and the western side of the project is adjacent to the 670 acre Amoruso Ranch Specific Plan area, which is in unincorporated Placer County but is also being processed with the City of Roseville.

Map 3
 Placer Ranch Proposed Land Uses



The Placer Ranch plans include a 300 acre area for development of a satellite campus for California State University, Sacramento, which could support up to 25,000 students and 5,000 faculty along with a Sierra College transfer center that would serve up to another 5,000 students. The satellite campus development could house 3 million square feet of built space at buildout including academic and administrative space, student and faculty housing, a student center, parking structures, a library, gymnasium and recreation facilities, and a performing arts center. Although still in the preliminary planning stages, the university plans to start with a roughly 60,000 square foot multi-purpose building and focus on implementing academic programs that have seen high enrollment at the main campus particularly among students commuting from Placer County such as business, criminal justice, psychology, and communications.

Leveraging and supporting the robust higher education activities, the Placer Ranch plans envision a university village in the eastern portion, directly adjacent to the campus. The university village concept includes high-density residential, commercial mixed use, and community commercial uses. The university village is surrounded on the east and north by commerce park uses. This use extends to the proposed new major intersection for the Placer Parkway at Foothills Boulevard.

Overall, the most recent land use plan for Placer Ranch includes approximately 720 acres of residential uses, 506 acres of commercial uses (allocated to the categories shown in the box on the right), and 687 acres of open space, public, and roadway uses. About 68 percent of the residential acreage falls into the low-density residential category, which translates to roughly 2,500 dwelling units that are allocated to the western and southern portions of the plan area. The remaining residential acreage is split between the medium-density and high-density residential categories with about 1,200 and 1,600 planned units, respectively. The largest allocation of commercial space falls in the commercial park category with about 318 acres. This broad category is meant to capture the primary employment-generating uses and serve as a buffer for the existing industrial sites in the SIA as well as the landfill operations. The development team envisions keeping these uses flexible, but estimated a mix of uses for the traffic study where 30 percent of the 318 acres was categorized as light industrial, 30 percent as research and development (R&D), 30 percent as business park, and 10 percent as warehouse. The 83 acres of regional commercial uses are also intended to serve as a buffer for the landfill operations and are aligned with the other new major intersection for the Placer Parkway at Fiddyment Road. The remaining commercial acreage is allocated to community commercial and commercial mixed use to serve planned residential neighborhoods and as part of the university village concept.

Proposed Commercial Uses:

Regional Commercial =
83 acres

Community Commercial =
51 acres

Commercial Mixed Use =
30 acres

Neighborhood Commercial =
8 acres

Commercial Park = 318 acres

Business Professional =
16 acres

The proposed Placer Ranch development accounts for a significant portion of the developable acreage in the SIA and presents a mix of uses that must be considered in the market analysis for the entire SIA as well as any plans for development in adjacent areas. While it appears that the development team has not conducted a comprehensive market study for the commercial uses, if

developed as planned, Placer Ranch could capture a large share of absorption in South Placer and the SIA. At the same time, the project could act as a market signal and invest in infrastructure that could create momentum and make development in other parts of the SIA more viable over time. Although not currently available, project phasing will be an important consideration moving forward to understand the timing of infrastructure investment and potential absorption for the types of employment-generating uses being proposed.

Study Purpose and Report Structure

With an orientation toward employment-generating uses, the SIA represents a major opportunity to continue to expand the job base in the South Placer market to more closely align with the market's role as a regional population center. At the same time, the SIA offers Placer County a means to realize several desirable economic development outcomes in a market area that has been dominated by dynamics in Roseville and Rocklin. With the momentum created by the Placer Ranch development plans, Placer Parkway project, and the University of Warwick announcement, the SIA has the potential to shift from an underperforming area with unrealized potential to a more active economic development opportunity area and employment base. This will require careful planning that fully considers existing uses, market conditions, future trends, opportunities, and challenges in the South Placer market as well as the broader Sacramento Region.

This study is a component of the background analysis being conducted as part of the SIA plan update. The overall objective of the plan update is to re-envision and re-brand the SIA to fully implement the County's long-term vision for the area. A critical element of the planning process is establishing the economic context and market demand for future development. Taking all land constraints into account and removing built space and the areas encompassed by the Placer Ranch and Placer Parkway plans reveals that there are roughly 2,000 acres of vacant developable land with another 400 acres of underutilized land. **Map 4** shows location of this land, much of which falls within the 1-mile landfill buffer area, which creates additional use constraints. These opportunity sites have the potential to accommodate several different employment-generating uses and planning around this land must be responsive to market dynamics to drive development that supports economic development opportunities to the greatest extent possible.

Key Study Questions:

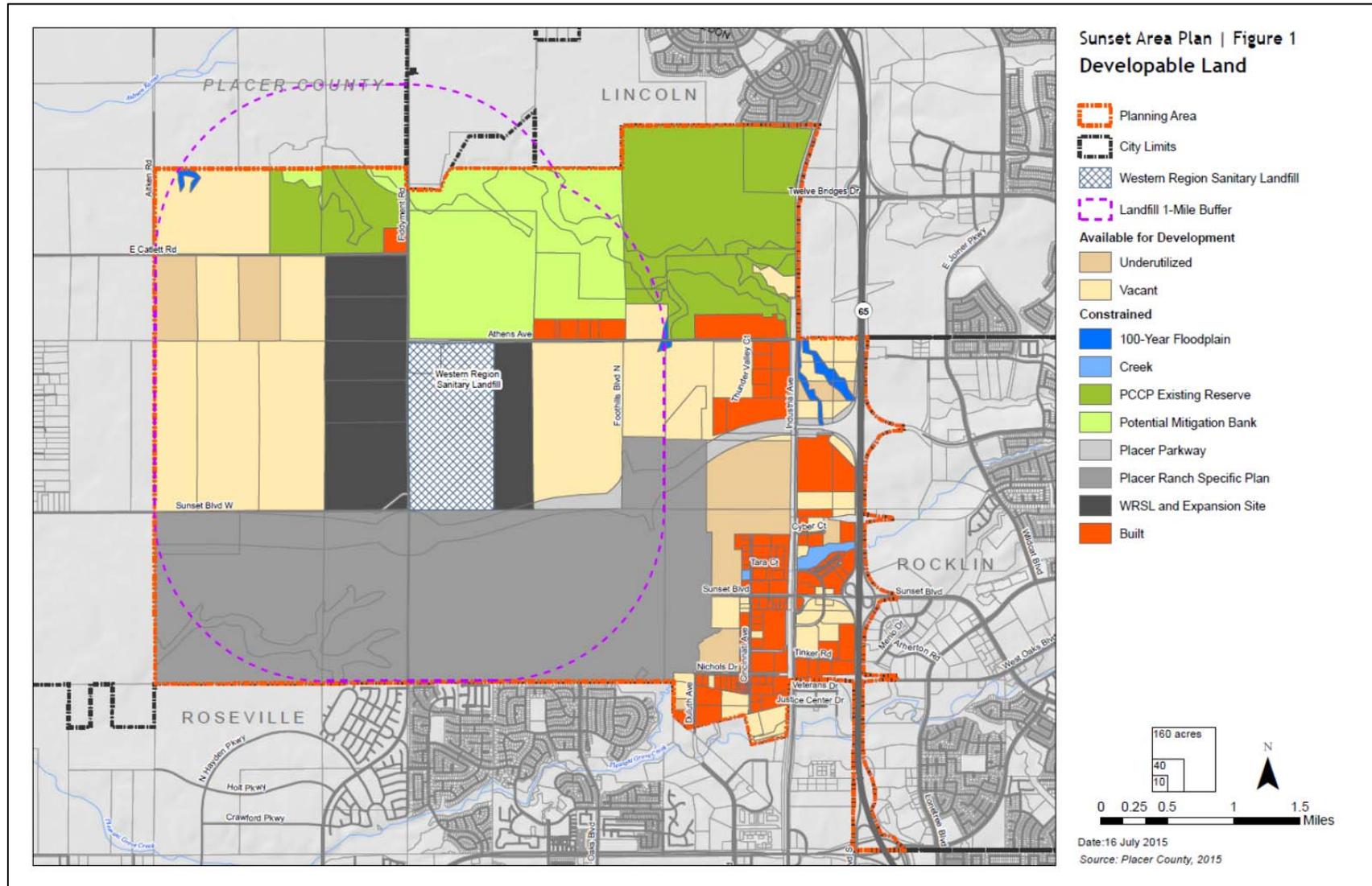
What are the competitive characteristics of the South Placer market?

What types of users and real estate prototypes could fit in the SIA?

How much of the potential growth in the South Placer market will the SIA be able to capture?

What can the County do to maximize the SIA's capture potential?

Map 4
SIA Developable Land and Constraints



This report provides an overview of the dynamics in the South Placer market and explores the development potential in the SIA from an economic perspective. The first chapter describes the demographic and economic conditions and trends in the South Placer market and provides a snapshot of business activity in the SIA. The second chapter evaluates industry clusters to define the potential types of users for SIA sites based on regional priorities and Placer County economic performance. The third chapter analyzes real estate market indicators and discusses regional and local performance in the office, industrial, retail, and land markets. The fourth chapter assesses development potential and examines forecasts of growth and various scenarios of potential net land demand in the SIA. This chapter also discusses strategies for maximizing success in the SIA and key concepts for consideration in the alternatives analysis phase of the plan update. The report also contains several technical appendices with data and analysis supporting the information embedded in the body of the report.

3. SOUTH PLACER DEMOGRAPHIC AND ECONOMIC OVERVIEW

Introduction

This chapter examines the dynamics and attractiveness of the South Placer market¹ and the SIA, shown in context in **Map 5**. It begins with a look at the demographics of South Placer in relation to benchmarks of the Sacramento Region,² the San Francisco Bay Area (Bay Area),³ and the state. This segment discusses trends in population, housing, educational attainment, income, unemployment, and characteristics of the resident workforce and their commuting patterns.

The second segment explores the economic structure of South Placer, presenting information on the market's performance across industries in terms of employment, sales, and establishments, including a look at high-growth establishments. It also examines patterns of business migration, the balance of housing and jobs, and the economic base of South Placer, closing with a focused look at the makeup of the SIA. The employment data analyzed for this chapter comes from both the National Establishment Time-Series (NETS) Database and Woods & Poole, further described in Appendix A.

South Placer is a rapidly growing market of highly educated and high income homeowners. By several measures of prosperity discussed later in this chapter, South Placer significantly outperforms the Sacramento Region and the state, and is even competitive with the Bay Area. While the worker characteristics of South Placer more closely match those of the Bay Area than the Sacramento Region, South Placer enjoys certain benefits not present in the Bay Area, such as healthy housing growth and shorter commute times. South Placer is also set apart from all of its comparable areas by its low unemployment rate.

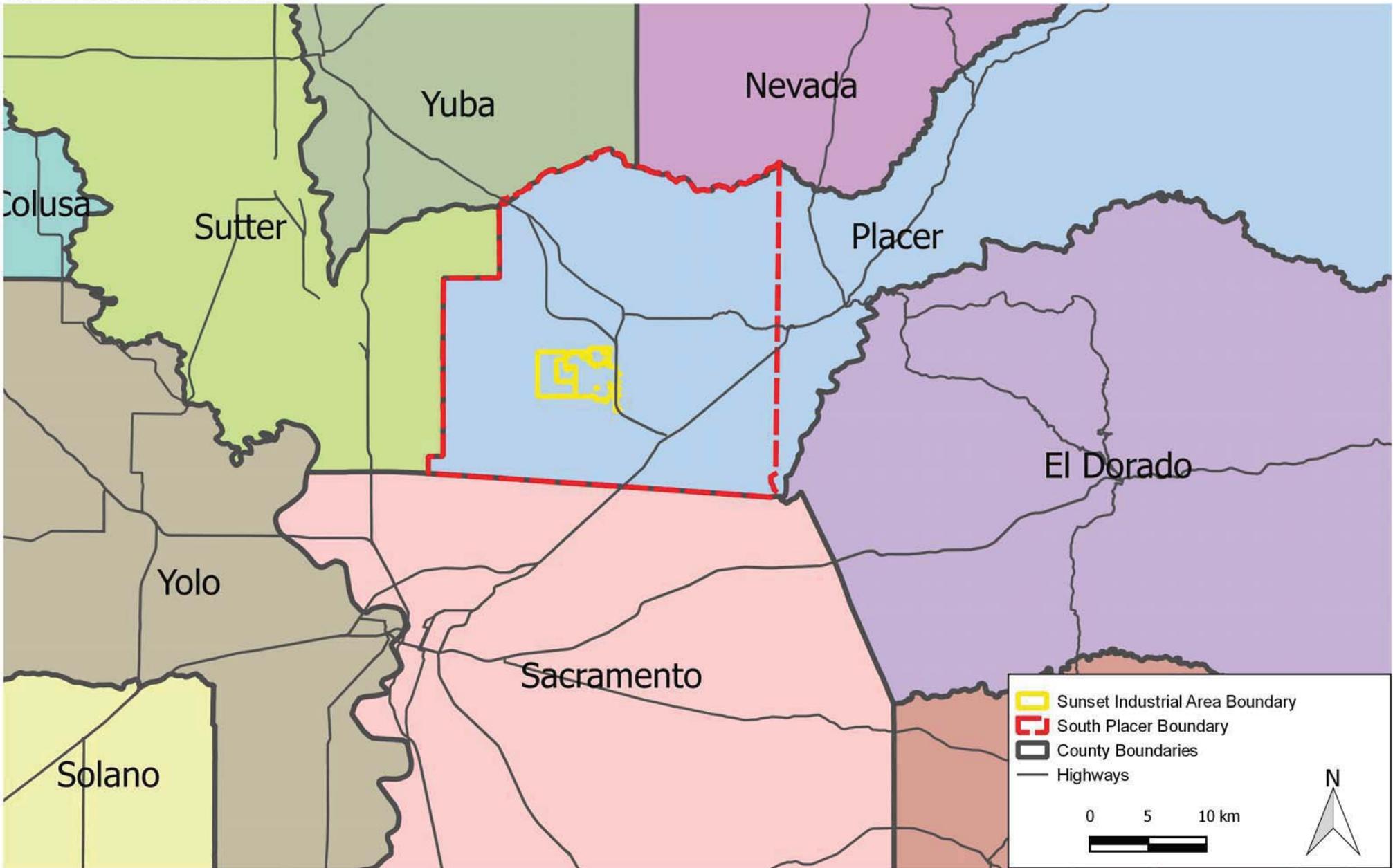
South Placer's economy is defined largely by health care, which provides the largest share of the area's jobs. The economy is growing on the strength of many service-providing sectors, despite a recent decline in goods-producing jobs, and is one of the major nodes of activity in the Sacramento Region. At the same time, South Placer's share of jobs in the region is less than its share of housing and residents, and to strike a healthy balance for the community, South Placer will need to both increase and diversify its supply of jobs through expanded commercial development in opportunity areas like the SIA.

¹ The South Placer market is defined by the "Valley" portion of the county used in economic development and tourism marketing efforts and includes the area west of Auburn and centered on the Cities of Lincoln, Roseville, and Rocklin.

² The Sacramento Region comprises Sacramento, Yolo, El Dorado, Placer, Sutter, and Yuba Counties.

³ The San Francisco Bay Area comprises San Francisco, Marin, San Mateo, Alameda, and Contra Costa Counties.

Map 5
South Placer and SIA



Source: Placer County; EPS.

P:\142000\142111 Sunset Industrial Area\Maps\SIA_Context.pdf

South Placer Demographics

Population

South Placer, home to 280,000 people in 2014, has seen its population grow 64 percent since 2000, well outpacing the Sacramento Region's 23 percent growth, the Bay Area's 8 percent growth, and the state's 13 percent growth, as shown in **Table 1**. **Table 2** provides a summary of population, housing, and resident employment in South Placer as a share of the Sacramento Region. South Placer accounted for 13 percent of the Sacramento Region's population in 2014, but was responsible for 27 percent of the region's recent growth.

Housing Units

South Placer's housing stock has expanded along with its population, accounting for an equivalent share of the region's growth. There were 111,000 housing units in South Placer in 2014, an increase of 69 percent from 2000. During the same period, the Sacramento Region's housing stock grew 24 percent, while the Bay Area and the state grew by less than 15 percent.

Housing Composition

Of the housing units in South Placer, 66 percent were owner-occupied in 2014, above the Sacramento Region's share of 53 percent. Owner-occupied units make up less than half of the housing units in the Bay Area as well as the state. Rental units grew at a faster rate than owner-occupied units in all comparable areas since 2000, though none as fast as South Placer, where rental units increased 94 percent. While the local labor force is very highly skilled as a whole, this increase in rentals provides more housing opportunities for younger and lower income residents who may fill the construction, retail and service, and low- to medium-skilled healthcare jobs that are concentrated in South Placer.

Educational Attainment

Table 3 provides a summary of education, income and unemployment characteristics in South Placer. South Placer's residents are highly educated. Twenty-five percent of residents possess a bachelor's degree, only slightly below the Bay Area's share of 27 percent. Less than 20 percent of residents in both the Sacramento Region and the state possess a bachelor's degree. Forty-eight percent of South Placer residents have an associate's degree or higher, which again only slightly lags the Bay Area while eclipsing the Sacramento Region and the state. The campus developments planned by the University of Warwick and Sacramento State, along with expansions of William Jessup University and Sierra College, will further support high levels of educational attainment in South Placer.

Table 1
Sunset Industrial Area Market Analysis
Population and Housing Units

Population and Housing Units	South Placer	Sacramento Region	San Francisco Bay Area	California
Population				
2000 Total	170,622	1,779,776	4,123,740	33,871,648
2010 Total	266,935	2,134,961	4,335,391	37,253,956
2014 Total	279,922	2,186,311	4,456,941	38,120,066
2000-2014 Absolute Change	109,300	406,535	333,201	4,248,418
2000-2014 Growth Rate	64.1%	22.8%	8.1%	12.5%
Housing Units				
2000 Total	65,866	694,682	1,606,853	12,214,549
Owner-Occupied	70.8%	56.4%	53.5%	53.6%
Renter-Occupied	24.6%	37.8%	43.0%	40.6%
Vacant	4.6%	5.9%	3.4%	5.8%
2010 Total	105,370	845,127	1,741,999	13,680,081
Owner-Occupied	67.4%	54.5%	50.8%	51.4%
Renter-Occupied	27.1%	37.0%	42.6%	40.5%
Vacant	5.5%	8.5%	6.6%	8.1%
2014 Total	111,149	863,288	1,782,823	13,975,243
Owner-Occupied	65.7%	52.9%	49.2%	49.7%
Renter-Occupied	28.3%	38.6%	44.5%	42.1%
Vacant	5.9%	8.5%	6.3%	8.1%
2000-2014 Absolute Change	45,283	168,606	175,970	1,760,694
2000-2014 Growth Rate	68.8%	24.3%	11.0%	14.4%
Owner-Occupied Growth Rate	57%	17%	2%	6%
Renter-Occupied Growth Rate	94%	27%	15%	19%
Vacant Growth Rate	116%	79%	106%	60%

"pop"

Source: 2000 US Census; 2010 US Census; 2014 BAO Estimates; EPS.

Table 2
Sunset Industrial Area Market Analysis
South Placer Demographic Summary

Population, Housing, and Employed Population	South Placer	
	Total	Share of Sacramento Region
Population		
2014 Total	279,922	13%
2000-2014 Absolute Change	109,300	27%
Housing Units		
2014 Total	111,149	13%
2000-2014 Absolute Change	45,283	27%
Employed Population (Residents)		
2012 Total	120,367	13%

"demog_summary"

Source: 2000 US Census; 2010 US Census; 2014 BAO Estimates;
 U.S. Census Bureau, 2008-2012 American Community Survey; EPS.

Table 3
Sunset Industrial Area Market Analysis
Education, Income, and Unemployment, 2012

Education, Income, and Unemployment	South Placer	Sacramento Region	San Francisco Bay Area	California
Highest Level of Educational Achievement				
Population 25 Years and Over	187,577	1,423,674	3,129,937	24,958,190
Less than 9th Grade	2.0%	6.4%	6.9%	10.2%
9th - 12th Grade, No Diploma	3.7%	7.2%	5.7%	8.6%
High School Graduate	16.9%	18.5%	15.7%	18.4%
GED/Alternative Credential	2.0%	2.8%	1.6%	2.2%
Some College, No Degree	27.4%	26.5%	19.1%	22.2%
Associate's Degree	11.4%	9.5%	6.9%	7.7%
Bachelor's Degree	24.7%	19.3%	26.7%	19.4%
Graduate/Professional Degree	11.7%	9.9%	17.3%	11.2%
Associate's Degree or Higher	47.8%	38.7%	50.9%	38.3%
Income				
Median Household Income	\$77,159	\$54,882	\$77,953	\$58,469
Average Income	\$36,435	\$27,227	\$39,737	\$28,657
Median Home Value	\$337,362	\$240,074	\$506,899	\$337,905
Home Value to Median Household Income Ratio	4.4	4.4	6.5	5.8
Unemployment Rate	5.2%	8.9%	6.7%	8.4%

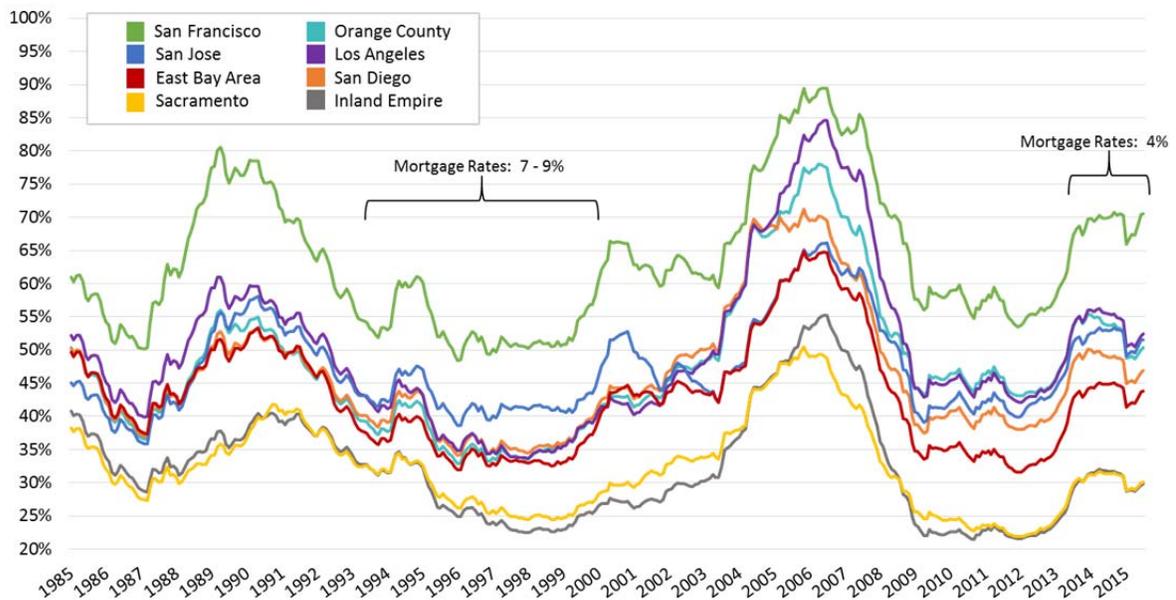
"educ"

Source: 2014 ESRI BAO Estimates; EPS.

Income

The income comparisons across areas mimic those of educational attainment, as higher educational attainment generally supports higher income levels. South Placer’s median household income of \$77,000 was more than 30 percent higher than that of the Sacramento Region and the state, and was only slightly lower than the Bay Area’s median of \$78,000, though South Placer enjoys greater housing affordability. The home value to income ratio in South Placer is significantly lower than the state ratio, which in turn is significantly lower than the ratio for the Bay Area (see Figure 2 for a comparison of housing costs to income ratios in the major California markets over time). Combined with the area’s high quality of life, this housing affordability represents a substantial competitive strength of the area.

Figure 2
Housing Cost to Income Ratio in the Major California Markets



Source: John Burns Real Estate Consulting, LLC

Unemployment

Only 5.2 percent of South Placer’s residents were unemployed in 2014, significantly lower than the Bay Area’s rate of 6.7 percent. Unemployment in both the Sacramento Region and the state was more than 8 percent. The close alignment of the skills and training of South Placer’s residents with the demands of the local economy may help account for South Placer’s low unemployment rate. South Placer is at very close to full employment, and with so few residents seeking work, the labor market will need to continue expanding through the provision of additional housing to avoid a shortage of labor.

Resident Workers by Industry

Table 4 displays the number of employed workers living in South Placer by the industry in which they work. South Placer accounts for 13 percent of the Sacramento Region's resident workforce, matching its share of the region's population and housing units. The largest industry in terms of South Placer's resident employment is Retail Trade, which employs 13 percent of all residents, though South Placer's share of employment for retail is only slightly higher than its comparable areas. Retail in South Placer is driven by the Roseville Galleria and other large shopping centers along the Highway 65 corridor that draw visitors from outside the region. South Placer does have a greater share of resident workers in Finance & Insurance than its comparable areas, which may help account for the area's relatively high incomes. It is also quite overrepresented in Public Administration workers when compared to the state and the Bay Area, though not when compared to the Sacramento Region, likely because residents across the Sacramento Region are located near employment opportunities in the state government. South Placer also is overrepresented in the Utilities industry when compared to the Bay Area and the state because of employment from solar electric contractors, as well as local power and water agencies, though not when compared to the Sacramento Region.

Resident Workers by Occupation

As shown in **Table 5**, Office & Administrative Support occupations employ the most South Placer residents, the largest occupational category in all of the benchmark areas except for the Bay Area. South Placer has relatively more resident workers employed in Sales than all other comparable areas, which is South Placer's second largest occupation in terms of resident employment. This is not surprising given that Retail Trade employs the most South Placer residents. South Placer is also strong in more highly-skilled, knowledge-based occupations. South Placer's third most common occupation is Management occupations, which is overrepresented compared to the Sacramento Region and the state, while equal to the Bay Area's share. South Placer also employs a relatively high number of Healthcare Practitioners & Technical workers, aligning with the area's burgeoning health care sector.

Commute Times

Table 6 shows the travel time to work for South Placer and benchmarks. Thirty-nine percent of workers living in South Placer commute upwards of 30 minutes to work, matching the state average. While higher than the Sacramento Region's share of 36 percent, South Placer's share of workers with long commutes is less than the Bay Area's, where 46 percent of resident workers commute at least 30 minutes. A better balance of jobs and housing in South Placer, discussed later in this section, would help to reduce commute times and improve quality of life, particularly by reducing congestion on Highway 65 and Interstate 80, which stakeholders identify as a major issue.

Worker Inflow/Outflow

Table 7 details the flows of workers in and out of South Placer. About 63,000 people live in South Placer while working outside, compared to roughly 66,000 that work in South Placer while living outside, resulting in a net inflow of workers into the area demonstrating that South Placer

Table 4
Sunset Industrial Area Market Analysis
Resident Workers by Industry

Industry (NAICS)	South Placer		Sacramento Region		San Francisco Bay Area		California	
	Count	Share	Count	Share	Count	Share	Count	Share
Civilian employed population 16 years and over	120,367	100.0%	927,164	100.0%	2,156,180	100.0%	16,614,362	100.0%
Agriculture, Forestry, Fishing and Hunting (11)	546	0.5%	12,717	1.4%	8,835	0.4%	352,764	2.1%
Mining (21)	57	0.0%	736	0.1%	1,124	0.1%	28,352	0.2%
Utilities (22)	1,368	1.1%	9,804	1.1%	15,192	0.7%	128,359	0.8%
Construction (23)	7,668	6.4%	59,312	6.4%	119,871	5.6%	1,027,677	6.2%
Manufacturing (31-33)	8,336	6.9%	54,657	5.9%	177,094	8.2%	1,679,459	10.1%
Wholesale Trade (42)	3,750	3.1%	24,831	2.7%	56,904	2.6%	531,766	3.2%
Retail Trade (44-45)	15,632	13.0%	106,541	11.5%	216,094	10.0%	1,845,115	11.1%
Transportation and Warehousing (48-49)	3,814	3.2%	34,944	3.8%	86,954	4.0%	647,171	3.9%
Information (51)	3,036	2.5%	20,252	2.2%	73,235	3.4%	476,470	2.9%
Finance and Insurance (52)	8,766	7.3%	45,472	4.9%	123,014	5.7%	691,199	4.2%
Real Estate and Rental and Leasing (53)	3,226	2.7%	21,692	2.3%	53,361	2.5%	390,288	2.3%
Professional, Scientific, and Technical Services (54)	10,578	8.8%	61,080	6.6%	267,235	12.4%	1,277,618	7.7%
Management of Companies and Enterprises (55)	65	0.1%	363	0.0%	2,233	0.1%	10,280	0.1%
Administrative and Support and Waste Management Services (56)	4,283	3.6%	43,833	4.7%	96,758	4.5%	784,496	4.7%
Educational Services (61)	10,020	8.3%	84,642	9.1%	184,655	8.6%	1,431,629	8.6%
Health Care and Social Assistance (62)	15,267	12.7%	125,110	13.5%	281,094	13.0%	2,042,011	12.3%
Arts, Entertainment, and Recreation (71)	2,770	2.3%	20,162	2.2%	49,584	2.3%	428,637	2.6%
Accommodation and Food Services (72)	6,414	5.3%	60,440	6.5%	148,152	6.9%	1,169,392	7.0%
Other Services, except Public Administration (81)	5,632	4.7%	46,883	5.1%	113,262	5.3%	889,995	5.4%
Public Administration (92)	9,141	7.6%	93,693	10.1%	81,529	3.8%	781,684	4.7%

"res_industry"

Source: U.S. Census Bureau, 2008-2012 American Community Survey; EPS.

Table 5
Sunset Industrial Area Market Analysis
Resident Workers by Occupation

Occupation (SOC)	South Placer		Sacramento Region		San Francisco Bay Area		California	
	Count	Share	Count	Share	Count	Share	Count	Share
Civilian employed population 16 years and over	120,367	100.0%	927,164	100.0%	2,156,180	100.0%	16,614,362	100.0%
Management Occupations (11-0000)	15,127	12.6%	90,949	9.8%	271,890	12.6%	1,661,731	10.0%
Business and Financial Operations Occupations (13-0000)	8,480	7.0%	53,658	5.8%	142,878	6.6%	817,456	4.9%
Computer and Mathematical Occupations (15-0000)	4,617	3.8%	32,852	3.5%	104,879	4.9%	475,053	2.9%
Architecture and Engineering Occupations (17-0000)	2,705	2.2%	18,729	2.0%	58,006	2.7%	365,329	2.2%
Life, Physical, and Social Science Occupations (19-0000)	989	0.8%	11,850	1.3%	41,042	1.9%	173,497	1.0%
Community and Social Services Occupations (21-0000)	1,747	1.5%	16,376	1.8%	31,293	1.5%	248,368	1.5%
Legal Occupations (23-0000)	1,559	1.3%	12,644	1.4%	42,231	2.0%	213,226	1.3%
Education, Training, and Library Occupations (25-0000)	7,512	6.2%	53,450	5.8%	120,003	5.6%	927,075	5.6%
Arts, Design, Entertainment, Sports, and Media Occupations (27-0000)	1,916	1.6%	15,955	1.7%	68,858	3.2%	440,466	2.7%
Healthcare Practitioners and Technical Occupations (29-0000)	7,438	6.2%	47,387	5.1%	108,996	5.1%	777,524	4.7%
Healthcare Support Occupations (31-0000)	2,327	1.9%	20,688	2.2%	40,253	1.9%	334,623	2.0%
Protective Service Occupations (33-0000)	3,418	2.8%	22,701	2.4%	36,889	1.7%	369,984	2.2%
Food Preparation and Serving Related Occupations (35-0000)	5,350	4.4%	49,481	5.3%	110,389	5.1%	885,764	5.3%
Building and Grounds Cleaning and Maintenance Occupations (37-0000)	2,901	2.4%	34,681	3.7%	85,230	4.0%	731,900	4.4%
Personal Care and Service Occupations (39-0000)	4,664	3.9%	42,457	4.6%	90,450	4.2%	726,061	4.4%
Sales and Related Occupations (41-0000)	16,707	13.9%	102,563	11.1%	230,887	10.7%	1,873,935	11.3%
Office and Administrative Support Occupations (43-0000)	17,384	14.4%	142,536	15.4%	267,104	12.4%	2,228,177	13.4%
Farming, Fishing, and Forestry Occupations (45-0000)	233	0.2%	8,251	0.9%	5,599	0.3%	261,517	1.6%
Construction and Extraction Occupations (47-0000)	4,178	3.5%	41,522	4.5%	86,899	4.0%	804,866	4.8%
Installation, Maintenance, and Repair Occupations (49-0000)	3,261	2.7%	27,938	3.0%	48,733	2.3%	486,426	2.9%
Production Occupations (51-0000)	3,550	2.9%	32,710	3.5%	71,959	3.3%	873,074	5.3%
Transportation and Material Moving Occupations (53-0000)	4,304	3.6%	47,786	5.2%	91,712	4.3%	938,310	5.6%

"res_occup"

Source: U.S. Census Bureau, 2008-2012 American Community Survey; EPS.

Table 6
Sunset Industrial Area Market Analysis
Travel Time to Work

Travel Time to Work	South Placer		Sacramento Region		San Francisco Bay Area		California	
	Count	Share	Count	Share	Count	Share	Count	Share
Workers 16 years and over who did not work at home	110,009	100.0%	856,224	100.0%	1,964,152	100.0%	15,443,783	100.0%
Less than 5 minutes	2,818	2.6%	22,392	2.6%	31,203	1.6%	346,199	2.2%
5 to 9 minutes	12,238	11.1%	79,452	9.3%	130,820	6.7%	1,353,245	8.8%
10 to 14 minutes	16,631	15.1%	121,457	14.2%	233,855	11.9%	2,124,228	13.8%
15 to 19 minutes	16,254	14.8%	138,322	16.2%	278,957	14.2%	2,412,146	15.6%
20 to 24 minutes	13,073	11.9%	132,241	15.4%	269,646	13.7%	2,277,234	14.7%
25 to 29 minutes	6,066	5.5%	56,697	6.6%	112,282	5.7%	876,191	5.7%
30 to 34 minutes	16,199	14.7%	128,900	15.1%	312,362	15.9%	2,295,057	14.9%
35 to 39 minutes	4,002	3.6%	24,629	2.9%	59,265	3.0%	388,314	2.5%
40 to 44 minutes	5,548	5.0%	31,616	3.7%	99,142	5.0%	610,069	4.0%
45 to 59 minutes	9,104	8.3%	59,840	7.0%	212,086	10.8%	1,224,966	7.9%
60 to 89 minutes	4,511	4.1%	35,897	4.2%	175,939	9.0%	1,061,334	6.9%
90 or more minutes	3,565	3.2%	24,781	2.9%	48,595	2.5%	474,800	3.1%
Greater than 30 minutes	42,929	39.0%	305,663	35.7%	907,389	46.2%	6,054,540	39.2%

"commute"

Source: U.S. Census Bureau, 2008-2012 American Community Survey; EPS.

Table 7
Sunset Industrial Area Market Analysis
Worker Inflow/Outflow

Job Characteristics	South Placer	
	Count	Share
Inflow/Outflow		
Living in the area but employed outside (Outflow)	62,694	100.0%
Employed in the area but living outside (Inflow)	65,537	100.0%
Employed and living in same area (Interior)	30,850	100.0%
Share of workers leaving who are replaced (Inflow/Outflow)		105%
Wage Levels		
Outflow Jobs		
Workers Earning \$1,250 per month or less	13,517	21.6%
Workers Earning \$1,251 to \$3,333 per month	17,304	27.6%
Workers Earning More than \$3,333 per month	31,873	50.8%
Inflow Jobs		
Workers Earning \$1,250 per month or less	17,016	26.0%
Workers Earning \$1,251 to \$3,333 per month	23,510	35.9%
Workers Earning More than \$3,333 per month	25,011	38.2%
Interior Jobs		
Workers Earning \$1,250 per month or less	8,637	28.0%
Workers Earning \$1,251 to \$3,333 per month	9,415	30.5%
Workers Earning More than \$3,333 per month	12,798	41.5%
Industry Class		
Outflow Jobs		
Workers in the "Goods Producing" Industry Class	7,854	12.5%
Workers in the "Trade, Transportation, and Utilities" Industry Class	12,769	20.4%
Workers in the "All Other Services" Industry Class	42,071	67.1%
Inflow Jobs		
Workers in the "Goods Producing" Industry Class	9,451	14.4%
Workers in the "Trade, Transportation, and Utilities" Industry Class	15,189	23.2%
Workers in the "All Other Services" Industry Class	40,897	62.4%
Interior Jobs		
Workers in the "Goods Producing" Industry Class	4,702	15.2%
Workers in the "Trade, Transportation, and Utilities" Industry Class	4,566	14.8%
Workers in the "All Other Services" Industry Class	21,581	70.0%

"inflow"

Source: U.S. Census Bureau, OnTheMap, and LEHD Origin Destination Employment Statistics, 2007-2011 Average; EPS.

is one of the main employment bases in the Sacramento Region. Approximately 31,000 people live and work in South Placer. More than half of the workers commuting out of South Placer are in high wage jobs (more than \$3,333 per month), while only 38 percent of the workers commuting into South Placer are in high wage jobs. Forty-two percent of those living and working in South Placer are in high wage jobs.

Work Destinations

Table 8 provides the top city and unincorporated community destinations of South Placer residents commuting to work, while **Map 6** shows the direction of commuting patterns out to the top destinations.⁴ Nineteen percent of the South Placer resident labor force works in Roseville, while 14 percent commutes to Sacramento and 7 percent works in Rocklin. Almost 70 percent of South Placer residents commute outside the area. Places in South Placer (Roseville, Rocklin, Lincoln, Granite Bay, and Loomis) capture 44 percent of all jobs attracted by the top 20 destinations for South Placer residents. This share could be increased by expanding the area's employment opportunities.

Economic Structure

Establishments

South Placer is home to nearly 25,000 establishments. As shown in **Table 9**, Administrative & Waste Services account for one fifth of that total, followed by Professional, Scientific, & Technical Services at 15 percent, and Construction at 12 percent. Each of these sectors averages fewer than 5 employees per establishment. While Educational Services, Health Care, & Social Assistance and Retail Trade each account for less than 8 percent of total

South Placer Major Employers:

(in descending order of employment in 2012)

Kaiser Permanente (2,660)
Thunder Valley Casino Resort (2,391)
Hewlett-Packard (2,169)
Sutter Health (2,000)
Rocklin Unified School District (1,379)
Sierra Joint Community College District (1,200)
Roseville Joint Unified High School District (1,146)
Placer County (1,062)
Roseville City School District (1,031)
Pride Industries (1,000)
Raley's (923)
City of Roseville (831)
United States Government (738)
Wells Fargo & Co. (729)
The Home Depot Inc. (700)
Target Corporation (579)
Safeway Inc. (567)
Horizon West, Inc. (561)
Costco Wholesale Corporation (525)
City of Rocklin (516)

Source: National Establishment Time-Series (NETS) Database, Walls & Associates

⁴ **Map 6** displays the top work destinations in 2011, while **Table 8** displays the top work destinations based on a 5-year average from 2007-2011.

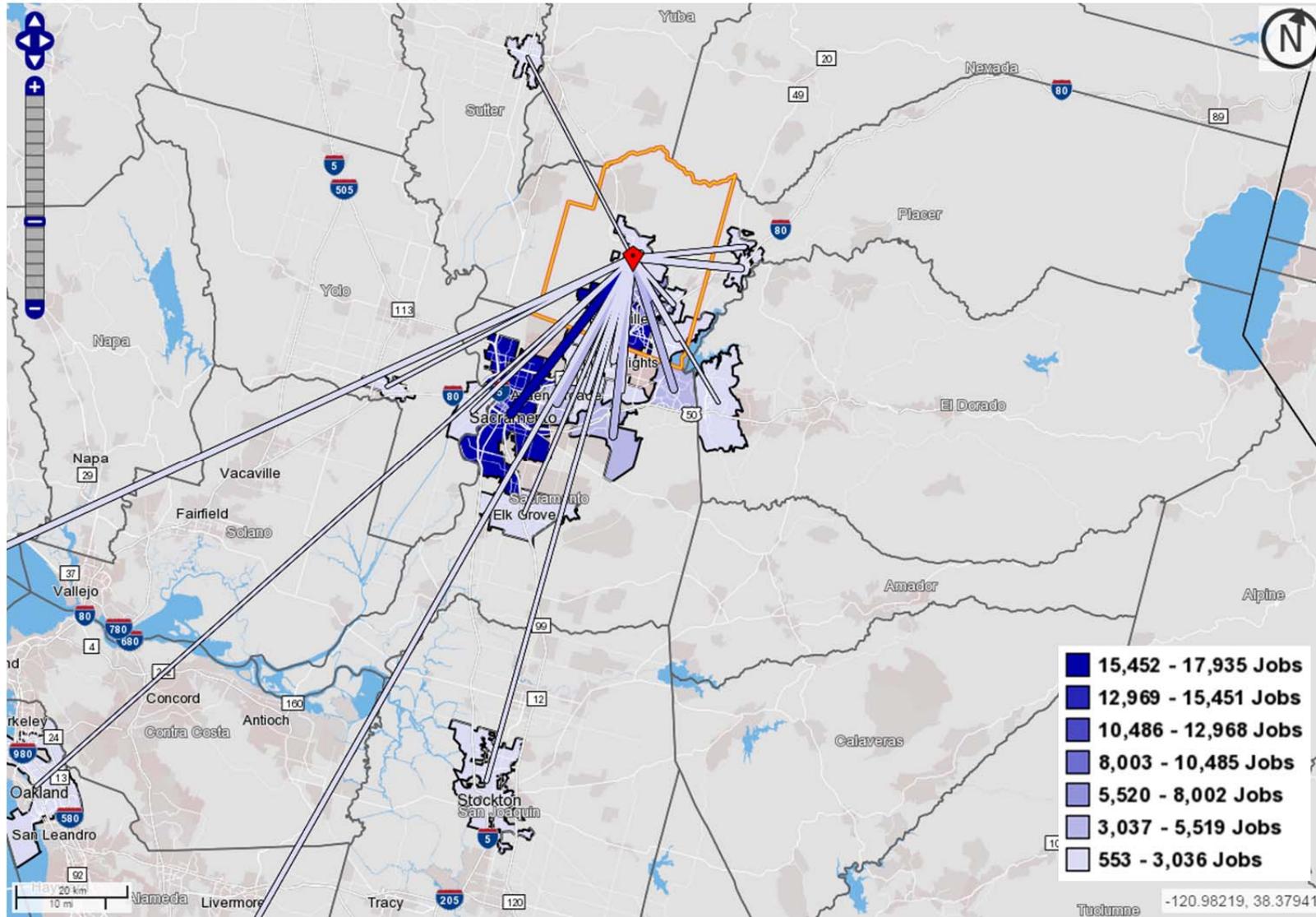
Table 8
Sunset Industrial Area Market Analysis
Top Work Destinations of Workers Living in South Placer

Ranking	Place	Jobs	Share
	Total All Jobs	93,544	100.0%
1	Roseville city, CA	17,286	18.5%
2	Sacramento city, CA	12,630	13.5%
3	Rocklin city, CA	6,177	6.6%
4	Arden-Arcade CDP, CA	3,371	3.6%
5	Rancho Cordova city, CA	3,271	3.5%
6	Folsom city, CA	2,773	3.0%
7	Auburn city, CA	2,376	2.5%
8	Lincoln city, CA	2,306	2.5%
9	Citrus Heights city, CA	1,951	2.1%
10	Granite Bay CDP, CA	1,791	1.9%
11	North Highlands CDP, CA	1,658	1.8%
12	Carmichael CDP, CA	1,499	1.6%
13	San Francisco city, CA	1,404	1.5%
14	West Sacramento city, CA	1,134	1.2%
15	Loomis town, CA	1,126	1.2%
16	San Jose city, CA	1,112	1.2%
17	North Auburn CDP, CA	1,087	1.2%
18	Stockton city, CA	676	0.7%
19	Elk Grove city, CA	628	0.7%
20	Davis city, CA	390	0.4%

"workdest"

Source: U.S. Census Bureau, OnTheMap, and LEHD Origin Destination Employment Statistics, 2007-2011 Average; EPS.

Map 6
Work Destinations of South Placer Residents



Source: U.S. Census Bureau, OnTheMap, and LEHD Origin Destination Employment Statistics

Table 9
Sunset Industrial Area Market Analysis
South Placer Establishments by Major Sector, 2012

Industry (NAICS)	Establishments		Avg. Employees per Establishment
	Total	Share	
Total Establishments	24,700	100.0%	5.6
Agriculture, Forestry, Fishing and Hunting (11)	305	1.2%	2.0
Mining (21)	14	0.1%	5.2
Utilities (22)	11	0.0%	19.4
Construction (23)	3,014	12.2%	4.2
Manufacturing (31-33)	656	2.7%	11.4
Wholesale Trade (42)	942	3.8%	5.8
Retail Trade (44-45)	2,195	8.9%	8.3
Transportation and Warehousing (48-49)	387	1.6%	4.8
Information (51)	448	1.8%	7.8
Finance and Insurance (52)	1,554	6.3%	5.6
Real Estate and Rental and Leasing (53)	1,368	5.5%	3.7
Professional, Scientific, and Technical Services (54)	3,623	14.7%	3.1
Management of Companies & Enterprises (55)	103	0.4%	3.6
Administrative and Waste Services (56)	4,912	19.9%	2.6
Educational Services, Health Care and Social Assistance (61-62)	1,998	8.1%	10.3
Arts, Entertainment, and Recreation (71)	382	1.5%	12.2
Accommodation and Food Services (72)	457	1.9%	17.6
Other Services (81)	2,150	8.7%	3.6
Public Administration (92) [1]	171	0.7%	53.5
Uncoded and Not Classified	10	0.0%	2.0

"estab_NAICS_12"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

[1] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

establishments, these sectors create the most jobs because they employ significantly more workers per establishment. Construction is the only user of industrial space making up more than 5 percent of establishments in South Placer; Wholesale Trade and Manufacturing made up 4 percent and 3 percent of establishments, respectively, while Transportation & Warehousing made up less than 2 percent.

Table 10 shows the growth in South Placer establishments from 2002 to 2012. Administrative and Waste Services added the most establishments, 4,112, a more than fivefold increase. The three sectors with the most establishments in 2012 also grew the most over the preceding 10 years. No sector experienced decline in the number of establishments.

Employment (Establishment Based)

Table 11 shows the establishment-based employment by industry for South Placer and benchmarks. While retail employs the most South Placer residents of all industry sectors, the largest share of jobs in South Placer (14.9 percent) are in Educational Services, Health Care, & Social Assistance, driven by employers such as Kaiser Permanente, Sutter Health, and Adventist Health. This share is higher than that of the Sacramento Region, the Bay Area, and the state. As shown in **Table 14**, South Placer accounts for 11 percent of all jobs in the Sacramento Region, less than its share of population, housing, and resident workers. This demonstrates the importance of areas like the SIA for supporting employment-generating development that could expand and diversify the employment base.

Table 13 provides the location quotients of employment by industry for South Placer as well as the Sacramento Region.⁵ South Placer is most highly concentrated in Construction, followed by Administrative & Waste Services, Retail Trade, Finance & Insurance, and Educational Services, Health Care & Social Assistance, all sectors in which South Placer is more specialized than the Sacramento Region. The SIA can build on these strengths through new office and industrial/flex development accommodating these sectors.

Table 12 shows the growth in employment in South Placer and benchmarks from 2002 to 2012, while **Table 14** shows South Placer's employment as a share of the Sacramento Region.

Tri-Valley Corollary to South Placer

South Placer's position in the Sacramento Region is reminiscent of the Tri-Valley's position in the Bay Area at an earlier stage in its development. The Tri-Valley encompasses the cities of Dublin, Livermore, and Pleasanton in Alameda County and the Town of Danville and the City of San Ramon in Contra Costa County, and transitioned in the last 20 years from a population center with a high quality of life to an employment base with a high volume of jobs, benefitting from its proximity to other population and employment centers in the Bay Area. From 2000 to 2012, population in the Tri-Valley increased by 20 percent and employment grew by 21 percent, whereas the Bay Area grew by 8 percent and 3 percent, respectively. With access to a high earning labor force, the Tri-Valley has established a diverse economy with several prominent employers.

South Placer has many of the assets in place to follow a similar trajectory to the Tri-Valley by fulfilling a similar role in the Sacramento Region.

⁵ In both cases, the location quotient is calculated by dividing the local share of employment by the share of employment statewide.

Table 10
Sunset Industrial Area Market Analysis
Growth in South Placer Establishments by Major Sector, 2002-2012

Industry (NAICS)	Establishments	
	Absolute	Rate
Total Establishments	13,788	126.4%
Agriculture, Forestry, Fishing and Hunting (11)	161	111.8%
Mining (21)	0	0.0%
Utilities (22)	4	57.1%
Construction (23)	1,623	116.7%
Manufacturing (31-33)	149	29.4%
Wholesale Trade (42)	379	67.3%
Retail Trade (44-45)	794	56.7%
Transportation and Warehousing (48-49)	209	117.4%
Information (51)	221	97.4%
Finance and Insurance (52)	894	135.5%
Real Estate and Rental and Leasing (53)	777	131.5%
Professional, Scientific, and Technical Services (54)	2,107	139.0%
Management of Companies & Enterprises (55)	91	758.3%
Administrative and Waste Services (56)	4,112	514.0%
Educational Services, Health Care and Social Assistance (61-62)	903	82.5%
Arts, Entertainment, and Recreation (71)	170	80.2%
Accommodation and Food Services (72)	88	23.8%
Other Services (81)	1,046	94.7%
Public Administration (92) [1]	61	55.5%
Uncoded and Not Classified	-1	-9.1%

"estab_NAICS_grow"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

[1] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

Table 11
Sunset Industrial Area Market Analysis
Employment by Industry, 2012

Industry (NAICS)	South Placer [1]		Sacramento Region [2]		San Francisco Bay Area [2]		California [2]	
	Total	Share	Total	Share	Total	Share	Total	Share
Total Employment	138,207	100.0%	1,228,921	100.0%	2,759,821	100.0%	20,260,326	100.0%
Agriculture, Forestry, Fishing and Hunting (11)	597	0.4%	19,747	1.6%	6,090	0.2%	453,686	2.2%
Mining (21)	73	0.1%	2,503	0.2%	6,904	0.3%	67,479	0.3%
Utilities (22)	213	0.2%	2,480	0.2%	9,323	0.3%	61,011	0.3%
Construction (23)	12,760	9.2%	62,688	5.1%	121,636	4.4%	880,012	4.3%
Manufacturing (31-33)	7,459	5.4%	39,312	3.2%	128,082	4.6%	1,332,699	6.6%
Wholesale Trade (42)	5,450	3.9%	31,080	2.5%	84,466	3.1%	752,196	3.7%
Retail Trade (44-45)	18,153	13.1%	123,295	10.0%	236,330	8.6%	1,941,275	9.6%
Transportation and Warehousing (48-49)	1,851	1.3%	32,435	2.6%	80,863	2.9%	587,829	2.9%
Information (51)	3,479	2.5%	19,002	1.5%	78,926	2.9%	516,383	2.5%
Finance and Insurance (52)	8,720	6.3%	66,693	5.4%	172,085	6.2%	1,004,484	5.0%
Real Estate and Rental and Leasing (53)	5,109	3.7%	60,662	4.9%	146,289	5.3%	1,071,908	5.3%
Professional, Scientific, and Technical Services (54)	11,254	8.1%	94,141	7.7%	368,485	13.4%	1,782,692	8.8%
Management of Companies & Enterprises (55)	372	0.3%	12,980	1.1%	50,645	1.8%	216,962	1.1%
Administrative and Waste Services (56)	12,589	9.1%	74,276	6.0%	169,248	6.1%	1,322,974	6.5%
Educational Services, Health Care and Social Assistance (61-62)	20,552	14.9%	144,324	11.7%	338,715	12.3%	2,405,737	11.9%
Arts, Entertainment, and Recreation (71)	4,653	3.4%	27,386	2.2%	84,640	3.1%	557,945	2.8%
Accommodation and Food Services (72)	8,038	5.8%	80,777	6.6%	205,430	7.4%	1,437,891	7.1%
Other Services (81)	7,716	5.6%	68,878	5.6%	162,227	5.9%	1,232,945	6.1%
Public Administration (92) [3]	9,149	6.6%	266,260	21.7%	309,437	11.2%	2,634,218	13.0%
Uncoded and Not Classified	20	0.0%	0	0.0%	0	0.0%	0	0.0%

"emp_NAICS_12"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; Woods and Poole, 2014 data series; EPS.

[1] National Establishment Time-Series (NETS) Database, Walls & Associates, 2012.

[2] Woods and Poole, 2014 data series.

[3] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

Table 12
Sunset Industrial Area Market Analysis
Growth in Employment by Industry, 2002-2012

Industry (NAICS)	South Placer [1]		Sacramento Region [2]		San Francisco Bay Area [2]		California [2]	
	Absolute	Rate	Absolute	Rate	Absolute	Rate	Absolute	Rate
Total Employment	39,821	40.5%	61,435	5.3%	74,773	2.8%	885,979	4.6%
Agriculture, Forestry, Fishing and Hunting (11)	165	38.2%	-3,231	-14.1%	-4,395	-41.9%	-50,599	-10.0%
Mining (21)	-40	-35.4%	1,080	75.9%	3,594	108.6%	33,937	101.2%
Utilities (22)	156	273.7%	181	7.9%	-1,385	-12.9%	4,159	7.3%
Construction (23)	1,843	16.9%	-23,826	-27.5%	-26,468	-17.9%	-175,640	-16.6%
Manufacturing (31-33)	-890	-10.7%	-15,759	-28.6%	-35,275	-21.6%	-389,373	-22.6%
Wholesale Trade (42)	1,024	23.1%	-1,500	-4.6%	-11,666	-12.1%	29,380	4.1%
Retail Trade (44-45)	6,105	50.7%	-2,502	-2.0%	-21,052	-8.2%	-33,644	-1.7%
Transportation and Warehousing (48-49)	-1,384	-42.8%	2,397	8.0%	-14,503	-15.2%	25,034	4.4%
Information (51)	287	9.0%	-7,018	-27.0%	-18,950	-19.4%	-49,020	-8.7%
Finance and Insurance (52)	3,679	73.0%	6,626	11.0%	6,301	3.8%	134,013	15.4%
Real Estate and Rental and Leasing (53)	1,905	59.5%	16,896	38.6%	35,278	31.8%	290,753	37.2%
Professional, Scientific, and Technical Services (54)	3,762	50.2%	19,398	26.0%	67,397	22.4%	282,488	18.8%
Management of Companies & Enterprises (55)	341	1,100.0%	366	2.9%	-3,906	-7.2%	-67,002	-23.6%
Administrative and Waste Services (56)	8,408	201.1%	7,067	10.5%	6,466	4.0%	86,493	7.0%
Educational Services, Health Care and Social Assistance (61-62)	8,199	66.4%	34,130	31.0%	58,060	20.7%	491,774	25.7%
Arts, Entertainment, and Recreation (71)	2,212	90.6%	4,698	20.7%	11,739	16.1%	83,182	17.5%
Accommodation and Food Services (72)	1,470	22.4%	7,828	10.7%	27,413	15.4%	176,463	14.0%
Other Services (81)	-1,384	-15.2%	3,708	5.7%	4,763	3.0%	61,083	5.2%
Public Administration (92) [3]	3,984	77.1%	10,896	4.3%	-8,638	-2.7%	-47,502	-1.8%
Uncoded and Not Classified	-21	-51.2%	0	0.0%	0	0.0%	0	0.0%

"emp_naics_grow"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; Woods and Poole, 2014 data series; EPS.

[1] National Establishment Time-Series (NETS) Database, Walls & Associates, 2012.

[2] Woods and Poole, 2014 data series.

[3] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

Table 13
Sunset Industrial Area Market Analysis
Location Quotient of Employment by Industry, 2012

Industry (NAICS)	South Placer [1]	Sacramento Region [2]
Total Employment	1.00	1.00
Agriculture, Forestry, Fishing and Hunting (11)	0.19	0.72
Mining (21)	0.16	0.61
Utilities (22)	0.51	0.67
Construction (23)	2.13	1.17
Manufacturing (31-33)	0.82	0.49
Wholesale Trade (42)	1.06	0.68
Retail Trade (44-45)	1.37	1.05
Transportation and Warehousing (48-49)	0.46	0.91
Information (51)	0.99	0.61
Finance and Insurance (52)	1.27	1.09
Real Estate and Rental and Leasing (53)	0.70	0.93
Professional, Scientific, and Technical Services (54)	0.93	0.87
Management of Companies & Enterprises (55)	0.25	0.99
Administrative and Waste Services (56)	1.39	0.93
Educational Services, Health Care and Social Assistance (61-62)	1.25	0.99
Arts, Entertainment, and Recreation (71)	1.22	0.81
Accommodation and Food Services (72)	0.82	0.93
Other Services (81)	0.92	0.92
Public Administration (92) [3]	0.51	1.67
Uncoded and Not Classified	N/A	N/A

"emp_NAICS_LQ"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012;
Woods and Poole, 2014 data series; EPS.

[1] National Establishment Time-Series (NETS) Database, Walls & Associates, 2012.

[2] Woods and Poole, 2014 data series.

[3] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

Table 14
Sunset Industrial Area Market Analysis
South Placer Economic Summary

Employment	South Placer	
	Total	Share of Sacramento Region
Employment (Establishment Based)		
2012 Total	138,207	11%
2002-2012 Absolute Change	39,821	53%
Employment by Industry (Establishment Based)		
Agriculture, Forestry, Fishing and Hunting (11)	597	3%
Mining (21)	73	3%
Utilities (22)	213	9%
Construction (23)	12,760	20%
Manufacturing (31-33)	7,459	19%
Wholesale Trade (42)	5,450	18%
Retail Trade (44-45)	18,153	15%
Transportation and Warehousing (48-49)	1,851	6%
Information (51)	3,479	18%
Finance and Insurance (52)	8,720	13%
Real Estate and Rental and Leasing (53)	5,109	8%
Professional, Scientific, and Technical Services (54)	11,254	12%
Management of Companies & Enterprises (55)	372	3%
Administrative and Waste Services (56)	12,589	17%
Educational Services, Health Care and Social Assistance	20,552	14%
Arts, Entertainment, and Recreation (71)	4,653	17%
Accommodation and Food Services (72)	8,038	10%
Other Services (81)	7,716	11%
Public Administration (92) [3]	9,149	3%
Uncoded and Not Classified	20	N/A

"econ_summary"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; Woods and Poole, 2014 data series; EPS.

This time period includes the major recession that hit the region in 2008, as well as a long period of recovery beginning in 2011. South Placer added nearly 40,000 jobs from 2002 to 2012, a gain of more than 40 percent. In the same time period, the Sacramento Region grew only 5.3 percent, and the Bay Area and state grew even less. While South Placer accounted for only 11 percent of the Sacramento Region's employment in 2012, it contributed more than half of the region's net new jobs in the preceding 10 years.

Strong job growth occurred in Utilities and Administrative and Waste Services, where employment has more than doubled. Administrative and Waste Services added more than 8,400 jobs, the largest absolute job growth of any sector in South Placer. This included the notable expansion of Pride Industries, though the vast majority of the growth came from small establishments growing by a handful of employees. The next largest absolute gains were from Educational Services, Health Care, and Social Assistance, led by expansions from Kaiser and Sutter Health. While the job gains in absolute terms were smaller than in other sectors, Management of Companies and Enterprises has grown more than tenfold in South Placer within 10 years, the largest percentage increase of any sector. Company headquarters migrating in to South Placer have contributed to 22 percent of all jobs from relocating establishments during this time, which helps to explain the sector's rise. This may be a trend to monitor as worsening commutes are a major incentive among decision makers to consider local options to regional headquarter operations elsewhere in the Sacramento area or Northern California.

The largest contraction, both in absolute and percentage terms, occurred in Transportation and Warehousing, which lost 43 percent of its jobs, a sector that grew both in the Sacramento Region and statewide. This loss was primarily a result of the closing of a single employer.

Sales

Total sales by industry, as well as average sales per establishment, are detailed in **Table 15**. Retail Trade accounted for \$2.9 billion in sales in 2012, 19 percent of South Placer's total and the most of any sector. Finance & Insurance generated the next highest total of \$2.2 billion in sales, a sector in which the average establishment grosses more than \$1.4 million annually, accounting for its disproportionately high share of total sales at 15 percent when compared to its 6 percent share of both employment and establishments. Other sectors with high sales per establishment include Utilities (\$6.6 million per establishment), Manufacturing (\$1.7 million per establishment), and Arts, Entertainment, & Recreation (\$1.4 million per establishment).

Table 16 shows the growth in annual sales in South Placer by major sector from 2002 to 2012. Annual sales for Finance & Insurance grew by \$1.7 billion, a more than threefold increase that was by far the largest absolute gain of any sector, largely driven by the entry of Wells Fargo through its takeover of Wachovia. Retail Trade sales grew by \$770 million over the same time period, a 37 percent increase, driven by the expansion of retail along the Highway corridor.

Table 15
Sunset Industrial Area Market Analysis
South Placer Sales by Industry (2012 Dollars), 2012

Industry (NAICS)	Sales (Millions)		Avg. Sales per Establishment (Dollars)
	Total	Share	
Total Sales	\$14,488	100.0%	\$587,000
Agriculture, Forestry, Fishing and Hunting (11)	\$34	0.2%	\$113,000
Mining (21)	\$8	0.1%	\$536,000
Utilities (22)	\$72	0.5%	\$6,588,000
Construction (23)	\$1,498	10.3%	\$497,000
Manufacturing (31-33)	\$1,147	7.9%	\$1,748,000
Wholesale Trade (42)	\$969	6.7%	\$1,029,000
Retail Trade (44-45)	\$2,856	19.7%	\$1,301,000
Transportation and Warehousing (48-49)	\$249	1.7%	\$643,000
Information (51)	\$538	3.7%	\$1,200,000
Finance and Insurance (52)	\$2,207	15.2%	\$1,420,000
Real Estate and Rental and Leasing (53)	\$404	2.8%	\$295,000
Professional, Scientific, and Technical Services (54)	\$1,064	7.3%	\$294,000
Management of Companies & Enterprises (55)	\$54	0.4%	\$519,000
Administrative and Waste Services (56)	\$720	5.0%	\$147,000
Educational Services, Health Care and Social Assistance (61-62)	\$1,386	9.6%	\$694,000
Arts, Entertainment, and Recreation (71)	\$544	3.8%	\$1,424,000
Accommodation and Food Services (72)	\$292	2.0%	\$639,000
Other Services (81)	\$448	3.1%	\$208,000
Public Administration (92) [1]	N/A	N/A	N/A
Uncoded and Not Classified	\$0	0.0%	\$25,000

"sales_NAICS_12"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

[1] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

Table 16
Sunset Industrial Area Market Analysis
South Placer Growth in Annual Sales by Industry (2012 Dollars), 2002-2012

Industry (NAICS)	Sales (Millions)	
	Absolute	Rate
Total Sales	\$3,698	34.3%
Agriculture, Forestry, Fishing and Hunting (11)	\$0	0.9%
Mining (21)	-\$7	-49.2%
Utilities (22)	\$53	274.5%
Construction (23)	-\$200	-11.8%
Manufacturing (31-33)	-\$60	-5.0%
Wholesale Trade (42)	-\$19	-1.9%
Retail Trade (44-45)	\$770	36.9%
Transportation and Warehousing (48-49)	-\$146	-36.9%
Information (51)	-\$143	-21.0%
Finance and Insurance (52)	\$1,677	316.5%
Real Estate and Rental and Leasing (53)	\$126	45.4%
Professional, Scientific, and Technical Services (54)	\$279	35.6%
Management of Companies & Enterprises (55)	\$38	236.0%
Administrative and Waste Services (56)	\$395	121.6%
Educational Services, Health Care and Social Assistance (61-62)	\$586	73.4%
Arts, Entertainment, and Recreation (71)	\$325	147.9%
Accommodation and Food Services (72)	\$69	30.7%
Other Services (81)	-\$45	-9.1%
Public Administration (92) [1]	N/A	N/A
Uncoded and Not Classified	\$0	93.8%

"sales_NAICS_grow"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

[1] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

The largest sales loss in absolute terms was felt by Construction, where annual sales decreased by \$200 million from 2012 to 2002, endemic of the nationwide mortgage crisis and subsequent slowdown of housing construction. The largest percentage loss, while minor in absolute terms, fell to the marginal Mining sector, followed by Transportation and Warehousing, where sales decreased by \$146 million or 37 percent.

Jobs-Housing Balance

Given that housing and employment choices are very much linked, communities that keep the provision of both housing and employment opportunities in proportion to each other are better able to allow workers to live where they work (or vice versa), reducing regional congestion and commute times. If the balance is thrown in either direction, a community runs the risk of either becoming a bedroom community where residents must commute large distances, or a business district that must draw its employees from elsewhere. While an exact match of housing and jobs would result in a ratio of 1.0, it ignores the reality that a housing unit can house multiple workers. The prevailing literature establishes that 1.5 is the ideal number of jobs per housing unit. In 2012, as shown in **Table 17**, South Placer had roughly 1.31 jobs for every housing unit, indicating that South Placer should add more employment opportunities to strike a better balance. South Placer is less balanced than the Sacramento Region's ratio of 1.46 and the Bay Area's ratio of 1.59, where a housing shortage relative to jobs is responsible in part for some of the highest commute times in the nation.

The jobs-housing ratio should be used as a guide only. While some degree of jobs-housing balance is necessary if a community wants to reduce overall travel, the benefits can only be reaped if a match also exists between the skills of the residents and the employment opportunities offered.

Business Migration

Table 20 demonstrates that from 2002 to 2011, an annual average of 241 establishments moved into Placer County,⁶ while 151 establishments moved out, resulting in a positive net migration of 90 establishments and 331 employees per year. More establishments came in from the rest of the Sacramento Region and the rest of the state than those that left, while Placer County experienced a net loss of establishments to states outside of California. Of the businesses moving in, 55 percent came from the Sacramento Region, 34 percent came from other parts of the state, and 11 percent came from the rest of the country.

⁶ To simplify the analysis of business migration, Placer County serves as the geographic focus instead of South Placer.

Table 17
Sunset Industrial Area Market Analysis
Jobs/Housing Balance, 2012

Jobs/Housing Balance	South Placer	Sacramento Region	San Francisco Bay Area	California
Employment [1]	138,207	1,228,921	2,759,821	20,260,326
Housing Units [2]	105,613	844,477	1,739,548	13,667,226
Jobs Per Housing Unit	1.31	1.46	1.59	1.48

"jh_balance"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; Woods and Poole, 2014 data series; U.S. Census Bureau, 2008-2012 American Community Survey; EPS.

[1] Employment from Woods and Poole, 2014 data series, except for South Placer, which comes from the National Establishment Time-Series (NETS) Database, Walls & Associates, 2012.

[2] U.S. Census Bureau, 2008-2012 American Community Survey; EPS.

Ninety-three percent of the in-migrant establishments were standalone locations, as shown in **Table 18**, though 22 percent of the jobs added on an annual basis were attributable to migrating headquarters. While net migration for branch establishments was flat, they experienced a substantial net job loss, indicating that the branches that left were more productive than those that arrived.

Professional, Scientific, and Technical Services had the highest net migration in terms of establishments and employees (19 and 113, respectively) of all sectors, the result of many smaller firms moving in from all over California. Construction had the highest net migration in terms of sales, driven by the relocations of large construction firms from other counties in the Sacramento Region.

Manufacturing experienced the largest net loss of employees and sales to migration by a substantial margin, even while achieving a net gain of establishments, due primarily to the departure of a few large technology-based firms. This decline will open up industrial space for new users. While some relocations are not preventable, due either to the demands of specific businesses or shifts in customer markets, strong business retention efforts can keep high-value companies from leaving the community.

High Growth Companies

High growth companies, otherwise known as “gazelles,” have been shown to make major contributions to employment growth, and are the focus of many business retention and expansion efforts. Gazelles are defined for the purpose of this report as establishments with more than 20 percent employment growth over a period of 5 years, in this case from 2007 to 2012. Gazelles must also meet a minimum threshold of \$500,000 in their latest year of business.

South Placer was home to 375 gazelles in 2012, as shown in **Table 21**, most of which were standalone firms (66 percent) with less than 50 employees (88 percent). High growth establishments were most concentrated in Retail Trade with 18 percent of the total, followed by Construction with 14 percent, Professional, Scientific, and Technical Services with 14 percent, and Finance and Insurance with 9 percent.

Table 18
Sunset Industrial Area Market Analysis
Business In-Migration in Placer County by Origin, Establishment Category, and Major Industry, 2002-2011

Establishment Characteristics	Establishments		Employment		Sales	
	Ann. Average	Share	Ann. Average	Share	Ann. Average	Share
All In-Migrants	241.1	100.0%	1,558	100.0%	\$207,523,427	100.0%
Origin						
Rest of Sacramento Region	131.8	54.7%	964	61.9%	\$126,875,652	61.1%
Rest of California	82.2	34.1%	449	28.8%	\$65,073,489	31.4%
Rest of Nation	27.1	11.2%	145	9.3%	\$15,574,286	7.5%
Establishment Category						
Headquarters	9.7	4.0%	338	21.7%	\$43,162,140	20.8%
Branch	8.0	3.3%	163	10.4%	\$17,816,037	8.6%
Standalone	223.4	92.7%	1,057	67.9%	\$146,545,251	70.6%
Industry						
Agriculture, Forestry, Fishing and Hunting (11)	2.7	1.1%	4.9	0.3%	\$270,430	0.1%
Mining (21)	0.0	0.0%	0.0	0.0%	\$0	0.0%
Utilities (22)	0.2	0.1%	0.5	0.0%	\$154,670	0.1%
Construction (23)	33.5	13.9%	255.8	16.4%	\$52,033,428	25.1%
Manufacturing (31-33)	12.5	5.2%	92.6	5.9%	\$12,293,470	5.9%
Wholesale Trade (42)	15.1	6.3%	90.2	5.8%	\$26,239,257	12.6%
Retail Trade (44-45)	23.3	9.7%	102.5	6.6%	\$19,635,805	9.5%
Transportation and Warehousing (48-49)	4.8	2.0%	156.0	10.0%	\$16,323,864	7.9%
Information (51)	6.3	2.6%	49.8	3.2%	\$7,540,590	3.6%
Finance and Insurance (52)	15.3	6.3%	99.6	6.4%	\$11,266,470	5.4%
Real Estate and Rental and Leasing (53)	9.4	3.9%	46.7	3.0%	\$4,102,165	2.0%
Professional, Scientific, and Technical Services (54)	43.8	18.2%	206.1	13.2%	\$24,841,538	12.0%
Management of Companies & Enterprises (55)	0.6	0.2%	2.1	0.1%	\$260,020	0.1%
Administrative and Waste Services (56)	36.4	15.1%	155.5	10.0%	\$10,637,616	5.1%
Educational Services, Health Care and Social Assistance (61-62)	14.5	6.0%	105.4	6.8%	\$10,728,328	5.2%
Arts, Entertainment, and Recreation (71)	3.8	1.6%	16.6	1.1%	\$1,015,480	0.5%
Accommodation and Food Services (72)	3.0	1.2%	94.4	6.1%	\$4,773,641	2.3%
Other Services (81)	15.7	6.5%	78.4	5.0%	\$5,406,657	2.6%
Public Administration (92)	0.2	0.1%	0.6	0.0%	\$0	0.0%
Uncoded and Not Classified	0.0	0.0%	0.0	0.0%	\$0	0.0%

"move_in"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

Table 19
Sunset Industrial Area Market Analysis
Business Out-Migration in Placer County by Destination, Establishment Category, and Major Industry, 2002-2011

Establishment Characteristics	Establishments		Employment		Sales	
	Ann. Average	Share	Ann. Average	Share	Ann. Average	Share
All Out-Migrants	151.0	100.0%	1,227	100.0%	\$144,106,791	100.0%
Destination						
Rest of Sacramento Region	73.7	48.8%	700	57.1%	\$62,507,123	43.4%
Rest of California	42.3	28.0%	315	25.7%	\$51,787,078	35.9%
Rest of Nation	35.0	23.2%	211	17.2%	\$29,812,590	20.7%
Establishment Category						
Headquarters	5.8	3.8%	266	21.7%	\$19,892,921	13.8%
Branch	8.1	5.4%	284	23.2%	\$41,070,030	28.5%
Standalone	137.1	90.8%	677	55.2%	\$83,143,840	57.7%
Industry						
Agriculture, Forestry, Fishing and Hunting (11)	1.7	1.1%	2.6	0.2%	\$216,250	0.2%
Mining (21)	0.2	0.1%	0.7	0.1%	\$185,200	0.1%
Utilities (22)	0.4	0.3%	1.3	0.1%	\$274,670	0.2%
Construction (23)	21.3	14.1%	198.9	16.2%	\$24,395,387	16.9%
Manufacturing (31-33)	7.9	5.2%	171.3	14.0%	\$34,235,318	23.8%
Wholesale Trade (42)	9.5	6.3%	79.9	6.5%	\$20,564,248	14.3%
Retail Trade (44-45)	14.4	9.5%	95.9	7.8%	\$19,829,041	13.8%
Transportation and Warehousing (48-49)	3.9	2.6%	160.1	13.1%	\$1,715,930	1.2%
Information (51)	3.1	2.1%	58.6	4.8%	\$5,254,919	3.6%
Finance and Insurance (52)	10.3	6.8%	73.5	6.0%	\$8,303,967	5.8%
Real Estate and Rental and Leasing (53)	5.7	3.8%	33.3	2.7%	\$2,734,176	1.9%
Professional, Scientific, and Technical Services (54)	25.2	16.7%	92.9	7.6%	\$13,296,173	9.2%
Management of Companies & Enterprises (55)	0.0	0.0%	0.0	0.0%	\$0	0.0%
Administrative and Waste Services (56)	21.9	14.5%	102.5	8.4%	\$5,003,810	3.5%
Educational Services, Health Care and Social Assistance (61-62)	8.2	5.4%	41.5	3.4%	\$2,238,535	1.6%
Arts, Entertainment, and Recreation (71)	2.9	1.9%	9.7	0.8%	\$522,710	0.4%
Accommodation and Food Services (72)	3.0	2.0%	48.9	4.0%	\$2,440,029	1.7%
Other Services (81)	11.1	7.4%	49.7	4.1%	\$2,896,428	2.0%
Public Administration (92)	0.3	0.2%	5.2	0.4%	\$0	0.0%
Uncoded and Not Classified	0.0	0.0%	0.0	0.0%	\$0	0.0%

"move_out"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

Table 20
Sunset Industrial Area Market Analysis
Business Net Migration in Placer County by Destination, Establishment Category, and Major Industry, 2002-2011

Establishment Characteristics	Establishments		Employment		Sales	
	Ann. Average	Share	Ann. Average	Share	Ann. Average	Share
Total Net Migration	90.1	100.0%	331	100.0%	\$63,416,636	100.0%
Origin/Destination						
Rest of Sacramento Region	58.1	64.5%	264	79.6%	\$64,368,529	101.5%
Rest of California	39.9	44.3%	134	40.4%	\$13,286,411	21.0%
Rest of Nation	-7.9	-8.8%	-66	-20.0%	-\$14,238,304	-22.5%
Establishment Category						
Headquarters	3.9	4.3%	72	21.8%	\$23,269,219	36.7%
Branch	-0.1	-0.1%	-122	-36.7%	-\$23,253,994	-36.7%
Standalone	86.3	95.8%	381	115.0%	\$63,401,411	100.0%
Industry						
Agriculture, Forestry, Fishing and Hunting (11)	1.0	1.1%	2	0.7%	\$54,180	0.1%
Mining (21)	-0.2	-0.2%	-1	-0.2%	-\$185,200	-0.3%
Utilities (22)	-0.2	-0.2%	-1	-0.2%	-\$120,000	-0.2%
Construction (23)	12.2	13.5%	57	17.2%	\$27,638,041	43.6%
Manufacturing (31-33)	4.6	5.1%	-79	-23.8%	-\$21,941,848	-34.6%
Wholesale Trade (42)	5.6	6.2%	10	3.1%	\$5,675,009	8.9%
Retail Trade (44-45)	8.9	9.9%	7	2.0%	-\$193,237	-0.3%
Transportation and Warehousing (48-49)	0.9	1.0%	-4	-1.2%	\$14,607,934	23.0%
Information (51)	3.2	3.6%	-9	-2.7%	\$2,285,671	3.6%
Finance and Insurance (52)	5.0	5.5%	26	7.9%	\$2,962,503	4.7%
Real Estate and Rental and Leasing (53)	3.7	4.1%	13	4.0%	\$1,367,989	2.2%
Professional, Scientific, and Technical Services (54)	18.6	20.6%	113	34.2%	\$11,545,365	18.2%
Management of Companies & Enterprises (55)	0.6	0.7%	2	0.6%	\$260,020	0.4%
Administrative and Waste Services (56)	14.5	16.1%	53	16.0%	\$5,633,806	8.9%
Educational Services, Health Care and Social Assistance (61-62)	6.3	7.0%	64	19.3%	\$8,489,793	13.4%
Arts, Entertainment, and Recreation (71)	0.9	1.0%	7	2.1%	\$492,770	0.8%
Accommodation and Food Services (72)	0.0	0.0%	46	13.7%	\$2,333,611	3.7%
Other Services (81)	4.6	5.1%	29	8.7%	\$2,510,229	4.0%
Public Administration (92)	-0.1	-0.1%	-5	-1.4%	\$0	0.0%
Uncoded and Not Classified	0.0	0.0%	0	0.0%	\$0	0.0%

"move_net"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

Table 21
Sunset Industrial Area Market Analysis
Characteristics of High Growth Establishments in South Placer, 2012

Characteristics of High Growth Establishments [1]	Establishments	Share of Total
Total High Growth Establishments	375	100.0%
Employment Size		
Small (less than 50 employees)	328	87.5%
Medium (50-199 employees)	42	11.2%
Large (200-plus employees)	5	1.3%
Establishment Category		
Headquarters	37	9.9%
Branch	89	23.7%
Standalone	249	66.4%
Establishment Category		
Retail Trade (44-45)	68	18.1%
Construction (23)	54	14.4%
Professional, Scientific, and Technical Services (54)	51	13.6%
Finance and Insurance (52)	34	9.1%
Educational Services, Health Care and Social Assistance (61-62)	30	8.0%

"gazelle"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

[1] High growth companies, often referred to as gazelles, are here defined as establishments with over 20 percent employment growth from 2007 to 2012. Gazelles must also meet a minimum threshold of \$500,000 in sales in the latest year.

Goods Production vs. Service Provision

Businesses in a local economy either contribute by producing goods or providing services.⁷ Goods-producing businesses require special consideration because of their need for industrial sites and buildings. They also tend to need more space per employee than the average service-providing company. The national shift to a service economy is reflected in South Placer, where 84 percent of private establishments were service-providing in 2012, and only 16 percent were goods-producing. **Map 7** and **Map 8** show the distribution of goods-producing and service-providing establishments in South Placer. While service-providing establishments vastly outnumber those that are goods-producing, the distribution patterns are very similar for both, with most establishments clustering in the southeastern quadrant of South Placer. Very few establishments are located in South Placer's western or northern halves.

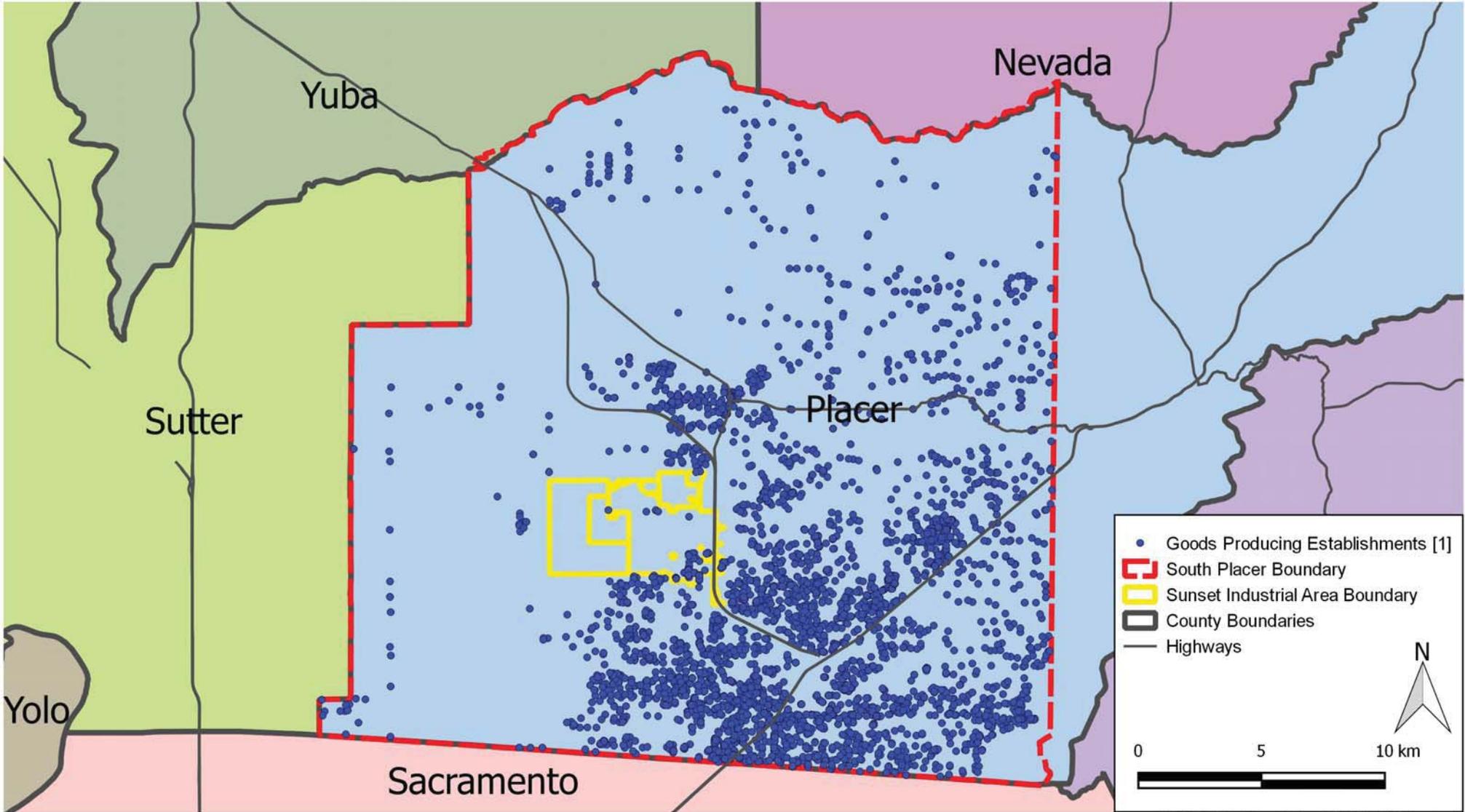
Economic Base

The economic base of a community consists of the proportion of employment that brings wealth to the community from outside, as opposed to serving local needs. Base-sector activities produce a significant amount of goods and services for domestic and international export, and they typically face few geographical constraints, allowing them to operate anywhere deemed attractive. On the other hand, local-sector activities are located to serve a local market's residents or base sectors and produce goods and services for local consumption, which generally moves wealth around a local area. The health of a community depends on the economic base, and therefore it deserves close attention and monitoring.

Recent studies have found that 34 percent of the Sacramento Region's employment is supported by economic base activities, compared to only 20 percent of South Placer's employment, suggesting that South Placer's economic development efforts should focus on strengthening base activities. The largest share of South Placer's base employment, as shown in **Table 22**, belongs to Manufacturing, followed by Wholesale Trade, both sectors that use industrial space and that have been shedding jobs over the past 10 years. The next largest contributors to South Placer's base employment are the growing sectors of Professional, Scientific, & Technical Services, and Arts, Entertainment, & Recreation. Base employment has grown by less than 4,000 jobs from 2002 to 2012, a growth that seems rather anemic compared to local-serving employment, which grew by close to 36,000 jobs in the same time frame.

⁷ Goods-producing establishments are privately-owned companies that fall under the following NAICS industry sectors: Agriculture, Forestry, Fishing and Hunting (11), Mining (21), Construction (23), and Manufacturing (31-33). Service-providing establishments are privately-owned companies that fall under the following NAICS industry sectors: Utilities (22), Wholesale Trade (42), Retail Trade (44-45), Transportation & Warehousing (48-49), Information (51), Finance & Insurance (52), Real Estate & Rental & Leasing (53), Professional, Scientific, & Technical Services (54), Management of Companies & Enterprises (55), Administrative & Waste Services (56), Educational Services, Health Care & Social Assistance (61-62), Arts, Entertainment, & Recreation (71), Accommodation & Food Services (72), and Other Services (81).

Map 7
 Sunset Industrial Area Market Analysis
 South Placer Goods Producing Establishments



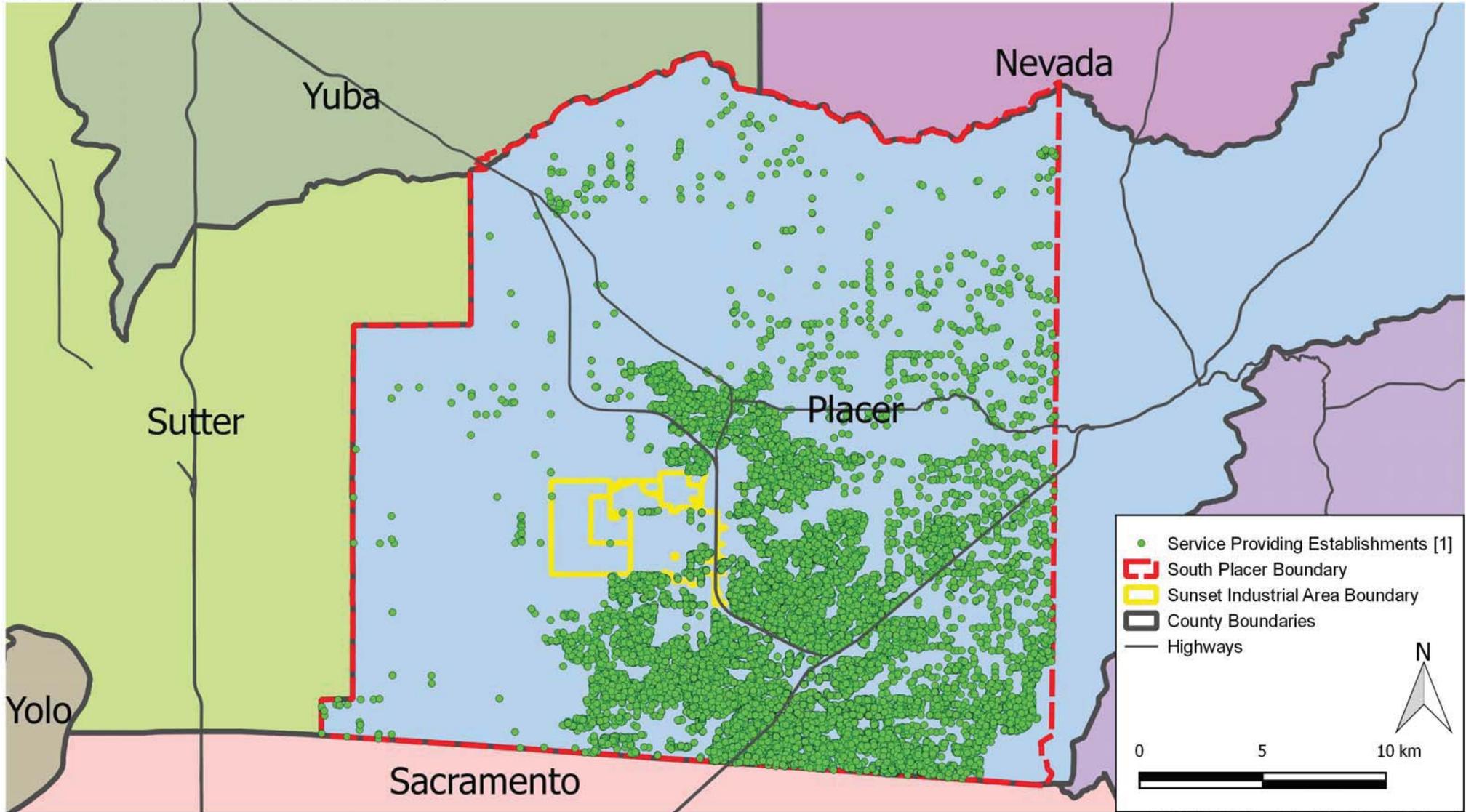
P:\142000\142111 Sunset Industrial Area\Maps\SP_Goods.pdf

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

[1] Goods Providing establishments are privately-owned companies active in 2012 that fall under the following NAICS industry sectors: Agriculture, Forestry, Fishing and Hunting (11), Mining (21), Construction (23), and Manufacturing (31-33).

[2] Service Providing establishments are privately-owned companies active in 2012 that fall under the following NAICS industry sectors: Utilities (22), Wholesale Trade (42), Retail Trade (44-45), Transportation and Warehousing (48-49), Information (51), Finance and Insurance (52), Real Estate and Rental and Leasing (53), Professional, Scientific, and Technical Services (54), Management of Companies & Enterprises (55), Administrative and Waste Services (56), Educational Services, Health Care and Social Assistance (61-62), Arts, Entertainment, and Recreation (71), Accommodation and Food Services (72), and Other Services (81).

Map 8
 Sunset Industrial Area Market Analysis
 South Placer Service Providing Establishments



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Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

[1] Service Providing establishments are privately-owned companies active in 2012 that fall under the following NAICS industry sectors: Utilities (22), Wholesale Trade (42), Retail Trade (44-45), Transportation and Warehousing (48-49), Information (51), Finance and Insurance (52), Real Estate and Rental and Leasing (53), Professional, Scientific, and Technical Services (54), Management of Companies & Enterprises (55), Administrative and Waste Services (56), Educational Services, Health Care and Social Assistance (61-62), Arts, Entertainment, and Recreation (71), Accommodation and Food Services (72), and Other Services (81).

Table 22
Sunset Industrial Area Market Analysis
South Placer Economic Base Analysis, 2012

Industry (NAICS)	Total Employment	Economic Base Share	Base Employment	Percent Basic Employment
Total Employment	138,207	19.9%	27,476	100.0%
Agriculture, Forestry, Fishing and Hunting (11)	597	41.0%	245	0.9%
Mining (21)	73	84.9%	62	0.2%
Utilities (22)	213	0.0%	0	0.0%
Construction (23)	12,760	0.0%	0	0.0%
Manufacturing (31-33)	7,459	87.0%	6,491	23.6%
Wholesale Trade (42)	5,450	100.0%	5,450	19.8%
Retail Trade (44-45)	18,153	8.3%	1,503	5.5%
Transportation and Warehousing (48-49)	1,851	75.6%	1,399	5.1%
Information (51)	3,479	58.6%	2,039	7.4%
Finance and Insurance (52)	8,720	18.4%	1,601	5.8%
Real Estate and Rental and Leasing (53)	5,109	0.0%	0	0.0%
Professional, Scientific, and Technical Services (54)	11,254	40.2%	4,529	16.5%
Management of Companies & Enterprises (55)	372	100.0%	372	1.4%
Administrative and Waste Services (56)	12,589	0.8%	107	0.4%
Educational Services, Health Care and Social Assistance (61-62)	20,552	0.0%	0	0.0%
Arts, Entertainment, and Recreation (71)	4,653	59.6%	2,773	10.1%
Accommodation and Food Services (72)	8,038	11.3%	906	3.3%
Other Services (81)	7,716	0.0%	0	0.0%
Public Administration (92) [3]	9,149	0.0%	0	0.0%
Uncoded and Not Classified	20	0.0%	0	0.0%

"base"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; Woods and Poole, 2014 data series; EPS.

[1] National Establishment Time-Series (NETS) Database, Walls & Associates, 2012.

[2] Woods and Poole, 2014 data series.

[3] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

SIA

Table 23 summarizes economic activity in the SIA in terms of establishments, employment, and sales by major industrial sector. There are more than 230 establishments in the SIA employing almost 3,500 people.⁸ They are clustered most heavily in the southeastern corner, with some additional businesses in the northeast. The business mix is more balanced between goods-producing and service-providing businesses than in the rest of South Placer, with 26 percent of all private establishments involved in goods production.

Manufacturing leads all sectors in the SIA in terms of employment at 16 percent, compared to only 5 percent in South Placer as a whole. **Map 9** shows the distribution of Manufacturing and Scientific R&D businesses in the SIA as well as in the rest of the Sacramento Region. This cluster has the potential for real growth in the SIA based on the existing business mix and strong inventory of industrial sites, which is a strong competitive advantage in a region lacking in such spaces. The area's labor force already has many of the high skills required for the kind of advanced manufacturing activities that are constituting more of the viable employment opportunities generated in the sector. The development of additional campus spaces will allow for educational training programs at both the community college and university level that can train area residents in the emerging skill sets necessary for the new breed of manufacturing and R&D jobs.

The Sacramento Region's economy is dynamic and growing, and South Placer has played an outsized role in the region's recent expansion. While South Placer's shares of the region's population, housing, labor force, and jobs are all under 15 percent, it has accounted for at least a quarter of the region's recent growth in those areas, and more than half of the region's 10-year job growth.

Even with South Placer's strong job growth, it still supplies a greater share of the region's residents and housing than it does of the region's jobs, suggesting that future economic development efforts should focus on expanding job opportunities to strike a greater balance between jobs and housing. South Placer's labor force is highly skilled, enabling local businesses in highly technical fields to hire locally.

The largest shares of South Placer's economic base come from Manufacturing and Wholesale Trade, both goods-producing sectors on the decline. These same sectors constitute a large part of the SIA's total employment, and it is here that economic development efforts can make a great impact on strengthening South Placer's undersized economic base through retention and expansion efforts that use existing industrial sites to accommodate goods-producing firms.

⁸ County business license data does not precisely align with this analysis. This variation deserves further investigation to better understand the business profile.

Table 23
Sunset Industrial Area Market Analysis
Sunset Industrial Area Establishments, Employment, and Sales by Major Sector, 2012

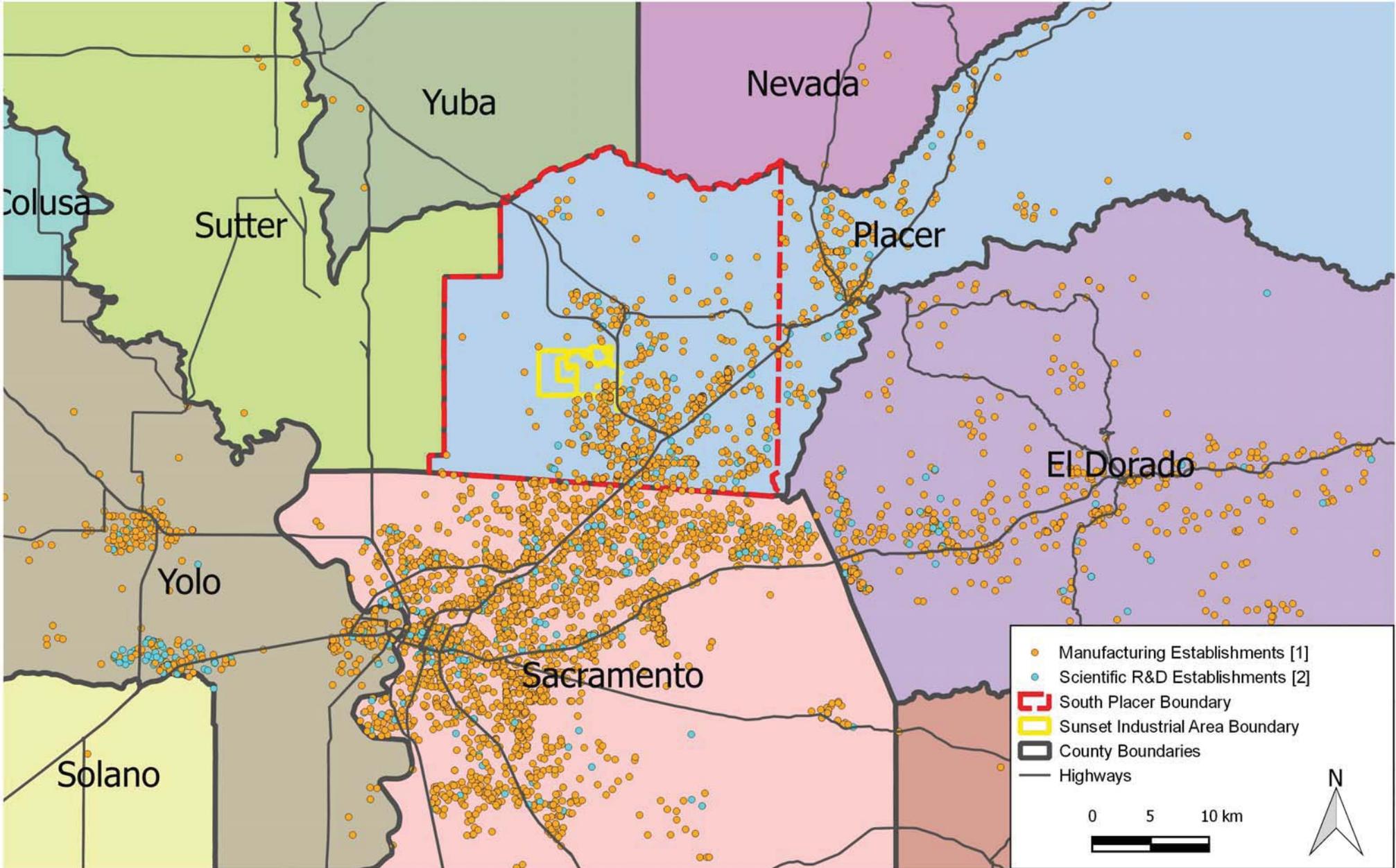
Industry (NAICS)	Establishments		Employment		Sales	
	Total	Share	Total	Share	Total	Share
Total Establishments	234	100.0%	3,476	100.0%	\$387,329,563	100.0%
Agriculture, Forestry, Fishing and Hunting (11)	2	0.9%	7	0.2%	\$300,000	0.1%
Mining (21)	1	0.4%	20	0.6%	\$2,300,000	0.6%
Utilities (22)	1	0.4%	2	0.1%	\$800,000	0.2%
Construction (23)	33	14.1%	539	15.5%	\$69,310,500	17.9%
Manufacturing (31-33)	24	10.3%	556	16.0%	\$61,566,083	15.9%
Wholesale Trade (42)	27	11.5%	311	8.9%	\$55,246,000	14.3%
Retail Trade (44-45)	22	9.4%	504	14.5%	\$44,240,133	11.4%
Transportation and Warehousing (48-49)	8	3.4%	212	6.1%	\$40,261,400	10.4%
Information (51)	7	3.0%	189	5.4%	\$12,380,538	3.2%
Finance and Insurance (52)	3	1.3%	7	0.2%	\$583,800	0.2%
Real Estate and Rental and Leasing (53)	17	7.3%	60	1.7%	\$4,993,636	1.3%
Professional, Scientific, and Technical Services (54)	28	12.0%	177	5.1%	\$15,537,900	4.0%
Management of Companies & Enterprises (55)	2	0.9%	4	0.1%	\$300,000	0.1%
Administrative and Waste Services (56)	33	14.1%	357	10.3%	\$28,302,400	7.3%
Educational Services, Health Care and Social Assistance (61-62)	2	0.9%	3	0.1%	\$111,100	0.0%
Arts, Entertainment, and Recreation (71)	4	1.7%	15	0.4%	\$510,500	0.1%
Accommodation and Food Services (72)	4	1.7%	21	0.6%	\$736,400	0.2%
Other Services (81)	14	6.0%	417	12.0%	\$34,496,973	8.9%
Public Administration (92) [1]	2	0.9%	75	2.2%	\$15,352,200	4.0%
Uncoded and Not Classified	0	0.0%	0	0.0%	\$0	0.0%

"SIAestab_12"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; EPS.

[1] Public Administration includes government-owned establishments associated with traditionally separated NAICS categories of Educational Services (Public Schools), Health Care (Public Hospitals), Transportation & Warehousing (Postal Service), and Utilities.

Map 9
 Sunset Industrial Area Market Analysis
 Manufacturing/Scientific Research and Development in the Sacramento Region



Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; Placer County; EPS.

[1] Manufacturing Establishments comprise all companies categorized under the major industry sector of Manufacturing (31-33).

[2] Scientific R&D Establishments comprise all companies categorized under the industry group of Scientific Research and Development Services (5417).

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4. VIABLE CLUSTERS

Introduction

Clusters are groupings of related economic activities that are defined according to concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions. The economic activities are often organized around the concept of an entire value chain (linked provision of goods and services that create market value) that is supported at the regional level or networked across several regions. As the County assesses targets for its economic development programs—whether focused on business attraction, expansion, retention, or creation—clusters are an effective organizing tool because they generally account for the linked value chain of economic activities that present signs of potential competitive advantages and growth opportunities in the local and regional economies. In the case of the SIA, understanding which clusters could be viable in the County, based on local and regional dynamics, can inform land use plans that fully consider facility demands of related companies as well as broad influencing trends affecting industry growth and company site selection criteria. The following segments present the process used to select viable clusters in Placer County and provide brief overviews of clusters that have been deemed to be regional priorities as well as other cluster opportunities that could be emphasized in the County.

Cluster Selection

EPS selected 10 viable clusters to consider as part of the SIA planning process based on a three-step process (depicted in **Figure 3**) that builds on quantitative and qualitative analysis of local, regional, national, and global trends. The first step focused exclusively on the clusters incorporated in the Next Economy Capital Region Prosperity Plan.⁹ Next Economy is guiding economic development strategy for the six-county Capital Region (El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties).

Next Economy Clusters

- Advanced Manufacturing
- Agriculture & Food
- Clean Energy Technology
- Education & Knowledge Creation
- Information & Communications Technology
- Life Sciences & Health Services

Other Cluster Opportunities

- Advanced Materials
- Business & Financial Services
- Distribution & Electronic Commerce
- Recreation & Tourism

⁹ Additional information on Next Economy is available on the following Web site: <http://www.nexteconomycapitalregion.org/>.

Figure 3
Cluster Selection Process



Regional economic development organizations are investing considerable resources to organize programs around the regional priorities identified in the plan. Nearly every local jurisdiction in the Capital Region, including Placer County, has officially approved resolutions of support endorsing the economic development agenda and affirming adoption of the guiding framework. One of the five primary goals of Next Economy is to diversify the regional economy through growth and support of core business clusters. The plan includes six core business clusters, which were identified through significant research around regional economic performance, research and innovation, linkages across clusters, and several other desirable cluster attributes.

The second step used available cluster-based data and other published research covering the local economy to evaluate other opportunities that could be viable specifically in Placer County. The U.S. Economic Development Administration (EDA)-funded Innovation in American Regions and U.S. Cluster Mapping Project initiatives both emphasize a standard set of clusters and offer substantial data and profiles examining these clusters at the national, state, regional, and local levels.¹⁰ EPS accessed Placer County data profiles from these two initiatives and assessed factors such as growth, concentration, and location quotient as signals for other potential opportunities. In addition, to validate the cluster-based data and expose additional evidence of local advantages, EPS reviewed two reports that evaluated cluster opportunities in local administrative regions that incorporate Placer County, including the Golden Sierra Workforce Investment Board Area Labor Market Analysis and Sierra Economic Development Corporation Comprehensive Economic Development Strategy. Further, EPS interviewed economic and workforce development representatives representing the state, the Capital Region, the County, and local jurisdictions in South Placer. This step revealed four additional viable cluster opportunities for the County.

After identifying the 10 viable clusters, based on the first two steps, EPS created working definitions of the clusters using the North American Industrial Classification System (NAICS) structure at the detailed six-digit level.¹¹ The definitions were created to be mutually-exclusive to avoid double-counting when estimating the size of the clusters in the local economy. This necessitated a redefinition of some of the Next Economy clusters because of overlap with the four additional clusters established in the second step. For example, the Next Economy Advanced Manufacturing cluster contained several economic activities that overlap with the common definition of the Advanced Materials cluster, which appeared viable based on the Innovation in American Regions data profile; therefore, the overlap was removed from Advanced Manufacturing and included only in Advanced Materials. It is important to note, however, that the NAICS structure is an imperfect system for organizing emerging and established clusters because firms classified in one industry could be part of two or more clusters. This is the reason

¹⁰ More information on the Innovation in American Regions project is available at the following Web site: <http://www.statsamerica.org/innovation/>. The Cluster Mapping Project is described on the following Web site: <http://www.clustermapping.us/>.

¹¹ Additional information on the NAICS structure is available at the following Web site: <http://www.census.gov/eos/www/naics/>.

why the Clean Energy Technology cluster was not defined under the NAICS system at all under Next Economy.¹² The NAICS-based definitions for the 10 clusters are provided in Appendix B.

The final step in the cluster selection process assessed seven local-level factors that point to desirable cluster attributes. The presence of one or more of these desirable attributes makes the cluster more viable at the local level because of the sustaining factors for cluster growth and its ability to produce positive outcomes in the economy that ripple beyond the cluster itself.

1. *Resident Labor Force Alignment*—This factor looks at the largest industries and occupations in which the majority of employed South Placer residents work (based on 2008-2012 American Community Survey data) and matches those with the industries and occupational demand (according to the staffing patterns shown in CareerGPS) of the defined clusters.
2. *Innovation Activity*—This factor accounts for the presence in the clusters of the types of South Placer companies incorporated in the Sacramento Area Regional Technology Alliance Tech Map, as well as 10 years of venture capital investment data for companies in the South Placer area from Venture Deal.
3. *Economic Base Activities*—This factor reflects whether the industries included in the cluster definitions are considered part of the economic base in Placer County, which includes those activities that generate net new wealth in the local economy through domestic and foreign exports (based primarily on 2012 IMPLAN data).
4. *Gazelle Companies*—Companies that have experienced 20-percent growth over the past 5 years and produce annual revenue above \$500,000 meet the definition of what economists call “gazelle” companies that have been shown to drive significant local job growth—this factor indicates whether there are South Placer companies in the clusters that meet this definition according to data from the National Establishment Time Series database.
5. *High Employment Multiplier*—The multiplier effect accounts for additional employment that is created by an industry establishment as a result of demand on suppliers of goods and services (indirect effect) and employee spending (induced effect)—this factor shows whether the clusters contain industries that support employment multipliers among the top 20 across all detailed industries in Placer County (based on 2012 IMPLAN data).
6. *Commodity Imports*—This factor indicates whether industries in the clusters are among the producers of the top 20 commodities imported into Placer County and have an existing presence in the local economy (according to 2012 IMPLAN data), suggesting there are opportunities for import substitution.
7. *Regional Linkages*—This factor matches industries in the cluster definitions with the top 20 that use goods and services from the 10 largest industries in Placer County (forward linkages) or the top 20 that act as suppliers to the 10 largest industries in the County (backward linkages) based on 2012 IMPLAN data.

¹² The Sacramento Region Clean Energy Technology Cluster Characteristics and Competitive Analysis report describes how the cluster can be defined—the report is available at the following Web site: <http://www.strategiceconomicresearch.org/news-0.html>.

In addition to the seven local-level factors, the third step also considered two broad factors. First, emerging economic activities highlighted in MIT's Breakthrough Technologies lists for the past five years were matched to the working cluster definitions.¹³ The presence of emerging technologies is important when evaluating a cluster for current and future investment and economic development program targeting. Clusters that incorporate emerging technologies tend to be relevant long into the future as technologies work through the product life cycle. Transitions in industries that primarily contain activities at the tail end of the product life cycle generally lead to steady contraction and gravitation toward low-cost areas. Similarly, the 10 identified clusters were compared to those industries listed in the Brookings Institution's recent study of Advanced Industries.¹⁴ Brookings characterizes Advanced Industries as those with a heavy research and development component and a reliance on science, technology, engineering, and math (STEM) workers. The research organization claims that these industries are central to revitalizing the domestic economy and supporting sustainable growth.

Table 24 lists the 10 clusters (characterized as regional priorities through Next Economy and the other opportunities identified from additional evaluation in the second step of the selection process) and provides estimates of current employment size and growth as well as tallies the local and broad factors for each.

The size of the 10 viable clusters in the South Placer area ranges from more than 20,000 jobs (Business & Financial Services) to around 1,000 jobs (Advanced Manufacturing). Combined, the 10 clusters account for approximately 59 percent of all jobs in the South Placer area. Every cluster has grown over the past 10 years with the exception of Information & Communications Technology, which has declined as a result of some restructuring among major firms in the local area. The Distribution & Electronic Commerce cluster posted the most robust employment growth between 2002 and 2012 at almost 83 percent—this cluster is expanding rapidly in competitive markets because of several broad influencing trends (highlighted in the next section). Among the growing clusters:

¹³ The MIT Breakthrough Technologies lists are available on the following Web site:
<http://www.technologyreview.com/lists/>.

¹⁴ More information on Advanced Industries is available at the following Web site:
<http://www.brookings.edu/about/programs/metro/advanced-industries>.

Table 24
Sunset Industrial Area Market Analysis
Viable Cluster Opportunities

Cluster	South Placer Data			Local Factors						Broad Factors		
	Estimated 2012 Employment	Share of 2012 Employment	2002-2012 Employment Growth	Resident Labor Force Alignment	Innovation Activity	Economic Base Activities	Gazelle Companies	High Employment Multiplier	Commodity Imports	Regional Linkages	Emerging Technologies	Advanced Industries
Regional Priorities												
Agriculture & Food	2,557	1.9%	57.2%			X	X	X			X	X
Advanced Manufacturing	1,185	0.9%	20.1%		X	X		X			X	X
Clean Energy Technology [1]	N/A	N/A	N/A		X	X		X		X	X	X
Information & Communications Technology	7,041	5.1%	-13.7%		X	X	X	X	X	X	X	X
Life Sciences & Health Services	20,132	14.6%	36.7%	X	X	X	X	X	X	X	X	X
Education & Knowledge Creation	8,890	6.4%	32.8%	X		X	X	X	X			
Other Opportunities												
Advanced Materials	1,585	1.1%	22.1%			X	X	X			X	X
Business & Financial Services	20,330	14.7%	57.4%	X		X	X	X	X	X		X
Distribution & Electronic Commerce	11,889	8.6%	82.5%			X	X		X	X		
Recreation & Tourism	7,280	5.3%	70.7%			X	X		X			

"clusters"

Source: National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; SARTA; Venture Deal; Innovation in American Regions; Cluster Mapping Project; IMPLAN; U.S. Census Bureau; Brookings Institution; MIT; EPS.

[1] Core economic activities making up the Clean Energy Technology cluster are embedded within a number of industry sectors; therefore, comparable data specific to this cluster are not available.

- Advanced Manufacturing saw the slowest 10-year rate of growth, which is not surprising considering that it is a productivity-driven cluster that relies increasingly on technology and decreasingly on labor to remain competitive. Nevertheless, certain sectors remain employment intensive and as a rule, these uses are valuable contributors to regional economic vitality and comprise an important part of SIA's ultimate land use mix.
- The Life Sciences & Health Services cluster presents all nine of the desirable cluster attributes at the local and broader levels—no other cluster captures this tally.
- Business & Financial Services and Information & Communications Technology have the next highest tallies of desirable cluster attributes.
- Recreation & Tourism has the lowest tally count at three, but is one of the fastest-growing and has been a core characteristic of the local economy for many years.

It is important to note that every one of the 10 clusters contains activities that are part of the economic base in the South Placer market and have the potential to drive market expansion and support growth in other local-serving industries moving forward.

Connections Between and Among Clusters

The mutually exclusive definitions developed for the clusters create a bit of a false separation of economic activities that are not immediately apparent based on the cluster name. Specifically, most of the viable clusters contain elements of manufacturing and distribution; these activities are not confined to the defined Advanced Manufacturing and Distribution & Electronic Commerce clusters. Moreover, there are direct relationships that exist or are emerging across the clusters. **Table 25** depicts these cross-cluster relationships. Some of the more obvious and predominant relationships are between the Information & Communications Technology and Business and Financial Services clusters and most other clusters. The former provides communications, data processing, and automation capabilities while the latter offers supporting and research-related services. Further, Advanced Materials are used as inputs to manufactured products that are integrated into several clusters. Life sciences also play a role in agricultural biotechnology and chemical processes that are part of the Agriculture & Food and Advanced Materials clusters. It is also worth noting that agri-tourism, driven by the Agriculture & Food cluster, is increasingly thought of alongside Recreation & Tourism.

Regional Priorities

This segment provides a brief overview of the characteristics of the clusters categorized as regional priorities in the Next Economy plan. A summary of primary real estate demand, key influencing trends, and top locational criteria is also provided for each cluster to provide additional factors to consider in planning for land uses and facilities that could be included in the Sunset Industrial Area.

Table 25
Sunset Industrial Area Market Analysis
Prominent Cross-Cluster Relationships

Cluster	Life									
	Agriculture & Food	Advanced Manufacturing	Clean Energy Technology	Information & Communications Technology	Sciences & Health Services	Education & Knowledge Creation	Advanced Materials	Business & Financial Services	Distribution & Electronic Commerce	Recreation & Tourism
Relationships ----->										
Agriculture & Food										X
Advanced Manufacturing										
Clean Energy Technology										
Information & Communications Technology	X	X	X		X	X	X	X	X	X
Life Sciences & Health Services	X						X			
Education & Knowledge Creation										
Advanced Materials	X	X	X	X	X					
Business & Financial Services	X	X	X	X	X	X	X		X	X
Distribution & Electronic Commerce										
Recreation & Tourism										

"relationships"

Source: EPS.

Agriculture & Food

The Agriculture & Food cluster contains 33 separate economic activities ranging from farming and food and beverage manufacturing to related wholesalers and retailers. There are approximately 2,600 jobs in the clusters in South Placer, accounting for almost 2 percent of all jobs in the area. The cluster posted more than 57 percent employment growth in the past 10 years. Many of the activities included in the cluster can be considered economic base with high employment multiplier effects. This cluster contains fast-growing companies in South Placer and also incorporates elements of emerging technologies and advanced industries, enhancing its long-term viability. There are several regional initiatives focused on this cluster such as the "America's Farm-to-Fork Capital" campaign, the Rural-Urban Connections Strategy (RUCS), and SARTA's AgStart program. In addition, research priorities at both UC Davis and the incoming University of Warwick address major elements of this cluster.¹⁵ Examples of the research orientation in these areas include the UC Davis World Food Center and the Warwick Sustainable Food Chain Supply Commission.

Agriculture & Food Cluster	
Primary Real Estate Demand	<p>Agricultural land</p> <p>Heavy and light industrial space</p> <p>Flex and lab space</p>
Key Influencing Trends	<p>International market demand rising as foreign markets become more interested in Western food</p> <p>Conversion of agricultural land to uses providing higher sustained land values</p> <p>Global food-related research agenda, including GMO regulation, driven by consumer interest in what foods they eat, as well as efficiency of production</p>
Top Locational Criteria	<p>Workforce cost and availability</p> <p>Supplier access</p> <p>Capacity and reliability of water supply</p>

¹⁵ The UC Davis and University of Warwick research strengths are described on the following sites: <http://ucdavis.edu/about/facts/economic-impact.html> and <https://www2.warwick.ac.uk/research/priorities/connectingcultures/>.

Advanced Manufacturing

The definition of the Advanced Manufacturing cluster used in this analysis contains 14 economic activities organized around high-skilled, technology-driven production and related wholesale entities. Some examples of included production activities include aerospace products, industrial machinery, and transportation equipment. This cluster captures a little less than 1 percent of all jobs in South Placer with an estimated employment count of nearly 1,200. Employment in this cluster has grown by more than 20 percent in the past 10 years. Most of the economic activities in this cluster are part of the economic base with relatively high employment multipliers. Not only does this cluster encompass emerging technologies and advanced industries, but local innovation activity is reflected in the presence of technology-based companies. In recent years, Placer County has placed a general emphasis on manufacturing in its economic development efforts as demonstrated by its annual Manufacturers Forum event. In addition, the University of Warwick considers innovative manufacturing one of its global research priorities with a focus on sustainable manufacturing, mathematics for manufacturing, information technology enabled manufacturing, and industrial biotechnology.

Advanced Manufacturing Cluster	
Primary Real Estate Demand	Heavy and light industrial space Flex space
Key Influencing Trends	Reshoring and foreign direct investment because of rising labor and transportation costs elsewhere in the world, as well as time to market considerations Higher wages than in the economy as a whole, even when worker, job, and locational characteristics are taken into account Expanding productivity and automation through robotics enhancements and lights-out operational capacity
Top Locational Criteria	Facilities availability and cost Availability of technically competent workforce Electricity reliability and cost, including "redundant" or "dual feed" electric service

Clean Energy Technology

Clean Energy Technology is a segment of the “green economy,” which includes products and services related to clean or renewable energy, energy efficiency, clean transportation, and green building. This cluster is rather small with a 2010 employment estimate from the Center for Strategic Economic Research showing just more than 3,000 in the entire six-county region; however, the cluster is growing rapidly with the same estimate revealing 10-year growth of more than 85 percent. This cluster shows evidence of several desirable attributes, including innovation activity (technology-based companies and venture capital investment), economic base activities, high employment multiplier effects, regional linkages, emerging technologies, and presence of advanced industries. Both UC Davis and the University of Warwick support research agendas around sustainability and energy and SARTA maintains a CleanStart programs to support growth in related technology-based companies.

Clean Energy Technology Cluster	
Primary Real Estate Demand	Utility-scale land Heavy and light industrial space Flex space
Key Influencing Trends	Portfolio requirements requiring utilities to provide a minimum share of energy from renewable sources Influx of foreign-produced solar product lowering domestic prices Regular shifts in technology and efficiency, along with market and company consolidation
Top Locational Criteria	Workforce availability Market capture and environmental conditions Supportive policy environment

Information & Communications Technology

Fifteen economic activities are included in the Information & Communications Technology cluster that capture production of electronic products, computers, software, and telecommunications equipment as well as the provision of communications, data processing and hosting, and system design services. Although this cluster has seen employment declines in the South Placer area over the past 10 years (primarily as a result of contraction in a few major companies), it still contains an estimated 7,000 jobs, which is more than 5 percent of the total employment base. This cluster ticks all of the measured desirable cluster attribute boxes with the exception of resident labor force alignment. General technology-related initiatives reflected in SARTA's programs and the increasing abundance of incubator, co-working, and accelerator space in the region (including the recent announcement of a Hacker Lab partnership with Sierra College) support regional growth in this cluster.

Information & Communications Technology Cluster	
Primary Real Estate Demand	<p>Heavy and light industrial space</p> <p>Flex space</p> <p>Office space</p>
Key Influencing Trends	<p>Integration into most industries and many products enhancing overall demand</p> <p>Short product life cycles requiring continuous innovation and shifts in production</p> <p>Offshoring of production and services to lower cost markets</p>
Top Locational Criteria	<p>Workforce availability</p> <p>Communications infrastructure investment</p> <p>Electricity reliability and cost, including "redundant" or "dual feed" electric service</p>

Life Sciences & Health Services

The Life Sciences & Health Services cluster contains two distinct, but related, aspects. The life sciences aspect is reflected in production and research activities around pharmaceuticals and medical devices while the health services aspect includes all elements of healthcare and related services and vendors. Overall, this cluster contains 26 economic activities with employment counts totaling more than 20,000 in the South Placer area. The majority of this employment is supported by establishments in the health services component of the cluster. Nearly 15 percent of all jobs in the local area fit in this cluster, which has grown by nearly 37 percent in the past 10 years. Among the 10 viable clusters, only Life Sciences & Health Services supports every one of the measured desirable cluster attributes, making it a strong target for local economic development efforts. The life sciences aspects of this cluster is supported at the regional level by SARTA’s MedStart program while UC Davis has a medical school and a major research agenda around health and the University of Warwick contributes to health-related research. In addition, Sierra College and Sacramento State have an active collaboration around nursing degrees.

Life Sciences & Health Services Cluster	
Primary Real Estate Demand	<p>Light industrial space</p> <p>Flex space and lab space</p> <p>Medical office space</p>
Key Influencing Trends	<p>Affordable Care Act—more insured Americans, increased emphasis on pay-for-performance instead of pay-for-service</p> <p>Changes in healthcare delivery models, including patient-centered “medical homes” where new technologies drive home-care services, as well as technology advancements reducing the duration of hospital stays and need for invasive procedures</p> <p>Regulatory processes surrounding new discoveries in pharmaceuticals and medical devices to address medical needs of established and emerging economies</p>
Top Locational Criteria	<p>Ability to attract top-flight talent</p> <p>Presence of research institutions and R&D companies</p> <p>Access to venture capital for innovation and tech deployment</p>

Education & Knowledge Creation

The plans for new campus developments from the University of Warwick and Sacramento State along with continued expansion of William Jessup University and Sierra College are evidence of the viability of the Education & Knowledge Creation cluster in South Placer. In addition to education activities at all levels, this cluster also captures publication and other support services among the 10 economic activities included in the definition. The employment estimates primarily account private sector activities and show nearly 9,000 jobs in the cluster (roughly 7 percent of all jobs in the South Placer area) with almost 33 percent growth in the past 10 years. This cluster is aligned with the resident labor force and includes fast-growing companies and opportunities for import substitution. In addition, it contains economic base activities that support relatively high employment multiplier effects.

Education & Knowledge Creation Cluster	
Primary Real Estate Demand	Light industrial space Office space
Key Influencing Trends	Changing education delivery models with distance learning, partnerships, and degree completion Funding priorities for public institutions among states in different economic cycles Training level diversity in workforce demand continuing to require workers at all levels with general increasing demand for higher education attainment levels
Top Locational Criteria	Market capture potential for students Competitive landscape with other institutions targeting student population Supportive regulatory process for accreditation and programs

Other Opportunities

This segment introduces the four additional clusters that were defined as viable in the selection process and provides a brief overview of their characteristics. To offer key factors to consider in the Sunset Industrial Area plan, a summary of primary real estate demand, key influencing trends, and top locational criteria is also provided for each cluster.

Advanced Materials

The Advanced Materials cluster includes 29 economic activities that capture a wide range of high-tech engineered materials, components, and systems as well as the commodities, products, processes, and instruments used to make and monitor the materials. Some of the core products included in Advanced Materials are metals, chemicals, oils, plastics, and glass. Although many of these basic materials have been produced for decades, the cluster has shifted to more knowledge-intensive activities related to innovation around advanced plastics and ceramics, biosynthetics, and nonmaterials, which are being used for production of new devices and products. Estimates of cluster size in South Placer show around 1,600 jobs or about 1 percent of all employment in the area. Employment in the cluster has increased by more than 22 percent in the past 10 years. Most of the activities in this cluster are part of the economic base and support relatively strong employment multiplier effects. There are also several fast-growing companies in South Placer that fall in this cluster. As a result of the strong innovation components of the cluster, many of its products are defined as emerging technologies and part of the group of advanced industries. The University of Warwick lists materials among its global research priorities and UC Davis is active in the material science and chemical engineering research fields.

Advanced Materials Cluster	
Primary Real Estate Demand	Heavy and light industrial space Flex and lab space
Key Influencing Trends	Integration into emerging technologies across nearly every industry Pressure on specialized suppliers and raw materials to meet demand Increasing complexities in related regulations for extraction and production, and product safety
Top Locational Criteria	Facilities availability and cost Workforce cost and availability Transportation infrastructure for supplier and customer access

Business & Financial Services

The Business & Financial Services cluster includes activities that cut across nearly every segment of the economy because of their role as in supporting businesses and residents. The office market in South Placer is dominated by Business & Financial Services firms, demonstrating the attractiveness of the market for this cluster. The cluster definition includes 23 economic activities that touch on industries such as architecture and engineering, accounting and investment, research and development, and grantmaking and advocacy. Nearly 15 percent of all employment in the South Placer area is captured under the Business & Financial Services cluster with more than 20,000 jobs. In the past 10 years, employment in the cluster expanded by more than 57 percent. This cluster supports strong alignment with the resident labor force and touches nearly all of the other desirable cluster attributes with the exception of innovation activity and emerging technologies. However, it is important to note that the research and development component of the cluster is an integral element to originating innovation and emerging technologies. Workforce preparation in this cluster could arise with the Sacramento State satellite campus where related programs at the main campus are seeing very high enrollment demand such as business and engineering.

Business & Financial Services Cluster	
Primary Real Estate Demand	Office space Flex and lab space Retail space
Key Influencing Trends	Fluctuations in demand across economic cycles with uneven performance across industries Suburb-urban movement among firms and workforce, requiring new customer segmentation Integration of services into export opportunities targeting established markets and emerging industrial centers
Top Locational Criteria	Workforce availability Market capture Quality of life attentive to business owners and talent

Distribution & Electronic Commerce

Twenty-one economic activities are included in the Distribution & Electronic Commerce cluster definition. These activities revolve around wholesale trade and goods movement transportation, but also include electronic and direct selling, warehousing, and equipment leasing. Changing distribution models along with delivery and cost pressures are making this cluster even more attractive in strategic locations throughout the state. Distribution & Electronic Commerce is the third-largest cluster among the 10 with close to 12,000 jobs in the South Placer area, making up almost 9 percent of all employment. With employment growth of nearly 83 in the past 10 years, this was the fastest growing cluster among the group. This cluster presents four of the desirable attributes, including economic base activities, gazelle companies, commodity imports, and regional linkages. Although the cluster doesn't directly include innovation activities and emerging technologies, it provides essential support services to these types of firms.

Distribution & Electronic Commerce Cluster	
Primary Real Estate Demand	Warehousing and distribution space Office space
Key Influencing Trends	Inventory control and delivery pressures leading to just-in-time delivery and inventory practices Shifting distribution models for omnichannel and ecommerce Consolidation of distribution and warehousing facilities
Top Locational Criteria	Transportation infrastructure, including highway access Strategic locations proximate to high-value customers—typically large population centers Facilities availability and cost

Recreation & Tourism

The Recreation & Tourism cluster accounts for several entertainment and recreation activities along with supporting amenities like accommodations, passenger transportation, and restaurants. The South Placer area has benefitted from firm investment in activities such as gambling, sports, and arts with other parts of the County more widely known for outdoor recreation activities. The South Placer area includes an estimated 7,300 jobs in this cluster (about 5 percent of the local economy) and has seen close to 71 percent employment growth in the past 10 years. Because of the external visitor draw of many of the activities in the cluster, it has a role in the area's economic base by bringing net new wealth into the local economy. It also contains some fast-growing companies and presents opportunities for import substitution.

Recreation & Tourism Cluster	
Primary Real Estate Demand	<ul style="list-style-type: none"> Industrial land Light industrial space Accommodation and retail space
Key Influencing Trends	<ul style="list-style-type: none"> Changing consumer and visitor preferences for varied forms, cost, and time commitment Role in local quality of life defining a region Increasing influence of technology in customer venue selection and business operations
Top Locational Criteria	<ul style="list-style-type: none"> Anchoring attractions generating local traffic and regional draw Market capture and ease of access Facilities availability and cost

5. REAL ESTATE MARKET ANALYSIS

Introduction

This chapter summarizes retail, office, flex, and industrial market performance trends in the SIA, South Placer area, and selected industrial submarkets in the Sacramento region.¹⁶ While the regional office market has seen wide swings, conditions have been improving recently, though improvements will need to be sustained before the construction of speculative space is warranted. Retail demand in South Placer is expected to rise, both because of population increase and the area's status as a proven retail hub. Though industrial vacancies are high in the SIA and South Placer, recent absorption has been positive, and there are companies in the Sacramento region looking to expand operations that may seek new Class A industrial space. The region has an excess of flex space, and new construction will not be warranted unless there is a major shift towards technological development in the region.

The market trends discussion is followed by an evaluation of the supply of vacant land that can accommodate office and industrial land uses. The SIA contains nearly three quarters of the developable land in the South Placer market. While the SIA presents development opportunities, it will need to compete with at least 2,300 acres of industrial and 1,600 acres of office projects being proposed or planned in Sacramento, Sutter, and Yolo Counties.

Market Trends

A summary of key commercial real estate broker interviews revealed the following market insights:

- SIA is more difficult to access from the west than other competitive I-80 locations, and increasing congestion on Highway 65 is viewed as a threat in this regard. The extension of Foothills Blvd. north of Blue Oaks in Roseville to the SIA, planned as part of the Placer Ranch project, is a very positive planned improvement which will allow direct access to the SIA without requiring drivers to use Highway 65.
- Light industrial/flex product is seen as a "workhorse" prototype that can be adapted to many different user types. Market conditions are beginning to support speculative development of this product. Light manufacturing related to aerospace (military, Boeing, etc.), retail support (packaging), and sales-service (web order fulfillment) are examples of viable industries using this type of space. The ability to provide "lay down yard" is a major advantage of the SIA.

¹⁶ It is important to note that the amount of development in each commercial land use category exerts a strong influence on the market performance indicators. That is, because the SIA contains a limited amount of commercial development relative to commercial development in entire cities, or submarkets, performance indicators such as vacancy and lease rates are highly sensitive to even small changes in the market (e.g., one building vacancy). As such, the market performance trends of selected cities and submarkets are intended to provide context, and may not be directly comparable, to SIA trends.

- Placer Ranch may be able to attract office users that desire proximity to the University environment, and will likely see 2 to 3 story product similar to that provided on Douglas Blvd. in Roseville. However, office lease rates need to be well above \$2.00 per square foot per month to justify new construction, but average rates are well below this benchmark.
- Overall there is a need for large buildings that are divisible to accommodate a wide variety of users. Land zoned for more intensive manufacturing is very difficult to find.
- South Placer's office and industrial markets are increasingly driven by entrepreneurs looking for work spaces within a 10-minute drive from executive housing areas.
- Health care is expected to be a growing market, including possible expansions among several health systems including that of UC Davis. However, there may be a short-term oversupply of medical office product in the Lincoln area.
- Warehouse/distribution is shifting to other parts of the Central Valley such as Tracy because of competitive cost advantages and proximity to the Bay Area.
- Corporate campus users continue to look for space throughout the region—Sunset can compete for these users if offering "shovel-ready" land with good access.
- While South Placer and the Sacramento Region will continue to have superior housing affordability relative to the Bay Area, commercial brokers have expressed concern that recent increases in housing prices could partially erode this competitive advantage over time. However, the Bay Area example demonstrates that more expensive housing locales can be viable employment centers if featuring compelling quality of life attributes.
- The Placer Parkway connection to SR 99/70 and Metro Air Park will change regional dynamics and make the SIA more viable.

The following segment provides further detail regarding market trends in the South Placer area that will shape the SIA.¹⁷ Refer to Appendix C for further market metrics for each sector.

¹⁷ The analysis in this section relies on data from CoStar, which is an industry-accepted source for comparative statistics on nonresidential real estate performance across all markets in the country providing for consistent comparisons between and among geographic areas. It is important to note that the CoStar data cannot be compared directly to other brokerage sources because of differences in market area and building type definitions and building size coverage. Like other sources, the Costar data has some limitations and should be viewed as only one among many sets of information on real estate dynamics.

Office Market Assessment

The office sector in the SIA has been historically insignificant, accounting for approximately 170,000 of leasable square footage as of fourth quarter 2014. Going forward, Placer Ranch stands to potentially increase the area's activity in this sector if the California State University, Sacramento campus materializes as expected. That project, and the planned adjoining mixed use University Village, may help change the perception of the area and bring new context supportive of office uses. There may be spill-over into the balance of the SIA as a result, with the addition of university and multifamily units in a diverse district bringing elements of an "Innovation Center" concept that is attractive to users in today's market.

The South Placer area has a significant office market with more than 12.6 million leasable square feet of supply as of fourth quarter 2014, as shown in **Table 26**. The office market in South Placer experienced incredible supply growth from 2000 through 2015, increasing from 7.1 million to 12.6 million leasable square feet, or a 43 percent increase in supply. A majority of this growth occurred from 2000 through 2008 where an average of more than 650,000 office building square footage was constructed annually. Since 2009 growth has been limited to just 50,000 office building square footage per year.

Consequently, the rapid growth during the first decade of the Century may have outpaced the demand for office uses in the South Placer area.

Innovation Centers

Recent trends point to the development of Innovation Centers highlighting a mix of clusters, a mix of small and large industries in all stages of firm life-cycles, and inclusion of retail and other amenities. Innovation Centers have developed under a variety of structures with involvement from both the public and private sectors. Moreover, the presence of one or more University-related facilities (either on or proximate to the park) can be an important component. Innovation clusters are designed to benefit from agglomeration: that is, individual firms in similar industries can increase their productivity through their proximity to one another. These tend to be vertically integrated, including research, administration, production, and distribution. Key elements and issues include:

- **University-related factors:**
 - Close access to a large university campus
 - University research strengths aligning with types of park tenants
 - A university that commits as an anchor tenant to provide direction and leadership as well as on-site services (incubators, accelerators, etc.)
- **Regional economy factors:**
 - Availability of area resources that foster collaboration and assist in tech transfer
 - Venture capital investment in the Sacramento Region is dwarfed by the Bay Area and Silicon Valley, which will continue to pull innovative companies from the region
- **Project implementation factors:**
 - Diversity of space types for a variety of industries
 - Neighborhood amenities to activate spaces
 - Startup supports (i.e., on-site incubator)
 - Good connections via transportation, housing, and broadband access
 - Attractive entitlements and public financing
 - Strong local leadership to provide direction and ensure the Center meets its goals

Table 26
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Office Market Inventory: Leasable Square Feet (2000-2014)

Office -- Leasable Sq. Ft.

Market	Formula	Office Inventory: Leasable Sq. Ft. [1]															Difference 2000-2014	Average Annual % Change	Average Annual Share	
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4				
Sunset Industrial Area (SIA)	a	51,717	51,717	51,717	113,751	171,938	171,938	171,938	171,938	171,938	120,221	9.0%	-							
South Placer Jurisdictions																				
Lincoln		152,352	154,952	175,752	175,752	193,952	205,466	271,631	296,299	319,099	319,099	319,099	319,099	319,099	319,099	319,099	319,099	166,747	5.4%	-
Loomis		128,187	134,737	134,737	145,737	145,737	145,737	151,337	151,337	151,337	151,337	151,337	151,337	151,337	151,337	151,337	151,337	23,150	1.2%	-
Rocklin		697,803	735,134	964,552	1,118,611	1,174,484	1,301,621	1,470,017	1,932,031	2,163,306	2,298,573	2,356,760	2,356,760	2,356,760	2,362,560	2,362,560	2,362,560	1,664,757	9.1%	-
Roseville		6,079,420	6,335,263	6,558,512	7,133,014	7,556,789	8,276,064	8,607,388	8,847,479	9,333,035	9,333,035	9,333,035	9,333,035	9,283,591	9,334,760	9,397,200	3,317,780	3.2%	-	
South Placer	b	7,154,299	7,526,633	8,021,061	8,825,641	9,383,832	10,291,790	10,881,899	11,608,672	12,348,303	12,483,570	12,541,757	12,541,757	12,492,313	12,549,282	12,611,722	5,457,423	4.1%	-	
Placer County	c	8,720,942	9,177,001	9,671,429	10,476,009	11,047,130	12,012,967	12,745,667	13,623,540	14,384,376	14,519,643	14,577,830	14,577,830	14,550,982	14,607,951	14,670,391	5,949,449	3.8%	-	
Sacramento Region	d	80,536,886	83,869,501	86,713,535	89,671,536	91,221,144	94,544,688	96,199,015	98,024,195	99,871,827	101,992,588	102,496,921	102,706,863	102,407,526	102,538,814	102,507,345	21,970,459	1.7%	-	
SIA as a Percentage of South Placer	a/b	0.7%	0.7%	0.6%	1.3%	1.2%	1.1%	1.0%	1.0%	0.9%	0.9%	1.4%	1.4%	1.4%	1.4%	1.4%	2.2%	4.6%	1.1%	
South Placer as a Percentage of Placer Co.	b/c	82.0%	82.0%	82.9%	84.2%	84.9%	85.7%	85.4%	85.2%	85.8%	86.0%	86.0%	86.0%	85.9%	85.9%	86.0%	91.7%	0.3%	85.2%	
Placer Co. as a Percentage of Sac Region	c/d	10.8%	10.9%	11.2%	11.7%	12.1%	12.7%	13.2%	13.9%	14.4%	14.2%	14.2%	14.2%	14.2%	14.2%	14.3%	27.1%	2.0%	13.2%	

Source: CoStar; EPS.

office inv

[1] Reflects data as of the fourth quarter of each year.

Reviewing office market vacancy rates in the South Placer area reveals a boom-and-bust market. While the economy was surging before the Great Recession, office market vacancy rates were stable around 13 percent, as shown in **Table 27**. A combination of a massive increase in office supply and the effects of the Great Recession resulted in a sharp increase in office vacancy from 2007 through 2011. In 2009 vacancy rates peaked at 26 percent, 28 percent, and 39 percent for the City of Roseville, South Placer area, and the City of Rocklin, respectively.

Despite the crashing office market from 2007 through 2011, conditions have improved since 2012 as vacancy rates have begun to decline. As of fourth quarter 2014, office vacancy rates are approximately 15 percent for the City of Roseville, the South Placer area, and the City of Rocklin. Further, office annual net absorption since 2011 shows promise for future office development, as shown in **Table 28**.

Considering this, expectations for high growth in this office submarket should be viewed as somewhat speculative until sustained improvement in market fundamentals warrants construction of speculative space.

Retail Market Assessment

Similar to the office sector, the retail sector in the SIA is modestly represented, accounting for only 16,000 leasable square feet as of fourth quarter 2014, as shown in **Table 29**.

The retail sector in the South Placer area has been moderately stable from 2006 through 2014,¹⁸ with an average annual fourth quarter vacancy rate of 9.9 percent, as shown in **Table 30**. The average vacancy rate for South Placer is similar in comparison to the County and Sacramento region, where average vacancy rates are 9.2 percent and 9.3 percent, respectively. The retail sector in South Placer suffered similarly to the Sacramento region during post-Great Recession, with peak vacancy rates ranging from 12 to 13 percent in 2009 and 2010. Currently, it appears that retail vacancy rates will continue to drop as annual net absorption figures have been strong since 2012, as shown in **Table 31**.

Performance indicators show that retail growth should be expected in the South Placer area in the near future based on demand from future residential development. Moreover, the area is a proven regional retail hub, and as such, has the ability to further strengthen this component of its economy. However, retail uses do not address the economic base improvements needed in the region and have primarily been considered in the SIA in terms of ancillary services supporting other basic industries. Additional retail will be most likely to succeed if integrated in a larger thematic concept, and if a retailer or concept is provided that is not present in the South Placer market area.

¹⁸ CoStar provides market performance indicators for the retail sector only from as early as 2006.

Table 27
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Office Market Vacancy (2000-2014)

Office -- Vacancy

Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	0	0.0%	0	0.0%	0	0.0%	0	0.0%	23,146	20.3%	23,146	20.3%	0	0.0%	0	0.0%
South Placer Jurisdictions																	
Lincoln		6,500	4.3%	2,600	1.7%	4,600	2.6%	9,400	5.3%	7,500	3.9%	15,565	7.6%	25,651	9.4%	56,314	19.0%
Loomis		17,700	13.8%	10,750	8.0%	9,700	7.2%	8,400	5.8%	9,385	6.4%	4,280	2.9%	10,000	6.6%	8,460	5.6%
Rocklin		57,152	8.2%	37,472	5.1%	85,356	8.8%	101,537	9.1%	202,225	17.2%	119,220	9.2%	254,328	17.3%	626,715	32.4%
Roseville		847,174	13.9%	841,501	13.3%	860,490	13.1%	962,582	13.5%	1,004,505	13.3%	1,050,375	12.7%	1,247,696	14.5%	1,697,252	19.2%
South Placer	b	936,059	13.1%	915,737	12.2%	975,864	12.2%	1,123,145	12.7%	1,263,783	13.5%	1,257,200	12.2%	1,621,184	14.9%	2,447,018	21.1%
Placer County	c	1,034,704	11.9%	959,814	10.5%	1,010,320	10.4%	1,181,452	11.3%	1,335,741	12.1%	1,340,209	11.2%	1,695,394	13.3%	2,656,877	19.5%
Sacramento Region	d	6,593,646	8.2%	7,810,706	9.3%	8,786,697	10.1%	10,311,022	11.5%	10,814,780	11.9%	9,740,912	10.3%	10,468,708	10.9%	11,743,389	12.0%
SIA as a Percentage of South Placer	a/b	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	1.8%	-	1.8%	-	0.0%	-	0.0%
South Placer as a Percentage of Placer Co.	b/c	-	90.5%	-	95.4%	-	96.6%	-	95.1%	-	94.6%	-	93.8%	-	95.6%	-	92.1%
Placer Co. as a Percentage of Sac Region	c/d	-	15.7%	-	12.3%	-	11.5%	-	11.5%	-	12.4%	-	13.8%	-	16.2%	-	22.6%

Source: CoStar; EPS.

Table 27
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Office Market Vacancy (2000-2014)

Office -- Vacancy

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%														
Sunset Industrial Area (SIA)	a	0	0.0%	15,077	13.3%	57,558	33.5%	57,558	33.5%	78,809	45.8%	79,438	46.2%	34,912	20.3%	24,643	20.4%
South Placer Jurisdictions																	
Lincoln		74,131	23.2%	80,431	25.2%	77,206	24.2%	76,473	24.0%	83,139	26.1%	73,969	23.2%	78,519	24.6%	44,800	17.4%
Loomis		10,473	6.9%	11,547	7.6%	14,449	9.5%	10,199	6.7%	8,449	5.6%	14,630	9.7%	4,620	3.1%	10,203	7.0%
Rocklin		799,312	36.9%	901,541	39.2%	872,501	37.0%	827,686	35.1%	709,766	30.1%	578,095	24.5%	353,923	15.0%	435,122	25.4%
Roseville		2,244,574	24.0%	2,427,633	26.0%	2,350,486	25.2%	2,264,835	24.3%	1,510,895	16.3%	1,577,876	16.9%	1,418,074	15.1%	1,487,063	17.9%
South Placer	b	3,207,422	26.0%	3,491,603	28.0%	3,376,323	26.9%	3,208,574	25.6%	2,341,062	18.7%	2,265,448	18.1%	1,910,544	15.1%	2,022,731	18.8%
Placer County	c	3,388,661	23.6%	3,684,610	25.4%	3,603,797	24.7%	3,433,117	23.6%	2,642,567	18.2%	2,544,498	17.4%	2,114,896	14.4%	2,175,110	17.2%
Sacramento Region	d	13,110,743	13.1%	15,649,239	15.3%	16,443,091	16.0%	16,706,175	16.3%	15,244,533	14.9%	14,566,966	14.2%	13,405,725	13.1%	12,093,089	12.6%
SIA as a Percentage of South Placer	a/b	-	0.0%	-	0.4%	-	1.7%	-	1.8%	-	3.4%	-	3.5%	-	1.8%	-	1.2%
South Placer as a Percentage of Placer Co.	b/c	-	94.7%	-	94.8%	-	93.7%	-	93.5%	-	88.6%	-	89.0%	-	90.3%	-	93.0%
Placer Co. as a Percentage of Sac Region	c/d	-	25.8%	-	23.5%	-	21.9%	-	20.5%	-	17.3%	-	17.5%	-	15.8%	-	18.0%

office vacancy

Source: CoStar; EPS.

[1] South Placer Region consists of the area of Placer County within the Sacramento Valley.

Table 28
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Office Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

Office -- Net Absorption

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	62,034	(23,146)	0	23,146	0	0	(15,077)	15,706	0	(46,957)	25,077	44,526	5,687
South Placer Jurisdictions																	
Lincoln		(500)	6,500	18,800	(4,800)	20,100	3,449	56,079	(5,995)	4,983	(6,300)	3,225	733	(9,438)	11,942	(4,550)	6,282
Loomis		(8,640)	13,500	1,050	12,300	(985)	3,305	1,680	1,540	(2,013)	(1,074)	(2,902)	4,250	1,750	(6,181)	10,010	1,839
Rocklin		8,635	57,011	125,296	190,016	(44,115)	213,542	33,288	89,627	58,678	33,038	85,577	11,138	125,403	143,402	225,194	90,382
Roseville		543,396	273,349	92,425	566,384	331,906	646,002	228,802	(199,603)	(73,540)	(170,324)	26,865	112,549	355,660	204,081	378,307	221,084
South Placer	b	567,562	403,303	265,914	804,911	368,307	882,635	315,724	(82,199)	(25,882)	(134,984)	118,912	163,593	473,943	361,179	574,431	337,157
Placer County	c	590,496	541,596	275,535	775,060	373,586	927,706	450,003	(66,998)	24,193	(148,186)	85,879	165,244	420,857	378,832	649,513	362,888
Sacramento Region	d	1,434,390	2,335,169	1,171,858	1,901,574	829,845	4,382,837	1,073,137	692,978	92,725	85,089	(594,632)	9,153	788,699	1,064,132	1,084,500	1,090,097
SIA as a Percentage of South Placer																	
	a/b	0.0%	0.0%	0.0%	7.7%	-6.3%	0.0%	7.3%	0.0%	0.0%	11.2%	13.2%	0.0%	-9.9%	6.9%	7.8%	1.7%
South Placer as a Percentage of Placer Co.																	
	b/c	96.1%	74.5%	96.5%	103.9%	98.6%	95.1%	70.2%	122.7%	-107.0%	91.1%	138.5%	99.0%	112.6%	95.3%	88.4%	92.9%
Placer Co. as a Percentage of Sac Region																	
	c/d	41.2%	23.2%	23.5%	40.8%	45.0%	21.2%	41.9%	-9.7%	26.1%	-174.2%	-14.4%	1805.4%	53.4%	35.6%	59.9%	33.3%

Source: CoStar; EPS.

office absorb

Table 29
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Retail Market Inventory: Leasable Square Feet (2006-2014)

Retail -- Leasable Sq. Ft.

Market	Formula	Retail Inventory: Leasable Sq. Ft. [1]									Difference 2006-2014	Average Annual % Change	Average Annual Share
		2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4			
Sunset Industrial Area (SIA)	a	16,180	16,180	16,180	16,180	16,180	16,180	16,180	16,180	16,180	0	0.0%	-
South Placer Jurisdictions													
Lincoln		1,145,884	1,540,062	1,557,867	1,563,967	1,563,967	1,578,457	1,578,457	1,578,457	1,578,457	432,573	4.1%	-
Loomis		280,377	280,377	280,377	280,377	280,377	280,377	280,377	280,377	280,377	0	0.0%	-
Rocklin		2,659,772	3,095,387	3,114,047	3,135,882	3,135,882	3,142,882	3,142,882	3,332,944	3,593,076	933,304	3.8%	-
Roseville		9,843,559	9,992,429	10,324,050	10,370,113	10,367,616	10,390,486	10,401,155	10,405,974	10,418,535	574,976	0.7%	-
South Placer	b	14,559,288	15,577,751	15,945,837	16,022,998	16,020,501	16,064,861	16,075,530	16,270,411	16,543,104	1,983,816	1.6%	-
Placer County	c	18,353,676	19,396,296	19,833,198	19,931,101	19,931,123	19,975,483	19,986,152	20,161,442	20,434,135	2,080,459	1.4%	-
Sacramento Region	d	101,968,473	104,573,824	106,344,351	107,376,493	107,579,824	107,930,383	108,034,282	108,274,975	108,726,951	6,758,478	0.8%	-
<hr/>													
SIA as a Percentage of South Placer	a/b	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	(1.6%)	0.1%
South Placer as a Percentage of Placer Co.	b/c	79.3%	80.3%	80.4%	80.4%	80.4%	80.4%	80.4%	80.7%	81.0%	95.4%	0.3%	80.4%
Placer Co. as a Percentage of Sac Region	c/d	18.0%	18.5%	18.6%	18.6%	18.5%	18.5%	18.5%	18.6%	18.8%	30.8%	0.5%	18.5%

Source: CoStar; EPS.

retail inv

[1] Reflects data as of the fourth quarter of each year.

Table 30
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Retail Market Vacancy (2000-2014)

Retail -- Vacancy

Market	Formula	2006 Q4		2007 Q4		2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area	a	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
South Placer Jurisdictions																					
Lincoln		113,270	9.9%	143,064	9.3%	213,394	13.7%	229,935	14.7%	207,426	13.3%	168,258	10.7%	138,153	8.8%	128,570	8.1%	136,882	8.7%	164,328	10.8%
Loomis		12,360	4.4%	20,710	7.4%	21,152	7.5%	10,512	3.7%	5,360	1.9%	8,300	3.0%	13,459	4.8%	4,700	1.7%	5,525	2.0%	11,342	4.0%
Rocklin		234,764	8.8%	413,577	13.4%	628,369	20.2%	804,600	25.7%	725,493	23.1%	683,594	21.8%	592,355	18.8%	531,759	16.0%	484,228	13.5%	566,527	18.0%
Roseville		596,700	6.1%	481,396	4.8%	740,468	7.2%	960,465	9.3%	1,029,979	9.9%	908,772	8.7%	643,754	6.2%	601,730	5.8%	549,603	5.3%	723,652	7.0%
South Placer	b	1,051,901	7.2%	1,151,064	7.4%	1,682,799	10.6%	2,115,670	13.2%	2,096,107	13.1%	1,906,042	11.9%	1,487,012	9.3%	1,377,266	8.5%	1,280,657	7.7%	1,572,058	9.9%
Placer County	c	1,250,363	6.8%	1,289,616	6.6%	1,949,956	9.8%	2,450,279	12.3%	2,419,400	12.1%	2,191,550	11.0%	1,751,988	8.8%	1,572,769	7.8%	1,457,993	7.1%	1,814,879	9.2%
Sacramento Region	d	6,477,438	6.4%	6,130,292	5.9%	9,022,896	8.5%	11,770,473	11.0%	12,096,915	11.2%	11,778,102	10.9%	11,225,293	10.4%	10,712,891	9.9%	9,670,932	8.9%	9,876,137	9.3%
SIA as a Percentage of South Placer	a/b	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
South Placer as a Percentage of Placer Co.	b/c	-	84.1%	-	89.3%	-	86.3%	-	86.3%	-	86.6%	-	87.0%	-	84.9%	-	87.6%	-	87.8%	-	86.6%
Placer Co. as a Percentage of Sac Region	c/d	-	19.3%	-	21.0%	-	21.6%	-	20.8%	-	20.0%	-	18.6%	-	15.6%	-	14.7%	-	15.1%	-	18.4%

Source: CoStar; EPS.

retail vacancy

Table 31
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Retail Year-to-Date Net Absorption -- Sq. Ft. (2006-2014)

Retail -- Net Absorption

Market	Formula	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average (2006-2014)
Sunset Industrial Area (SIA)	a	600	0	0	0	0	0	0	0	0	67
South Placer Jurisdictions											
Lincoln		203,179	366,384	(50,925)	(10,441)	22,509	11,807	71,956	8,583	(7,312)	68,416
Loomis		(7,360)	(8,350)	(442)	10,640	5,152	(2,940)	(5,159)	8,759	(825)	(58)
Rocklin		272,123	263,172	(201,441)	(152,259)	71,272	54,176	96,969	230,750	295,809	103,397
Roseville		120,559	288,274	70,986	(175,755)	(118,613)	166,203	193,245	136,529	83,473	84,989
South Placer	b	559,922	951,770	(168,921)	(364,364)	(28,401)	218,731	396,084	373,405	377,233	257,273
Placer County	c	637,875	1,035,837	(237,390)	(408,894)	(12,666)	261,116	415,116	391,132	427,195	278,813
Sacramento Region	d	1,650,956	3,805,252	(1,198,769)	(1,900,010)	(130,255)	628,274	669,107	735,021	1,563,251	646,981
SIA as a Percentage of South Placer											
	a/b	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Placer as a Percentage of Placer Co.											
	b/c	87.8%	91.9%	71.2%	89.1%	224.2%	83.8%	95.4%	95.5%	88.3%	92.3%
Placer Co. as a Percentage of Sac Region											
	c/d	38.6%	27.2%	19.8%	21.5%	9.7%	41.6%	62.0%	53.2%	27.3%	43.1%

Source: CoStar; EPS.

retail absorb

Industrial Market Assessment¹⁹

In this segment, the SIA and South Placer area's industrial market trends are compared to several submarkets in the Sacramento region including the Highway 50 office corridor, McClellan industrial, West Sacramento industrial, Davis and Woodland industrial, Power Inn industrial, Natomas and Northgate industrial, Mather industrial, Folsom and El Dorado industrial, and Sunrise industrial. These submarkets are used in comparison because each is a significant industrial submarket with the potential to compete with the SIA to absorb future industrial users.

As of fourth quarter 2014 the SIA has approximately 3.7 million square feet of industrial uses, which is about 23 percent of the South Placer area's 16 million square feet of industrial development, as shown in **Table 32**. Industrial leasable square footage increased from 2.9 million to 3.7 million, and 13.4 million to 16 million for the SIA and South Placer area, respectively.

More detailed analysis shows which industrial subcategories compose a majority of the industrial uses in the SIA, South Placer area, and Sacramento region. Throughout the Sacramento region, warehouse and distribution uses²⁰ make up the highest proportion of the industrial inventory. Currently, warehouse and distribution uses make up 96 percent, 77 percent, and 82 percent of the industrial inventory in the SIA, South Placer area, and Sacramento region, respectively.

Recent real estate activity shows a growing interest in industrial space in the Sacramento region. The Sacramento Business Journal reports that industrial properties experienced a strong 2014 that continued into the first quarter of 2015.²¹

¹⁹ Includes the following CoStar industry subcategories: Airplane hangar, airport, auto salvage facility, cement/gravel plant, chemical/oil refinery, contractor storage yard, distribution, flex showroom, food processing, industrial showroom, landfill, lumberyard, manufacturing railroad yard, refrigeration/cold storage, self-storage, shipyard, truck terminal, utility substation, warehouses, and water treatment facility.

²⁰ Includes CoStar industrial subcategories distribution, refrigeration/cold storage, truck terminal, and warehouses.

²¹ Van de Meer, B. (2015, April 3). Low inventory, rising demand squeeze industrial real estate market. *Sacramento Business Journal*. Retrieved April 29, 2015.

Table 32
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Total Industrial Market Inventory: Leasable Square Feet (2000-2014) [1]

Total Industrial -- Leasable Sq. Ft.

Market	Formula	Total Industrial: Leasable Sq. Ft. [2]															Difference 2000-2014	Average Annual % Change	Average Annual Share
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4			
Sunset Industrial Area (SIA)	a	2,921,495	3,339,402	3,426,906	3,426,906	3,454,726	3,566,604	3,586,254	3,688,110	3,688,110	3,688,110	3,688,110	3,688,110	3,688,110	3,688,110	3,688,110	766,615	1.7%	-
South Placer	b	13,379,605	14,231,310	14,552,697	14,575,729	14,807,206	14,992,687	15,277,903	15,626,826	15,626,826	15,738,998	15,770,374	15,801,174	15,801,174	15,801,174	15,999,918	2,620,313	1.3%	-
Placer County	c	15,366,258	16,254,334	16,647,303	16,670,335	16,901,812	17,087,293	17,407,355	17,756,278	17,756,278	17,868,450	17,899,826	17,930,626	17,930,626	17,930,626	18,129,370	2,763,112	1.2%	-
Sacramento Region	d	134,960,988	137,259,469	139,972,541	140,970,905	142,988,015	145,186,335	146,683,592	148,359,732	148,297,784	148,167,283	147,177,040	146,398,126	146,580,375	146,374,210	146,614,841	11,653,853	0.6%	-
SIA as a Percentage of South Placer	a/b	21.8%	23.5%	23.5%	23.5%	23.3%	23.8%	23.5%	23.6%	23.6%	23.4%	23.4%	23.3%	23.3%	23.3%	23.1%	29.3%	0.4%	23.3%
South Placer as a Percentage of Placer Co.	b/c	87.1%	87.6%	87.4%	87.4%	87.6%	87.7%	87.8%	88.0%	88.0%	88.1%	88.1%	88.1%	88.1%	88.1%	88.3%	94.8%	0.1%	87.8%
Placer Co. as a Percentage of Sac Region	c/d	11.4%	11.8%	11.9%	11.8%	11.8%	11.8%	11.9%	12.0%	12.0%	12.1%	12.2%	12.2%	12.2%	12.2%	12.4%	23.7%	0.6%	12.0%

Source: CoStar; EPS.

tot ind inv

[1] Includes the following CoStar industry sub-categories: Airplane hangar, airport, auto salvage facility, cement/gravel plant, chemical/oil refinery, contractor storage yard, distribution, flex showroom, food processing, industrial showroom, landfill, lumberyard, manufacturing, railroad yard, refrigeration/cold storage, self-storage, shipyard, truck terminal, utility sub-station, warehouses, and water treatment facility.

[2] Reflects data as of the fourth quarter of each year.

The McClellan Business Park has succeeded in attaining a significant amount of future positive absorption as many large tenants have agreed to leases there. Notable leases include the following companies, size and use:

- U.S. Cold Storage purchased 41 acres for future 625,000 square foot building to expand its frozen and refrigerated storage capacity in the Sacramento region
- Unison Comfort Technologies moved into a 105,000 square foot space for commercial HVAC production
- California Safe Soil LLC plans to build a new 80,000 square foot plant for food recycling and fertilizer production
- H&E Equipment Services bought 3.34 acres to build a construction equipment sales/service building and corporation yard

In addition, the Environmental Protection Agency issued a clean-up of 130 acres at McClellan Business Park that are contaminated from its previous history as a military base. Future development on the clean-up sites is expected by 2017.

Recent industrial absorption in the South Placer area exceeds many of the comparison submarkets analyzed. Since 2012, only the Davis and Woodland submarket has more positive net absorption of industrial property. Despite the amount of recognition given to the success at McClellan Business Park, industrial properties in the South Placer market have more positive net absorption from 2012 through 2014. As expected, most of the positive absorption occurred among warehousing and distribution uses.

Despite a considerable amount of positive net absorption, **Table 33** depicts that the SIA and South Placer area have among the highest current vacancy rates of the compared submarkets at 12.8 percent and 13.0 percent, respectively. Only Mather and McClellan have higher vacancy rates (15.3 percent and 15.8 percent, respectively). In general, industrial vacancy rates among all compared submarkets fluctuate regardless of economic conditions. Thus, it is valuable to compare vacancy rates to trends associated with the Sacramento region. Industrial vacancy rates in the Sacramento Region averaged 11 percent from 2000 through 2014. The most recent peak in vacancy occurred post-Great Recession in 2010, although industrial vacancy rates for the Sacramento region dropped to 9 percent as of fourth quarter 2014.

According to the data analysis and recent real estate activity reported through regional business journals, it is expected that companies may look to expand operations in the Sacramento region. This can result in new building construction, as large spaces in Class A industrial buildings are becoming limited. Because the SIA is a prominent industrial area in a strong submarket (South Placer area), the SIA is in a strong position to attract new users to the area.

Table 33
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Total Industrial Market Vacancy (2000-2014)

Total Industrial -- Vacancy
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Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	331,800	11.4%	629,260	18.8%	799,754	23.3%	430,446	12.6%	417,253	12.1%	177,254	5.0%	151,900	4.2%	568,293	15.4%
South Placer	b	1,011,993	7.6%	1,788,007	12.6%	2,131,160	14.6%	2,143,102	14.7%	2,590,003	17.5%	932,335	6.2%	1,449,252	9.5%	1,941,538	12.4%
Placer County	c	1,017,173	6.6%	1,788,007	11.0%	2,145,860	12.9%	2,167,005	13.0%	2,615,902	15.5%	970,319	5.7%	1,509,641	8.7%	2,008,406	11.3%
Sacramento Region	d	10,350,006	7.7%	15,565,601	11.3%	16,899,360	12.1%	15,764,466	11.2%	17,546,894	12.3%	15,554,368	10.7%	14,876,486	10.1%	14,061,772	9.5%
SIA as a Percentage of South Placer	a/b	-	32.8%	-	35.2%	-	37.5%	-	20.1%	-	16.1%	-	19.0%	-	10.5%	-	29.3%
South Placer as a Percentage of Placer Co.	b/c	-	99.5%	-	100.0%	-	99.3%	-	98.9%	-	99.0%	-	96.1%	-	96.0%	-	96.7%
Placer Co. as a Percentage of Sac Region	c/d	-	9.8%	-	11.5%	-	12.7%	-	13.7%	-	14.9%	-	6.2%	-	10.1%	-	14.3%

Source: CoStar; EPS.

Table 33
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Total Industrial Market Vacancy (2000-2014)

Total Industrial -- Vacancy
--

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%														
Sunset Industrial Area (SIA)	a	620,192	16.8%	723,095	19.6%	727,875	19.7%	528,903	14.3%	530,298	14.4%	499,046	13.5%	473,252	12.8%	507,241	14.3%
South Placer	b	2,489,490	15.9%	2,705,547	17.2%	2,886,602	18.3%	2,817,801	17.8%	2,812,957	17.8%	2,433,489	15.4%	2,083,445	13.0%	2,147,781	14.1%
Placer County	c	2,588,242	14.6%	2,755,635	15.4%	3,015,393	16.8%	3,018,761	16.8%	2,993,939	16.7%	2,533,106	14.1%	2,154,106	11.9%	2,218,766	12.8%
Sacramento Region	d	15,241,775	10.3%	17,935,596	12.1%	19,819,097	13.5%	18,580,637	12.7%	17,911,121	12.2%	16,962,339	11.6%	13,852,236	9.4%	16,061,450	11.1%
SIA as a Percentage of South Placer	a/b	-	24.9%	-	26.7%	-	25.2%	-	18.8%	-	18.9%	-	20.5%	-	22.7%	-	23.6%
South Placer as a Percentage of Placer Co.	b/c	-	96.2%	-	98.2%	-	95.7%	-	93.3%	-	94.0%	-	96.1%	-	96.7%	-	96.8%
Placer Co. as a Percentage of Sac Region	c/d	-	17.0%	-	15.4%	-	15.2%	-	16.2%	-	16.7%	-	14.9%	-	15.6%	-	13.8%

tot ind vacancy

Source: CoStar; EPS.

Flex Market Assessment²²

The SIA and the South Placer area's flex market trends are compared to the same submarkets previously stated in the industrial market assessment. **Table 34** depicts the inventory of flex space in the SIA and compared submarkets in the Sacramento region. As shown, the SIA contains approximately 220,000 square feet of the South Placer area's 510,000 square feet (or 43 percent) of this land use. The South Placer area provides a flex inventory that places this market near the median of compared industrial submarkets in the region.

A review of the flex sector's vacancy rates and net absorption in the Sacramento region portrays a market that has struggled to maintain consistent tenants since the turn of the Century, as shown in **Table 35**. The earliest flex vacancy report in 2000 quarter 4 shows a very strong market in the Sacramento region with only a 4 percent vacancy rate. In 2001 the flex vacancy rate for Sacramento region jumped to 18 percent, a 380 percent increase in just one year (204,000 sf in 2000 to 978,000 in 2001). The McClellan industrial submarket accounted for nearly 75 percent (577,000 square feet) of the increase in vacant flex space. This could be a direct effect of the McClellan Air Force Base closure, which became official in July 2001. Flex vacancy rates in the Sacramento region ranged between 18 to 22 percent until the Great Recession. The Great Recession caused a small increase in flex vacancy rates in the region, as they have ranged from 24 to 26 percent since 2008.

Flex lease rates in the SIA and in the South Placer area demand a higher premium compared to the Sacramento region, as shown in **Table 36**. Lease rates in the SIA and South Placer area are 38 percent and 28 percent higher than the Sacramento region, respectively. The contrast in lease rates could vary based on the type of flex space prominent in each submarket. **Table 36** provides the average lease rates for all of the analyzed flex subcategories, which are grouped into light distribution, light manufacturing, data and telecom housing, and R&D. Unfortunately when disaggregated, the average lease rates are often not provided.

Flex space building construction in the Sacramento region portrays a drought of activity in the past six years. Since 2009 only 100,000 square feet of flex building space has been constructed in the Sacramento region.

Based on the analytic data provided by CoStar, there is sufficient space in the Sacramento region to accommodate future flex employment growth. The possibility of future flex construction relies on the interest of companies seeking to move from the San Francisco Bay Area. This possibility could become a reality because of skyrocketing business overhead prices and cost of living that has occurred recently in the Bay Area. If this is not the case, it will take an immense economic shift toward technological development in the region before serious considerations to add a significant amount of flex building supply in the Sacramento region.

²² Includes the following CoStar industry subcategories: flex telecom & data hosting, industrial telecom & data hosting, light distribution, light manufacturing, and R&D.

Table 34
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Total Flex Market Inventory: Leasable Square Feet (2000-2014) [1]

Total Flex -- Leasable Sq. Ft.

Market	Formula	Total Flex: Leasable Sq. Ft. [2]															Difference 2000-2014	Average Annual % Change	Average Annual Share
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4			
Sunset Industrial Area (SIA)	a	111,587	111,587	111,587	111,587	111,587	111,587	184,950	184,950	220,864	220,864	220,864	220,864	220,864	220,864	220,864	109,277	5.0%	-
South Placer	b	271,636	271,636	377,670	377,670	377,670	377,670	451,033	473,488	509,402	509,402	509,402	509,402	509,402	509,402	509,402	237,766	4.6%	-
Placer County	c	534,732	622,842	739,876	739,876	739,876	739,876	813,239	835,694	871,608	871,608	871,608	871,608	871,608	871,608	871,608	336,876	3.6%	-
Sacramento Region	d	5,254,577	5,432,737	5,821,976	5,863,496	5,942,652	6,038,876	6,276,798	6,340,520	6,404,564	6,479,339	6,471,839	6,471,839	6,471,839	6,462,339	6,487,581	1,233,004	1.5%	-
SIA as a Percentage of South Placer	a/b	41.1%	41.1%	29.5%	29.5%	29.5%	29.5%	41.0%	39.1%	43.4%	43.4%	43.4%	43.4%	43.4%	43.4%	43.4%	46.0%	0.4%	39.5%
South Placer as a Percentage of Placer Co.	b/c	50.8%	43.6%	51.0%	51.0%	51.0%	51.0%	55.5%	56.7%	58.4%	58.4%	58.4%	58.4%	58.4%	58.4%	58.4%	70.6%	1.0%	55.1%
Placer Co. as a Percentage of Sac Region	c/d	10.2%	11.5%	12.7%	12.6%	12.5%	12.3%	13.0%	13.2%	13.6%	13.5%	13.5%	13.5%	13.5%	13.5%	13.4%	27.3%	2.0%	12.9%

Source: CoStar; EPS.

flex inv

[1] Includes the following CoStar industry sub-categories: Flex telecom & data hosting, industrial telecom & data hosting, light distribution, light manufacturing, R&D.
 [2] Reflects data as of the fourth quarter of each year.

Table 35
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Total Flex Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

Total Flex -- Net Absorption

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	(900)	(1,700)	3,500	(5,520)	4,120	(1,404)	11,669	14,113	23,075	(5,794)	(195)	18,004	32,691	0	(1,959)	5,980
South Placer	b	27,800	6,482	101,306	(8,687)	4,933	3,856	19,283	32,615	(55,874)	(16,301)	1,234	27,023	85,078	(702)	(7,716)	14,689
Placer County	c	23,800	90,267	110,895	(11,749)	(59,369)	6,456	(112,485)	42,813	(56,367)	(34,398)	1,766	27,196	71,018	8,606	2,496	7,396
Sacramento Region	d	436,065	(576,888)	112,297	99,200	2,991	157,921	60,534	(12,112)	(103,413)	123,799	(136,053)	64,951	104,605	(10,514)	(87,756)	15,708
SIA as a Percentage of South Placer	a/b	(3.2%)	(26.2%)	3.5%	63.5%	83.5%	(36.4%)	60.5%	43.3%	(41.3%)	35.5%	(15.8%)	66.6%	38.4%	0.0%	25.4%	40.7%
South Placer as a Percentage of Placer Co.	b/c	116.8%	7.2%	91.4%	73.9%	(8.3%)	59.7%	(17.1%)	76.2%	99.1%	47.4%	69.9%	99.4%	119.8%	(8.2%)	(309.1%)	198.6%
Placer Co. as a Percentage of Sac Region	c/d	5.5%	(15.6%)	98.8%	(11.8%)	(1,984.9%)	4.1%	(185.8%)	(353.5%)	54.5%	(27.8%)	(1.3%)	41.9%	67.9%	(81.9%)	(2.8%)	47.1%

Source: CoStar; EPS.

flex absorb

Table 36
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Total Flex Market Average Asking Lease Rates (2000-2014)

Total Flex -- Lease Rates

Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	-	-	-	-	\$1.10	\$1.10	\$1.15	\$1.15	\$1.00	\$1.00	\$1.00	\$1.03	\$1.00	\$1.00	\$1.01	(0.9%)	(\$0.09)
South Placer	Triple Net	\$0.99	\$0.88	\$1.09	\$1.22	\$1.08	\$1.09	\$1.14	\$1.15	\$1.09	\$1.06	\$0.94	\$0.98	\$0.99	\$1.03	\$0.93	(0.4%)	(\$0.06)
Placer County	Triple Net	\$0.99	\$0.88	\$1.09	\$1.22	\$0.91	\$0.90	\$0.90	\$0.98	\$1.20	\$0.87	\$0.82	\$0.85	\$0.84	\$0.84	\$0.80	(1.5%)	(\$0.19)
Sacramento Region	Triple Net	\$0.65	\$0.68	\$0.82	\$0.66	\$0.77	\$0.89	\$0.95	\$1.00	\$0.98	\$0.83	\$0.81	\$0.76	\$0.78	\$0.74	\$0.73	0.8%	\$0.08
SIA Percent Difference Compared to South Placer		n/a	n/a	n/a	n/a	2.1%	0.9%	0.8%	0.3%	(8.2%)	(5.5%)	6.1%	5.3%	1.2%	(2.1%)	7.9%	-	-
South Placer Percent Difference Compared to Placer Co.		0.0%	0.0%	0.0%	0.0%	17.8%	20.4%	26.8%	17.3%	(9.1%)	21.9%	14.7%	15.1%	18.4%	22.5%	16.8%	-	-
Placer Co. Percent Difference Compared to Sac Region		52.6%	29.7%	32.8%	84.1%	18.2%	2.1%	(4.8%)	(2.1%)	21.9%	4.6%	1.6%	12.2%	7.9%	12.4%	9.4%	-	-

Source: CoStar; EPS.

flex lease

Vacant Office and Industrial Land Supply

EPS obtained information from brokerage websites to evaluate the vacant land supply of parcels currently zoned to accommodate office and industrial land uses.²³ The vacant land supply analysis focused on jurisdictions in the South Placer market for comparison to the land use demand analysis described in the following chapter. These jurisdictions include the cities of Lincoln, Roseville, and Rocklin. Vacant land acreages shown in this report include all for-sale office and industrial land in the current market as of May 2015. This assessment explicitly excludes vacant land zoned for residential and commercial retail development.

Vacant land parcels were evaluated to better understand their ability to support future development based on a variety of factors, including availability of utilities and services; connection to infrastructure; and availability of finished, graded-level pads. Then, land parcels were categorized into three types of opportunity sites—first-tier, second-tier, and third-tier—to provide an understanding of total vacant acreage available to support future real estate demand in the short, medium, and longer term.²⁴ Specific definitions of the three categories are provided below:

- **First-Tier Opportunity Sites**—Immediate development potential; finished pads where necessary grading and off-site improvements have been completed.
- **Second-Tier Opportunity Sites**—Medium-term development potential; parcels with some improvements, including utilities, services, and infrastructure, but which still need further improvement and require additional investment to accommodate development.
- **Third-Tier Opportunity Sites**—Long-term development potential; raw, unimproved land before grading, construction, and subdivision, but zoned appropriately as office or industrial. These sites do not have on-site utilities and have limited access to infrastructure and services.

South Placer Market Supply Profile

As described above, EPS researched available vacant land on the market in the county and categorized each parcel into three tiers of opportunity sites. The available land supply in each tier directly translates to a jurisdiction's overall ability to support near-term or long-term development demand. This future land development demand directly responds to industry changes or growth, external or internal investment in the existing market, employment and demographic changes, and proximate infrastructure improvements. The higher amount of total

²³ EPS consulted with the following brokerage Web sites as of May 2015: LoopNet; CoStar; TRI Commercial; Mark IV Capital; Hines; Voit Real Estate Services; OppSites; Meagher & Tomlinson; Headwaters Company; Coastal Partners, LLC; and CBRE.

²⁴ The categorization of vacant land parcels into tiers, which serves to provide an understanding of real estate supply relative to short-term, medium-term, and longer term demand, is a preliminary assessment based on listing information for parcels. However, listing information is not standardized and, for many parcels, does not provide sufficient information to make a definitive judgment regarding that parcel's category. As a conservative approach, EPS categorized parcels with limited information as either a second-tier or third-tier parcel.

vacant land supply in the first and second tiers demonstrates a jurisdiction's stronger ability to meet future land demand and ability to meet market changes because finished land parcels already are in a condition to be used (i.e., shovel-ready). A preliminary summary of total vacant acres, currently zoned office or industrial, by jurisdiction and by tier is shown in **Table 37**. The detailed listing of these vacant acres is provided in **Appendix D**.

Overall, the South Placer market contains approximately 1,700 acres of vacant land supply in Roseville, Rocklin, and Lincoln. Combined, the SIA vacant and underutilized land and Placer Ranch area equate to nearly 4,600 acres. Adding this combined acreage to the South Placer vacant land supply shows that the SIA contains roughly 73 percent of the developable land in the market. Isolating the light industrial/flex and industrial land would push the SIA share up to around 76 percent if all developable land is categorized as industrial/flex. South Placer vacant land supply by tier is described further below.

First-Tier Opportunity Sites present immediate availability for tenants and developers to build on vacant land that is shovel-ready. As shown in **Table 37**, there are more than 340 acres of vacant land estimated to accommodate near-term real estate demand. Of this total, nearly 90 percent is zoned to accommodate light industrial/industrial/flex development (about 310 acres), with the remainder (nearly 35 acres) zoned to accommodate office development. The cities of Lincoln and Roseville have the largest share of first-tier land, while Rocklin has little shovel-ready land.

Second-Tier Opportunity Sites, which are characterized as land with some utilities, comprise an estimated 330 acres. The City of Roseville contains the majority of second-tier vacant land (about 240 acres), while Rocklin has approximately 85 acres, and Lincoln has an estimated zero second-tier acres. This second-tier land supply will require additional investment to accommodate medium-term real estate development.

Third-Tier Opportunity Sites, which can accommodate longer term real estate demand, comprise 1,035, with more than 91 percent of the supply contained in the cities of Lincoln and Rocklin (about 940 acres), and the small remaining acreage contained in the city of Roseville (about 95 acres). These parcels require significant investment, including grading and infrastructure improvements. Thus, these sites are not suited to accommodate immediate or medium-term development opportunities. The majority of the developable land in the SIA would fall in this category. In addition to the South Placer vacant land areas, there are at least 2,300 acres of industrial and 1,600 acres of office projects being proposed or planned in Sacramento, Sutter, and Yolo Counties that could also compete directly with the SIA. A detailed listing of these projects is provided in Appendix E. Some of the projects reflect continued expansions of established areas like McClellan and Southport while others could introduce new large employment-oriented development areas like Metro Air Park, Sutter Pointe, and the Mace Ranch Innovation Center. The most competitive of these projects present advantages in terms of development and operating costs, transportation access, and locations closer to the central business district. The SIA, however, benefits from a strong labor force housed in high quality of life communities and several catalytic proximate planned projects with higher education institution presence. It is important to note that real estate brokers and economic development representatives emphasize the fact that the SIA will not only compete with sites in the Sacramento Region, but also across proximate markets like the Central Valley, East Bay, and Reno region.

Table 37
Sunset Industrial Area Market Analysis
Placer County Office and Industrial Vacant Acres [1]

Item	Business Park/Office				Light Industrial/Flex				Industrial				Total			
	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total	Tier 1	Tier 2	Tier 3	Total
Lincoln	0.6	0.0	33.7	34.3	0.0	0.0	90.0	90.0	203.0	0.0	395.1	598.1	203.6	0.0	518.8	722.4
Roseville	5.9	14.9	10.3	31.1	84.0	205.9	0.0	289.9	0.0	21.6	85.0	106.6	89.9	242.4	95.3	427.6
Rocklin	28.4	4.5	126.2	159.1	2.0	30.0	286.5	318.5	9.5	0.0	2.5	12.0	39.9	34.5	415.2	489.6
Total	34.9	19.4	170.2	224.5	86.0	235.9	376.5	698.4	212.5	21.6	482.6	716.8	333.4	276.9	1,029.3	1,639.6

placer vacant

Source: City of Lincoln; City of Rocklin; City of Roseville; Placer County; CoStar; LoopNet; TRI Commercial; Mark IV Capital; Hines; Voit Real Estate Services; OppSites; Meagher & Tomlinson; Headwaters Company; Coastal Partners, LLC; EPS.

Notes:

- Tier 1 - Finished Pads
- Tier 2 - Backbone Only
- Tier 3 - "Zoned" Capacity

[1] Data summarized from a detailed listing of parcels, as shown in Table D-1.

Average commercial office land prices in South Placer range from approximately \$203,000 to \$488,000 on a per acre basis. The range reflects the development status of the land with Tier 1 properties commanding much higher sale prices than Tier 2 or 3 options. Available industrial per acre land prices are range from roughly \$218,000 to \$252,000 in the South Placer market. The commercial office land prices are close to the averages seen in retail properties with industrial land prices generally below these two categories. Residential land prices are much lower on an average per acre basis than any of the nonresidential categories in South Placer. **Appendix F** provides a detailed listing of land price comparatives used for this analysis.

6. LAND USE DEMAND AND DEVELOPMENT POTENTIAL

Introduction

This chapter examines the land use demand in the SIA as well as its potential for development. It begins with an overview of the perspectives of the area's land owners, including Placer Athens and Tsakopoulos, who control the land with the most potential for generating employment in the SIA. This is followed by a SWOT analysis, which separates and analyzes the internal factors (strengths and weaknesses) as well as the external factors (opportunities and threats) that will shape growth in the SIA. This is followed by a summary of the projected growth in industrial, office, retail, and hotel land use demand for South Placer in the next 20 years, with a focus on the land uses of industrial/flex (average future demand of 360 acres) and office (average future demand of 740 acres) that align most closely with visions for the SIA.

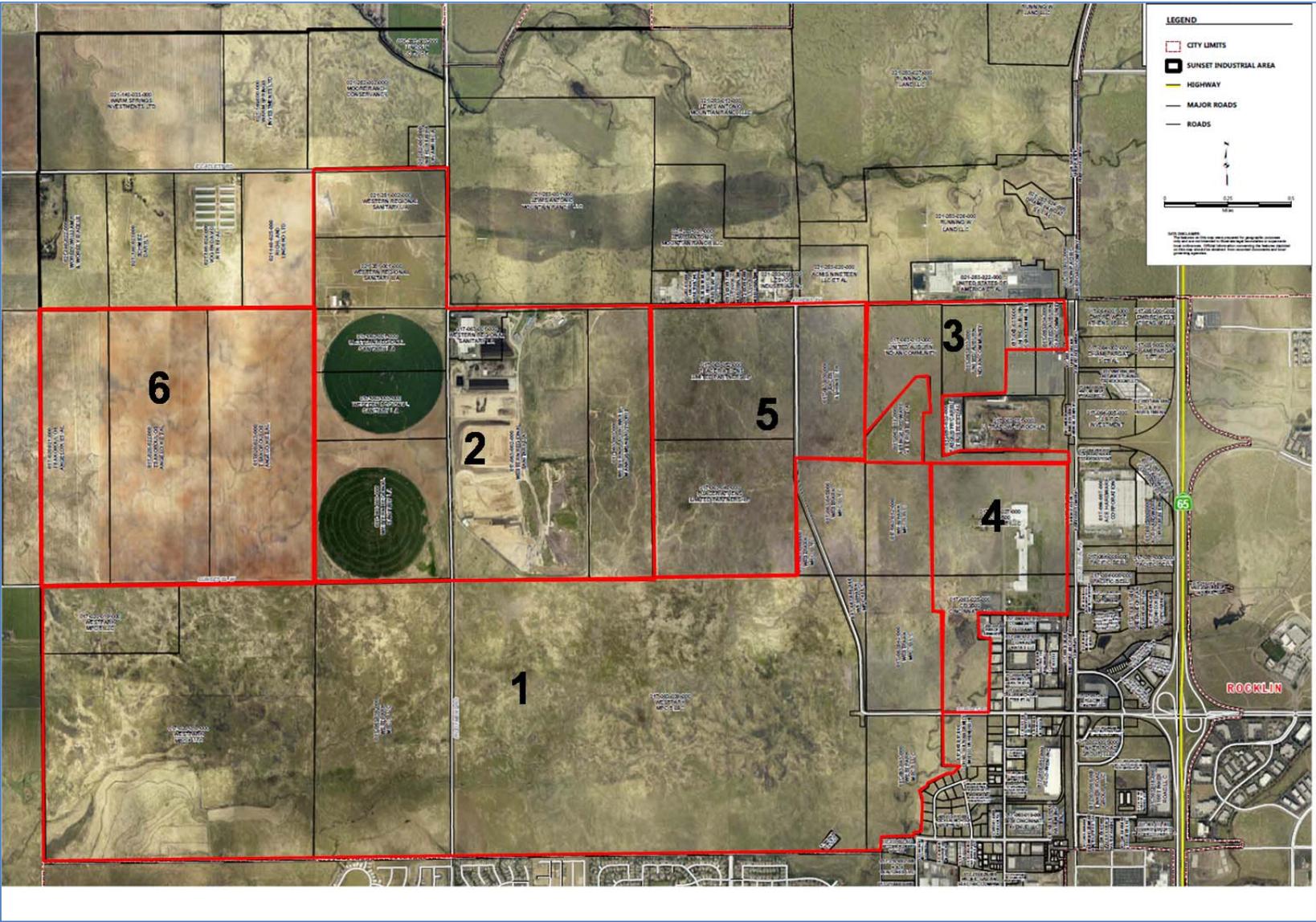
These demand estimates inform the subsequent discussion of four land demand scenarios, ranging from a status quo scenario to a scenario with enhanced demand catalyzed by multiple major developments that are under consideration. Four real estate prototypes (Office, Flex Office/R&D, Light Industrial, Warehouse/Distribution, and Manufacturing) are then presented that can, under each of the scenarios, serve the 10 clusters identified as viable in Chapter 3. This segment is followed by a discussion of strategies that can be used to maximize the demand captured in the SIA, such as encouraging catalytic projects and consolidating heavy industrial uses. The last segment examines the two largest issues that should be considered in the alternatives analysis phase: (1) using a district concept to organize planning and marketing efforts for the SIA, and (2) the uncertain status of planned uses with the Placer Ranch project.

It should be noted that the levels and types of projected development in the SIA are heavily influenced by landowner and investor objectives, as discussed below. While EPS has developed regional market capture estimates based on a range of employment projections as well as historical data, and used available evidence to discuss factors contributing to their realization, there is every possibility that the specific actions of one or more development interests may contribute to outcomes where SIA exceeds its estimated share of regional development based primarily on 1) supportive regulatory/permitting regime resulting in preparation of large and well configured swaths of "shovel-ready" land, and 2) ability and interest among corporate decision makers in the area to increasingly locate regional headquarters and other major operations to the South Placer market based on the strength of the growing labor force. This "supply pull" phenomenon occurs in regions that have extraordinary assets that have not been fully connected or appreciated by the market. In such cases, strategic actions among coordinated public and private sector interests can have substantial positive results exceeding data-driven expectations.

Land Owner Perspectives

A key consideration in assessing development potential for the SIA is the perspectives and interests of major land owners in the area. Six major land owners control the majority of the developable area in the SIA as shown in **Map 10**.

Map 10
SIA Major Land Owners



The largest owner, Westpark (item 1 on the map), is processing plans for the Placer Ranch development with the City of Roseville. Plans for this development include a higher education campus and a mix of residential and nonresidential uses (as discussed in **Chapter 1**).

Western Placer Waste Management Authority (listed as Western Regional Sanitary in item 2 on the map) owns another significant portion of the SIA with the land programmed for current operations and expansion of the landfill and MRF. The entity is undertaking a long-range planning process to assess facility concepts that respond to expected future needs. A 5 megawatt landfill gas energy facility also currently operates on this site and the operators anticipate increasing capacity with the adoption of new technologies.

The other major owners surrounding these two areas will be impacted by existing and planned uses and must consider compatibility in any future development plans.

Most of the other major land owners in the SIA have held properties for several economic cycles and anticipated being able to move development plans forward before the recent recession. The general economic recovery has led some of these owners to begin to seriously explore options that would allow them to take advantage of the current recovery and expansion phases. In addition, the Placer Parkway, Placer Ranch (including the Sacramento State and Sierra College campuses), and University of Warwick plans to the west have generated momentum in the market as other land owners are able to understand the components and timing of these major projects. Moreover, these owners are closely monitoring infrastructure investments that could be made in conjunction with Placer Ranch development that could benefit their areas.

Coastal Partners is actively pursuing a 200 acre master-planned industrial park in the Cincinnati ownership area (item 4 on the map). The plans for what is being called the Placer Gold Industrial Park are being processed with the County and incorporate the former Formica facility and undeveloped land to the east. UAIC is also in the early stages of assessing opportunities in its ownership areas adjacent to the Thunder Valley Casino Resort (item 3 on the map). In the past, this owner has explored a wide range of uses that it deemed complementary with the ongoing casino operations. Of note, there is a 24 megawatt biomass facility, Rio Bravo Rocklin, operating on the land owned by Ultra Power-Rocklin that is located between these two areas. This facility anticipates continued operations as permits and energy purchase agreements allow.

In addition, both Placer Athens and Tsakopoulos own several hundred acres on both the east and west sides of the landfill and materials recovery facility and immediately north of the Placer Parkway and Placer Ranch plans (items 5 and 6 on the map, respectively). Both of these owners have expressed a desire to effectively position their properties for future development. The Placer Athens land is surrounded by significantly different users on all sides, creating a unique set of considerations for future development – the landfill to the west, casino to the east, Placer Ranch to the south, and industrial and waste facilities to the north. The Tsakopoulos land is positioned with the landfill to the east and Placer Ranch to the south, but is less constrained on

its west and north boundaries.²⁵ The land under control of these two owners represents the most significant options for new planning around employment-generating uses in the SIA. All other major owners either have existing planned projects or narrowly-defined options aligned with ongoing uses on the properties.

SWOT Analysis

An inclusive understanding of the internal and external factors impacting development potential in the SIA is important for informing scenarios of land use demand and the ability of the area to capture anticipated market growth. The following strengths, weaknesses, opportunities, and threats (SWOT) analysis was developed from an economic perspective and relies on information from other chapters of this report, stakeholder feedback, and the EPS team's professional observations.

The analysis is organized by positive and negative internal factors (strengths and weaknesses) and external factors (opportunities and threats). Internal factors are those characteristics inherent to the SIA, some of which can be influenced by the County while others are driven by market dynamics or other interests. External factors are those characteristics driven by outside forces and generally are beyond the direct control of the County.

For purposes of assessing development potential, scenarios can be crafted to consider leveraging strengths, addressing weaknesses, preparing for opportunities, and mitigating threats. It is important to note that the items for each element of the SWOT analysis are presented in no particular order and should be examined as a group as a means to describe the context for the land demand scenarios.

Strengths

- Large areas of developable land under the control of relatively few motivated owner groups
- Placer Ranch development plans including California State University, Sacramento and Sierra College presence
- UAIC investment and interest in additional compatible development
- Placer Gold Industrial Park facility reuse and new development plans
- Rail spur access for users in the established industrial sites in the eastern portion of the SIA
- Planned Placer Parkway alignment through the SIA with resulting connections to Highways 99 and 65
- Planned Foothills Boulevard extension through the SIA

²⁵ One of the contiguous parcels owned by Tsakopoulos is split by the boundary of the SIA. In assessing development potential aligned with ownership interests, this parcel should be considered in its entirety.

- Proposed Placer County Conservation Plan (PCCP) potential to enhance development opportunities on constrained land
- Competitive development fees for industrial/flex and office uses relative to other comparative development areas in the Sacramento Region (see **Appendix G** for a comparative analysis of Placer County fees)

Weaknesses

- Lack of existing critical infrastructure and utilities to serve new development
- Landfill, MRF, biomass facility, and propane storage buffers and user compatibility challenges, as well as uncertainty regarding landfill expansion needs and adoption of technology to mitigate negative impacts
- Lands in open space conservation that limit development potential in portions of the SIA
- Inconsistent and incompatible uses in the built space in the SIA
- Limited roadway connections to surrounding areas in South Placer
- Lack of a brand and identity that resonates with key audiences

Opportunities

- University of Warwick campus development and potential relationships with industry
- Presence of Sierra College and William Jessup University for workforce development and industry partnerships
- Access to South Placer labor force in high quality of life communities with increased housing in proximate planned projects
- Lincoln airport business aircraft and air charter access
- Regional and local economic development investments focused on retaining, growing, and attracting businesses in high value industries
- Demonstrated interest among national and regional users for 50 acres or larger pieces of land for industrial or flex campus development
- Investment in planned Highway 65 high occupancy vehicle lanes

Threats

- Lower electricity rates in other competitive areas of the region served by the Sacramento Municipal Utility District and Roseville Electric (see **Appendix H** for more information)

- Competitive development and sites throughout the South Placer, Sacramento Region, East Bay, Central Valley, and Reno markets (see **Appendices D and E** for more information on vacant land and planned projects in the South Placer market and proximate counties)
- Heavy and increasing traffic congestion along Highway 65 and Interstate 80 at peak travel times
- Real estate broker and end user perceptions of uncertain and lengthy permitting processes and relatively high fees in Placer County.²⁶
- Lack of awareness of the SIA among site selectors and corporate real estate executives
- Productivity and technology shifts in industries demanding industrial/flex space leading to decreasing employment levels and square footage requirements

Land Use Demand

This segment summarizes estimated growth in industrial, office, and retail land use demand for South Placer over the next 20 years. It also discusses key market indicators and trends for hotel use in the area. The analysis emphasizes office and industrial land uses, as those sectors tend to most closely align with the vision of the SIA.

Industrial and Office Land Use Demand

EPS estimated growth in demand for industrial and office land use in South Placer²⁷ over the next 20-year period (2015-2035) using employment growth projections from the data sources below. These industry-accepted sources offer a cross-section of expectations for future economic performance in the local economy and across industry sectors based on differing approaches and assumptions. This cross-section is appropriate for demonstrating the potential range of land use demand.

- Sacramento Area Council of Governments (SACOG) Travel Model Projections, May 2012²⁸

²⁶ As noted in the Strengths section, analysis of development fees suggests that Placer County is competitive in the Sacramento Region. The threat reflects an issue with perceptions of high fees, which can be changed as the development community becomes better informed as a result of ongoing County efforts.

²⁷ For the purposes of deriving industrial and office land use demand, the South Placer includes the following SACOG Regional Analysis Districts (RADs): Sheridan, Lincoln, West Placer, Rocklin, Roseville, Loomis, and Granite Bay.

²⁸ The SACOG Travel Model Projections are used in the regional Metropolitan Transportation Plan, which guides regional transportation improvements: <http://www.sacog.org/mtp/>. SACOG has developed a new set of projections to accompany the Metropolitan Transportation Plan update that are in draft form and were not publicly-available at the time of this analysis.

- California Department of Transportation's (DOT) Long-Term Socio-Economic Forecast by County 2014-2040²⁹
- Woods & Poole Economics, Inc., County Forecasts 2014³⁰

Employment projection data were analyzed to determine which industry sectors in South Placer were anticipated to experience the largest employment growth over the next 20-year period. EPS developed a "crosswalk" to assign each industry a land use designation. EPS then applied a set of assumptions regarding employee density and building development density to estimate future demand for office and industrial building space and land.³¹ Methodology and assumptions used in this analysis are described in **Appendix I**.

Summary of Results

This summary of results focuses on South Placer using the SACOG employment projections; however, a comparison of results for the Region, County, and South Placer geographies using each of the three employment forecast data sources is provided in **Appendix I**. **Table I-1** and **Table I-2** show forecasted growth in land use demand by acreage and building square feet, respectively. **Table I-3** presents the employment growth projections that were used to derive estimates for building space and acreage demand.

Industrial

EPS's analysis of SACOG's historic employment data and employment projections suggest that South Placer is estimated to add 3,200 new jobs in sectors that require industrial land between 2015 and 2035.³² The projected industrial job growth in South Placer is estimated to yield additional demand of 3.5 million square feet of industrial building space (approximately 250 acres) over the 20-year period. DOT and Woods and Poole employment projections suggest the industrial land use demand could range from 135 to 700 acres. This large range is primarily attributable to the differences in each data source's employment projections, reflecting substantial uncertainty among regional forecasters regarding the role South Placer will play in

²⁹ The DOT Economic Analysis Branch created the forecasts to assist local and regional agencies in planning and travel forecasting with a consistent set of information for each county: http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic.html.

³⁰ Woods & Poole is an independent firm specializing in economic and demographic projections for every county in the country – their data are used by several major corporations, financial institutions, and consulting firms: <https://www.woodsandpoole.com/>.

³¹ It is important to note that this analysis specifically reflects a demand analysis, which translates anticipated employment growth into related use of nonresidential space under the assumption that foundational market conditions fall within normal parameters. The analysis is not primarily intended to examine market support for a specific existing or proposed projects, though key metrics such as vacancy rates are taken into account in gauging the general health of local markets as part of the overall assessment.

³² The SACOG MTP projection available to EPS at the time of study show differing shares of regional employment compared to historical sources used in this study. As discussed in Appendix I, other available sources show historical employment characteristics that align more closely with the SACOG projections.

meeting regional industrial demand over the next 20 years. The submarket has made a decided shift toward office-related sectors while land prices and congestion continue to increase and affect industrial users who are sensitive to these factors. Yet, SIA is uniquely positioned to redefine South Placer’s potential role as a hub for higher value industrial uses related to selected clusters having a good fit with the region’s strengths.

Employee densities and development standards for industrial use vary widely depending on the nature of the tenant and type of facility operation. Employee densities may range from 750 to 1,500 square feet per employee. EPS used a mid-range figure of 1,100 square feet per industrial employee and a floor-area-ratio (FAR) of 0.4 for the baseline analysis. EPS also conducted a sensitivity analysis using 3,500 square feet per industrial employee and a 0.3 FAR to investigate how these changes affect the estimated future demand for industrial space in South Placer. This lower employment density and higher building density yields demand for an additional 11.1 million building square feet or approximately 1,000 acres of industrial land in South Placer by 2035. This is 8 million building square feet (750 acres) more than the industrial demand shown in **Table 38**, and would reflect certain dynamics discussed in this report, including reduced employment densities in the manufacturing sector resulting from increased automation.

Office

In South Placer, between 2015 and 2035, approximately 36,500 jobs are estimated to be added to employment sectors that demand office land uses. This job growth is anticipated to spur additional demand of 9.1 million square feet of office building space, or approximately 750 acres of office land uses. DOT employment projections yield a slightly lower office demand (575 acres), while Woods and Poole data suggests demand may be as high as 900 acres. As mentioned above, differences in each data source’s employment projections and EPS’s industry distribution methodology and FAR assumptions contribute to the wide range of office land use demand estimates.

Table 38
South Placer Job Growth and Additional Land Use Demand 2015-2035

South Placer	SACOG			Other Sources
	Jobs	Bldg. Sq. Ft.	Acres	Acreage Range
Land Use [1]				
Industrial	3,200	3,500,000	250	135 - 700
Office	36,500	9,100,000	750	575 - 900

Source: SACOG; DOT; Woods & Poole; and EPS.

[1] The land use mix specifically reflects the projections of employment in the distinct sets of industries that typically demand office and industrial space.

Retail Market Characteristics

Retail is highly concentrated on the 65 Corridor. The introduction of additional region-serving uses is expected to continue; however, increasing congestion on the 65 Corridor and the relative industrial nature of the SIA are constraints to substantial region-serving retail in the SIA.

It is also expected that ancillary, employee-serving retail will develop in the South Placer market to serve new industrial/flex and office development. The amount of demand for these uses depends directly on the level of employment supported by new industrial/flex and office development as the market is reliant on daily employee spending.³³

Hotel Market Trends and Indicators

EPS analyzed Smith Travel Research data³⁴ for select midscale, upper midscale, and upscale class properties along the Lincoln, Rocklin, and Roseville Highway 65 corridor. Occupancy rates, average daily rates, and revenue per available room have been trending upward since 2009 for hotel properties included in the analysis. Since 2009, supply has held constant, indicating potential future demand for hotel expansion.

The average occupancy rate in 2014 was 74 percent, up from the 7-year low of 51 percent occupancy (2009). The average daily rate in 2014 was \$97, which is an increase of nearly 14 percent since the recession low of \$85, but still remains below the \$108 high that occurred in 2008. Revenue per available room in 2014 was \$71, and has increased by more than 50 percent since the low of \$47 per room in 2009. These trends indicate that ancillary hotel space is likely to be a viable component of future development planned in the SIA where highway visibility and access are in place.

Land Demand Scenarios

Forecasts of industry employment translated into land uses suggest there could be demand for several hundred acres of industrial/flex and office space in the South Placer market over the next 20 years. The SIA has the potential to capture a notable share of this demand based on historical absorption patterns, but also has the opportunity to enhance its competitive position and realize more pronounced outcomes. Where the SIA falls on the range of land use demand depends on the County's ability to address opportunities and challenges and implement strategies to maximize its capture as outlined later in this chapter.

EPS created four land use demand scenarios to demonstrate the acreage range potential in the SIA between 2015 and 2035. All four scenarios are derived from the average industrial/flex and office acreage demand in the South Placer market, which equate to demand for 360 acres of industrial/flex uses and 740 acres of office uses, as shown in the upper section of **Table 39** and referenced earlier in this section. These employment forecast-derived average demand levels

³³ Note this discussion of retail dynamics is predicated on an understanding that a primary objective of developing head-of-household jobs in the SIA.

³⁴ Smith Travel Research Trend Report dated December 19, 2014.

Table 39
Sunset Industrial Area Market Analysis
SIA 20-Year Net Land Demand Scenarios

Assumption / Scenario	Industrial / Flex	Office	Ancillary Retail [4]	Other	Total Acres	Acres / Year	Industrial / Flex + Office Jobs [5]
South Placer Acreage Demand, 2015-2035							
Low	140	580	-	-	720	36	-
Moderate	250	750	-	-	1,000	50	-
High	700	900	-	-	1,600	80	-
Average	360	740	-	-	1,100	55	-
SIA Capture of South Placer Average Demand							
Scenario 1: Baseline Historical Absorption	40%	5%	-	-	-	-	-
Scenario 2: Expanded Market Share	60%	15%	-	-	-	-	-
Scenario 3: Enhanced Competitive Position	80%	20%	-	-	-	-	-
SIA Acreage Demand							
Scenario 1: Baseline Historical Absorption [1]	140	40	5	-	185	9	3,730
Scenario 2: Expanded Market Share [2]	220	110	10	-	340	17	8,150
Scenario 3: Enhanced Competitive Position [3]	290	150	15	-	455	23	10,990
Incremental Projects Acreage							
Major Corporate Campus	150	50	-	-	-	-	-
Destination Entertainment / Retail	-	-	-	150	-	-	-
Scenario 4: Scenario 3 + Incremental Projects	440	200	20	150	810	41	15,330
Total Range (Rounded)	140 - 440	40 - 200	-	-	190 - 810	10 - 40	3,700 - 15,300

"scenarios"

[1] Based on historical average share of absorption.

[2] Based on expanded market share with Placer Ranch development catalyst.

[3] Based on enhanced competitive position with Placer Ranch, Placer Parkway, and proximity to University of Warwick and increased labor force housing.

[4] Assumes \$15 per day per employee, 250 working days per year, \$350 sales per square foot, 0.25 FAR, and 80% net to gross area.

[5] Assumes 0.40 FAR, 80% net to gross area, and 1,100 square feet per employee for industrial / flex and 0.35 FAR, 80% net to gross area, and 250 square feet per employee for office.

are somewhat higher than the amount of absorption that would be expected in the South Placer market if historical real estate market trends were assumed to continue.³⁵ The ability to exceed historical performance levels is made possible through the strategic connection of key regional assets.³⁶

Each of the scenarios also includes an estimate of ancillary, employee-serving retail demand derived from assumed daily spending levels of the estimated employees supported by the industrial/flex and office land demand.³⁷ With established competition along the Highway 65 corridor, this is the type of retail development that is likely to occur in the major undeveloped pieces of the SIA aside from any unique, one-off project concept. Supporting ancillary retail is a key element providing both convenience and improved vitality in the SIA. Uses should be positioned to offer walkable access to these uses where appropriate.

Scenario 1 acts as the baseline and assumes that the SIA's historical share of South Placer absorption will continue through 2035. This scenario translates to approximately 185 acres of 20-year demand, which could potentially support around 3,700 jobs based on standard building and employment density assumptions.³⁸ This is the most conservative scenario and essentially accounts for status quo conditions that translate to an industrial/flex and office footprint smaller than what is being proposed in the Placer Ranch project. This scenario may be the least likely to transpire as Placer County has demonstrated commitment to changing the status quo and investing in the improvement of its economic base.

Scenario 2 accounts for an expanded market share in the SIA informed by the amount of "Commercial Park" development reflected in the most recent Placer Ranch plans. As discussed in the Introduction chapter, most of the planned employment-generating acreage in Placer Ranch is

³⁵ Carrying historical annual average absorption levels forward would equate to 20-year industrial/flex demand of approximately 170 acres and office demand of about 440 acres based on respective FARs of 0.40 and 0.35. These levels are closer to the lower end of the range of estimated South Placer acreage demand.

³⁶ This approach can be described as a "market creation strategy". Precedents for this approach include the Stapleton Airport reuse project in Denver and the reuse of Mueller Airport in Austin. Like those projects, the SIA is in a position to exceed the amount and quality of historical development. In these examples, recognition and improvement of strategic connections to internal and external assets allowed for a fundamental rebranding, resulting in improved regional perceptions and market performance. Another example is the previously-mentioned Tri-Valley region of the Bay Area, where early notions of back office support uses have been replaced by higher value software and other tech-driven industries based on proximity to the burgeoning South Bay. This dynamic has been assisted by the continual diversification and rebranding of sites such as Hacienda Business Park in Pleasanton and Bishop Ranch in San Ramon, which is presently planned to incorporate a mixed-use "Main Street" spine in an effort to improve vitality.

³⁷ Ancillary retail demand assumes daily employee spending of \$15 for 250 days per year with \$350 sales per square foot, a 0.25 FAR, and 80 percent net to gross area. These assumptions represent a probable upper-end of supportable ancillary retail range.

³⁸ Industrial/flex employment calculations are based on a 0.40 FAR using 80 percent net to gross area and 1,100 square feet per employee. Office employment calculations assume 0.35 FAR with 80 percent net to gross area and 250 square feet per employee.

programmed in this category, which is intended to account for a mix of industrial/flex and office uses. Overall, this scenario shows about 340 acres of demand over the next 20 years with close to 8,200 jobs. Although it reflects a notable increase above the baseline, nearly all of the demand in this scenario could be captured by the Placer Ranch project depending on phasing and the ultimate mix of building types developed. Based on the project description and amenities, it is likely that Placer Ranch could be more competitive for higher-end uses while the SIA might be better suited for a greater mix of industrial uses.

The opportunity for the SIA to develop an enhanced competitive position in the South Placer market and broader Sacramento Region is reflected in Scenario 3. As discussed earlier in this section, the Placer Ranch, Placer Parkway, and University of Warwick developments could all act as catalysts and raise the visibility of the area plus the SIA could further leverage the increased labor force housing planned in surrounding development areas. With the enhanced competitive position, this scenario shows roughly 460 acres of demand through 2035 with nearly 11,000 jobs. This scenario reflects a substantial departure from the baseline with enhanced competitive advantages leading to a stronger market position in South Placer and the broader region.³⁹

While the baseline assumes 40 percent capture of South Placer industrial/flex demand and 5 percent of office demand, Scenario 3 assumes 80 percent and 20 percent respective capture rates. The industrial/flex capture rate is slightly greater than the SIA's share of all vacant land in the South Placer market, which reflects the area's relative advantages for these uses and the possibility that other areas of the market will be more competitive for office development. It is likely that the SIA's competitive position will improve over time with the catalyst projects simply acting as market signals in the early parts of the 20-year horizon and more distinct competitive advantages arising as these projects develop further and mature in the latter parts of the planning horizon.

The large amount of contiguous developable land in the SIA also opens up the opportunity to attract one or more major "game changing" projects in the area, which could incrementally add to the overall land demand. Although very competitive at a national scale, according to economic development representatives, major corporate campus projects regularly show interest in locations throughout Northern California. The Sacramento Region has seen some success in the past, but in the last decade, the Region has not been as competitive primarily because of the limited amount of large "shovel-ready" sites. Recent corporate campus projects have averaged about 50 acres for office uses and 150 acres for industrial/flex development.

According to economic development representatives and land owners, market factors also suggest that the SIA might also be an ideal location for a major destination entertainment or retail project (e.g., amusement park, shopping district, and recreation center). Case studies show that these types of uses could demand a total of approximately 150 acres.⁴⁰

³⁹ The competitive shift discussed for Scenario 3 is similar to the dynamics seen in the Tri-Valley of the East Bay, which, as discussed in the South Placer Demographic and Economic Overview chapter, transitioned from a commuter-based subregion to a functional and diverse employment hub in the broader Bay Area region.

⁴⁰ For example, the Six Flags Discovery Kingdom amusement park in Vallejo encompasses about 140 acres plus additional land for parking.

Scenario 4 layers the corporate campus and destination entertainment/retail projects on top of Scenario 3, resulting in total 20-year demand of 810 acres with more than 15,300 jobs. This is the most aggressive approach for Scenario 4 based on the agglomeration of catalytic projects and enhanced competitive position; however, it can be adjusted by assuming different combinations of the incremental projects and scenarios.

Overall, the four scenarios show a wide range of potential land demand and associated employment levels over the next 20 years with the low end assuming historical patterns will continue and the high end building on an enhanced competitive position and capturing major game-changing projects. The land demand range equates to between 10 and 40 acres per year through 2035. In this period, development in the SIA will also contribute to the employment base in the area with between 3,700 and 15,300 additional jobs. Various conditions and strategies that could help shift land demand in the SIA from the historical baseline up to a regionally-competitive development area are discussed later in this chapter.

Development Prototype Viability

Under each of the land demand scenarios discussed above, the following development prototypes represent strong candidates for the SIA across the industrial/flex and office markets and offer a strong mix of facility options for the 10 viable clusters.

Office		
Typical Specs	.35 FAR, one to three-story, tilt-up, wood, steel; employment density from 150 to 350 SF/employee.	
South Placer Market Position	Major hub in region outside Downtown Sacramento, significant market movement and investment occurring.	
Sunset Competitive Stance	Placer Ranch capture of higher end product under two conditions: 1) California State University, Sacramento satellite campus is developed as proposed; 2) MRF-related externalities are minimized as not to confront office users; possible spill-over of product in nearby SIA districts.	
Feasibility profile	Approaching feasibility for speculative product, conditions should continue to improve.	
Major considerations	SIA may garner low market share outside of Placer Ranch; Tsakopoulos land may be best prospect for vibrant Innovation Center taking advantage of cumulative university growth. Placer Parkway must be developed first, and overall must assist in reducing worsening congestion on the Highway 65 corridor.	
Cluster Alignment	Information & Communications Technology, Life Sciences & Health Services, Education & Knowledge Creation, Business & Financial Services, Distribution & Electronic Commerce	

Flex-Office/R&D	
	
Typical Specs	.35 to .50 FAR, surface parked, one to two story (second story labs are unpopular), tilt-up most common. Can resemble office at high end and light industrial at low end. Wide range of employment densities as a result.
South Placer Market Position	Emerging product, adaptable to many industries, strengthening market position expected.
Sunset Competitive Stance	Possibly a viable competitor for uses seeking land (lay down yards), quasi-manufacturing (e.g., prototype assembly and testing), and large work-station R&D involving heavy equipment. Over long term opening of area to Highway 99/70 via Placer Parkway will improve regional position including travel time to Davis, Solano and Bay Area life science and other tech concentration (current and future).
Feasibility profile	Product with modest tenant improvements is approaching feasibility. Build-to-suits oriented to owner-users are likely.
Major considerations	University presence is critical to attracting tech users. Area east of MRF and in/around Placer Ranch stand best chance of capturing growth. Start-up firms may require assistance or economic development incentives because of inability to afford current or future market rents.
Cluster Alignment	Agriculture & Food, Advanced Manufacturing, Clean Energy Technology, Information & Communications Technology, Life Sciences & Health Services, Advanced Materials, Business & Financial Services

<p>Light Industrial</p>	
	
<p>Typical Specs</p>	<p>Tilt-up, .35 FAR, roll-up doors in back (sometimes dock high), can have glass glazing, extremely flexible accommodating office, storage, and assembly/light manufacturing, employment density ranges from 400 to 1,500 SF/employee.</p>
<p>South Placer Market Position</p>	<p>Placer County has generally been losing market share and shifting from this type of space to office. This partly is due to increasing land values, as well as worsening congestion on major transportation corridors. Other parts of the region have significant amounts of existing space, much of which is priced below replacement value (i.e., can be purchased for less than cost of development).</p>
<p>Sunset Competitive Stance</p>	<p>Strong to dominant. Offers ability to position shovel-ready land for product applicable to a broad swath of industries interested in product other than Class A suburban office space. This is expected to be an important prototype in all SIA districts.</p>
<p>Feasibility profile</p>	<p>Feasible now or in immediate future; this is the product planned for the Placer Gold Industrial Park. Can be adapted toward higher end uses as appropriate. Good prospect for start-ups not needing expensive HVAC and other building systems.</p>
<p>Major considerations</p>	<p>Placer Parkway implementation, fast and easy entitlements, low permitting costs.</p>
<p>Cluster Alignment</p>	<p>Agriculture & Food, Advanced Manufacturing, Clean Energy & Technology, Information & Communications Technology, Life Sciences & Health Services, Education & Knowledge Creation, Advanced Materials, Recreation & Tourism</p>

Warehouse/Distribution	
	
Typical Specs	.35 to .70 FAR, tilt-up, dock high, can take several forms (e.g., cross dock logistics, assembly/light manufacturing, storage), usually requires excellent freeway access and inexpensive land; very low employment ratios.
South Placer Market Position	Poor; not well located on super-regional transportation grid.
Sunset Competitive Stance	Strong relative to other South Placer locations, but other parts of the Sacramento Region and other proximate markets support a much more competitive mix of locational criteria.
Feasibility profile	Thin profit margin based on local circumstances. High land values and rents in area are a major deterrent when better opportunities exist in Northern CA (e.g., Tracy, Lathrop).
Major considerations	Does not offer substantial volume of employment per acre; assessed values tend to be low unless used for manufacturing; does not address head-of-household preference job profile; likely to incur feasibility challenges. Many of these buildings have been leased as churches and recreational facilities in the area. The use could be viable adjunct to manufacturing or other campus development concepts.
Cluster Alignment	Distribution & Electronic Commerce

Manufacturing		
Typical Specs	Manufacturing spaces can vary according to end user without a uniform prototype. It can occupy all prototypes listed above with the exception of office.	
South Placer Market Position	Possible strong market position based on prospective actions to position SIA land; other sites (e.g., Lincoln Airport area) are also competitive.	
Sunset Competitive Stance	Among strongest in region, though suffers from higher electricity costs relative to Roseville. Requires adequate water and sewer capacity as utilities are extended into the SIA. May include eco-industrial uses driving off the MRF.	
Feasibility profile	Determined by owner-users as a cost of doing business. Required large shovel ready building pads with entitlements, available on a ministerial basis to capture users seeking rapid approval and development.	
Major considerations	As a subset of manufacturing uses, eco-industrial uses may contribute to additional externalities and should be strategically mitigated as not to deter office and other high end development in other SIA areas.	
Cluster Alignment	Agriculture & Food, Advanced Manufacturing, Clean Energy Technology, Information & Communications Technology, Advanced Materials, Recreation & Tourism	

Corporate Campus

As discussed in the land demand scenarios, the scale of the SIA and improved access provided by the Placer Parkway offers the ability to place one or more major corporate campuses in the area. These facilities may use all the prototypes discussed above and may range from 50 to more than 150 acres in size.

Prototype Feasibility

A preliminary evaluation of development economics indicates that office lease rates need to improve an estimated 20 percent or more to capitalize new construction. In addition, flex office/R&D involving expensive tenant improvements is difficult to develop as speculative space based on prevailing lease rates and is most likely to take the form of owner-user facilities, similar to manufacturing. Light industrial flex product is beginning to emerge throughout the region as lease rates continue to improve, with product that is flexible and can be delivered at relatively expensive low costs of single story tilt-up construction. This product is likely to be a major component of future SIA development in multiple districts.

Strategies for Maximizing SIA Capture

As discussed earlier in this chapter, the land demand scenarios are based on a wide range of capture rates for the SIA, within the context of the South Placer market, as well as opportunities to attract major game-changing projects. To move from the baseline scenario into the realm of the more aggressive demand scenarios incorporating a mix of the development prototypes, the County will need to directly establish policies and programs and help facilitate the conditions necessary to encourage development and compete for projects in the South Placer market and the broader region. Long-term regional growth can shift across several development areas that have plans for employment-generating development among the desired project types. The ability to leverage the strengths and opportunities discussed earlier in the SWOT analysis and address the identified weaknesses and threats will help the County realize outcomes that are aligned with its vision of supporting economic development and establishing a base of employment in the South Placer market. The following recommended strategies are guided by the SWOT analysis and EPS professional observations.

- *Mitigate the landfill, MRF, biomass facility, and propane storage impacts*—Each of these unique uses requires buffers and limits the options for compatible surrounding development. Consolidation of facilities in a compact location or adoption of new technologies can help mitigate these impacts.
- *Expedite transportation infrastructure investments*—The SIA is not effectively connected to the surrounding areas and major external worker and goods movement corridors are congested. Early investment in the internal roadway network, the Placer Parkway, and projects to ease congestion on Highway 65 and Interstate 80 can make the area more competitive from a connection standpoint.
- *Encourage catalytic projects and speculative development*—Market opportunities in the SIA have been fairly limited with development flowing to other parts of the South Placer market and Sacramento Region. Major projects and speculative development can send a market

signal and should be encouraged to the greatest extent possible. This strategy should be aligned with preparation of shovel ready sites that can accommodate responsive user interest from the catalytic projects and area momentum.

- *Shift negative perceptions of development processes and fees*—Stakeholders believe that development fees are too high and that the County has implemented an uncertain and lengthy process. Although analysis shows that fees are competitive, these negative perceptions could be hampering interest in the SIA. A full evaluation of development process and fees, accompanied by effective changes that make the County more competitive (e.g., fast track permitting, further fee reductions, and potentially an area ombudsman), will be necessary to encourage further investment in the SIA.
- *Implement incentives that help close the competitive cost gap*—Other areas in the Sacramento Region offering similar development prospects present a lower cost of doing business across various business operations categories (e.g., electricity, transportation, and rents). Performance-based incentives that can help close the cost gap (e.g., fee deferrals, grants, and variable rates) should be considered to attract competitive and targeted projects.⁴¹
- *Consider use compatibility in the existing industrial core*—The existing mix of conditional uses in the Cincinnati area can restrict options for other major employment-generating projects in the industrial space. Over time, policies and actions should encompass uses that are directly aligned with the SIA vision and economic development objectives.
- *Develop and implement a branding and marketing strategy*—Currently there is limited awareness and established negative perceptions of the SIA among target audiences. As major projects move forward and assets become more fully developed, a new branding and marketing strategy should be created that includes messaging customized to key audiences and fully embraces the South Placer market advantages.
- *Maintain relationships with higher education institutions*—William Jessup University and Sierra College already have an established presence in the South Placer market while California State University, Sacramento and the University of Warwick are planning for new campuses in the area. Existing relationships with these institutions should be leveraged to capture opportunities related to new business ventures, industry partnerships, external facility needs, and academic and research strengths.
- *Allocate economic development resources around viable cluster targets*—There are 10 clusters that demonstrate growth opportunities in the South Placer market and the possible types of businesses that could take down space in the SIA. With a finite set of resources available for countywide economic development, all applicable programs, services, and partnership should target establishments in these clusters.
- *Understand the implications of planned regional projects*—There are several planned projects in the Sacramento Region that will expand the amount of competitive industrial/flex and

⁴¹ It is important to note that some types of incentives may have prevailing wage implications, and, as such, the pros and cons of each option must be carefully considered.

office space with two located on existing and proposed transportation corridors, McClellan and Metro Air Park. While these projects will compete for users with the SIA, they might also generate positive, collective visibility for the northern and eastern parts of the Sacramento Region for major business relocation and expansion projects.

- *Continue to regularly engage representative SIA stakeholders*—The SIA plan update process started with strong stakeholder engagement, which built relationships with major land owners and the broader business community. Maintaining these relationships will be important for building buy-in for the plan, guiding key decisions, and implementing core strategies.
- *Collaborate locally and regionally on economic development initiatives*—The County has developed a strong working relationship with local jurisdictions in the South Placer market and regional entities for economic development and marketing purposes. These relationships will be important as the SIA establishes more competitive opportunity sites and supportive promotional and business retention, expansion, and attraction programs are developed.

Key Considerations for Alternatives Analysis

The market analysis conducted for this study revealed two key issues to consider as the plan update process moves from the opportunities and constraints assessment into the alternatives analysis phase.

First and foremost, the amount of vacant and underutilized land in the SIA, along with existing and proposed development patterns, suggest that planning and marketing efforts for the area would best be served by a district concept. Current zoning in the SIA is centered on industrial and agriculture land uses while there are several constraints for development including use buffers, habitat conservation, and infrastructure. The light and heavy industrial facilities that have developed along Cincinnati Avenue and on Athens Avenue near the northeast corner of the landfill in addition to Thunder Valley Casino Resort also have land use implications for the SIA because of the need to consider consistent uses. The proposed PCCP has the potential to enhance development opportunities on constrained land and will work to substantially improve the form and economic performance of the SIA.⁴² With the Placer Parkway and Placer Ranch proposals as well as growth in surrounding communities, the blanket industrial and agriculture zoning seems less appropriate particularly in consideration of the goal of creating high-value employment-generating uses. Further, marketing the SIA as a traditional industrial zone does not position the area in the most effective manner considering the significant amount of attractive competitive sites throughout the Sacramento Region. Therefore, breaking the SIA into several self-defined districts is likely the most effective approach for both planning and marketing purposes. Each zone could have its own set of uses, design guidelines, and identity

⁴² Once the PCCP is in place, development patterns will better conform to best practices, including appropriate clustering of related uses and realization of industry standard densities (as measured by net/gross ratio, floor-area ratio, etc.). The PCCP will also lead to an expedited and more consistent development review and approval process, which also benefits projects through the reduction of investor risk exposure.

that consider its location in the SIA, consistency with surrounding uses, and any major development constraints.

Map 11 provides an illustrative diagram of the district concept in the SIA. This diagram is provided simply for demonstration and discussion purposes—it is anticipated that the alternatives analysis will formally explore this concept for the plan update. The illustrative diagram shows four districts that capture themes that surfaced in technical analysis and stakeholder interviews.

The Industrial Infill District supports the area of existing development along Cincinnati and Sunset, which should continue to intensify with light industrial flex and other uses. The Placer Gold Industrial Park plans provide a good example of the type of opportunities that exist in this district.

In addition to the area planned as a part of Placer Ranch, the area to the west of the landfill and MRF is an ideal location on the planned Placer Parkway alignment to accommodate a range of higher value flex and office prototypes that could fit in a Corporate Campus and Innovation Center District. (The Innovation District concept was referenced in the real estate market analysis section.) The area would be removed from other heavy industry, with a gradient of lower to high value uses as one travels from the landfill and MRF buffer zone to the west.

University of Warwick Science Park

University of Warwick Science Park (UWSP), opened in 1984 in Coventry in the United Kingdom, is a joint venture of the University of Warwick, Coventry City Council, Warwickshire County Council, and the West Midlands Enterprise Board. In 2012, the University of Warwick acquired sole ownership of UWSP. UWSP provides offices and labs for 145 businesses (primarily team oriented), employing over 1,800 workers across four sites: the University's main campus, the Business Innovation Centre in Binley, the Warwick Innovation Centre on Warwick Technology Park, and the Blythe Valley Innovation Centre near Solihull. UWSP's facilities and services are targeted towards innovative technology companies, with unit configurations appropriate for software engineering, training and demonstration, and laboratory/light workshop space. The University of Warwick also partners with the University of Birmingham on the Science City Research Alliance (SCRA), a program designed to help area businesses develop technologies in Advanced Materials, Energy Futures, and Translational Medicine.

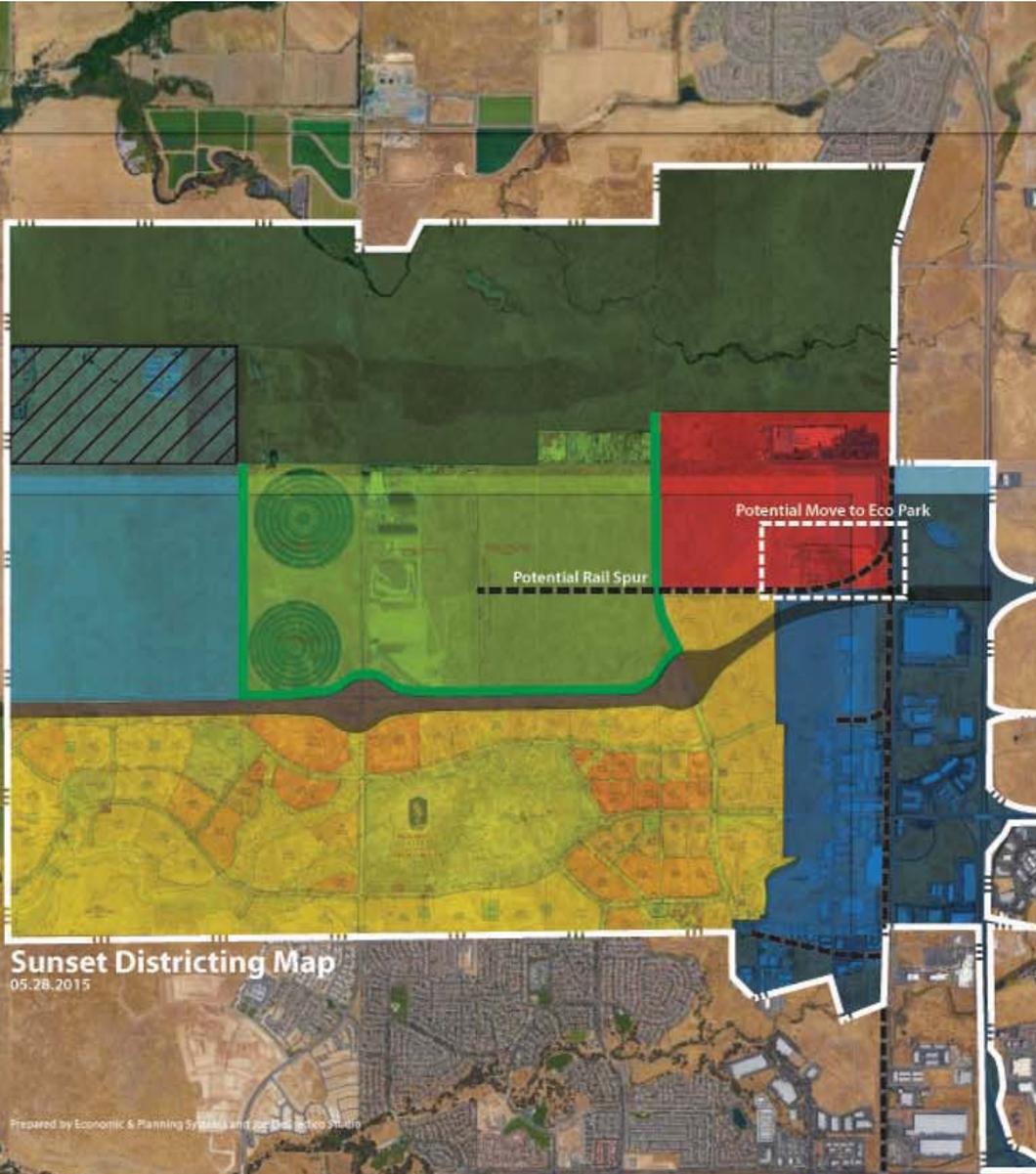
UWSP provides space that houses start-ups, growing businesses, and large companies. Some spaces are owner-occupied, while others are leased. Tenants have access to research and resources from the university as well as an experienced in-house business support team that has assisted over 2,000 companies, with services that include mentoring and assistance with funding, launching products/services, and marketing.

LEGEND

- Placer Ranch
- Entertainment
- Corporate Park/
Innovation Park/
Business Park
- Corporate Campus/
Reserve
- Infill Flex
- Eco Park
- Mitigation Reserve
- Placer Pkwy
- Tree Buffer
- Rail

Sunset Districting Map
05.28.2015

Prepared by Economic & Planning Systems and Geographic Information Systems



The Entertainment District concept is compatible with UAIC's Thunder Valley investment, and captures the destination entertainment/retail game-changing project opportunity discussed in Scenario 4 earlier in this section. This could take the form of any combination of an entertainment district, shopping and restaurant area, recreational facility, or other uses that pulls visitors from outside the South Placer market. As discussed in the real estate market analysis section, this district could address the potential future demand for hotel and regional retail opportunities. Market conditions appear to be supportive for this district concept; however, it may be necessary to relocate the biomass facility to a more appropriate location in the eco-industrial park (discussed below) to avoid incongruous bordering uses. The SIA is one of very few regional locations with the scale and transportation infrastructure (as planned) to accommodate a major theme park or super-regional destination retail.

The Eco-Industrial and Manufacturing District concept seeks to shift the landfill and MRF from a constraint to an asset, consolidating current uses from other parts of the SIA and incorporating incremental technology and facility opportunities. North of Placer Parkway, this major district extending east from the MRF could house large scale operations. This area requires a significant visual (trees, berms) buffer from the planned Placer Parkway alignment. In addition, potential for a rail spur/and or truck access exists, which could be brought from east to

west north of the current terminus of Cincinnati. Goods movement, including truck circulation, may be a critical element of making this area viable and reducing conflict with adjoining districts.

Entertainment District Example—American Dream Miami

The proposed American Dream Miami project would include a theme park, mall, and entertainment venues on a 200 acre site surrounded by heavy industrial and agricultural uses. The project is designed to draw visitors from across the country and could support thousands of jobs. While the presence of the Roseville Galleria precludes replication of this exact concept, it is a positive indication of how high value entertainment/retail concepts can be positioned in industrial areas.

Success Factors for Theme Parks (based on review of literature)

- Variety of options and attractions
- Uniqueness
- Innovation
- Continuity/Theming
- Environmental integration
- Capacity and queue management
- Functionality and infrastructure
- Weather independency
- Escape/Imagination
- Emotions
- Involvement/Interactivity
- Branding
- Quality
- Safety and security
- Design
- Variety of options and attractions

This area also may include a variety of flexible light industrial uses as a continuation of the Industrial Infill District to the east.

Morphing the landfill and MRF to a leading example of an Eco-Industrial complex and brand is a critical component to the Eco-Industrial and Manufacturing District concept.

Eco-Industrial Parks (EIPs) can closely resemble standard industrial parks, but they are organized around the common goal of environmental sustainability. The growth of the concept is buttressed by a growing consumer preference for recycled materials, with the US consuming two thirds of global demand.

The Edmonton Waste Management Centre (EWMC) is a 575-acre complex that perhaps best embodies the EIP concept, even though it does not always self-identify as such, as it predates the term. EWMC, owned and operated by the City of Edmonton Waste Management Services, combines advanced waste processing and research facilities. As the City realized its landfill would soon reach capacity, it began adding additional facilities nearby in the 1990s to reduce waste. EWMC now contains more than 860,000 building square feet, hosting 12 waste processing facilities, including a materials recovery facility (MRF), a composting facility, e-waste recycling, paper recycling, a landfill gas recovery system, a planned waste-to-biofuels facility, and construction and demolition recycling.⁴³ The park employs more than 500 people and generates 4.8 megawatts each year from its landfill gas recovery operation. The center is the first case in the western world (and perhaps the most advanced case worldwide) of a municipally-owned facility co-locating a MRF with private businesses using the outputs. Serving as a true global model, the center recently spun off a consulting arm, Waste RE-solutions Edmonton, that advises municipalities around the world in creating integrated waste management systems.

The example of EWMC has inspired additional EIP plans throughout Canada and beyond, including the City of Austin, TX. As part of a zero-waste master plan effort to limit landfill waste, Austin created a Recycling Economic Development Program to increase collection and processing of recovered materials. A key element of this program is Austin's [re]Manufacturing Hub, an eco-industrial park that will be built on 100 acres owned by the City.⁴⁴ The Hub will attract re-manufacturing firms, which process reclaimed materials to make new products. The business mix has yet to be determined, but there will be ample opportunities for resource synergies among tenants. All hub tenants will receive free commercial recycling services, as well as expedited permitting and development review.

While the Hub helps Austin meet environmental goals, it is grounded in a solid business model. The park is slated to create up to 1,250 jobs that provide livable wages for those without advanced education. An economic impact study found that bringing local recycling-related

⁴³ City of Edmonton Waste Management Centre.

http://www.edmonton.ca/programs_services/garbage_waste/edmonton-waste-management-centre.aspx, 5/19/2014.

⁴⁴ Betts, Natalie. IEDC Economic Development Journal. Sustainable Economic Development as a Cluster Strategy, Winter 2015.

manufacturing for the Austin metropolitan area in line with the national average would bring in an additional \$319 million in total economic activity, \$63 million in labor compensation, and 1,400 permanent jobs.⁴⁵

Local policies and programs can help EIPs to succeed. In Edmonton, a public outreach team holds tours and distributes materials to educate the public how to separate their waste properly. Edmonton also issues several fees that help pay for services at the EWMC, such as an e-waste recycling tax paid on the sale of many electronic items. Austin has created recycling mandates for residents and commercial customers as another element of its zero-waste plan, and promotes businesses that sell recycled goods or reuse materials on LocallyAustin.org, a directory of locally-owned businesses provided as a consumer resource.

While local programs can help ensure a steady stream of properly sorted waste materials needed by the re-manufacturers, they are not always enough. Some industrial tenants at EWMC found that they did not get enough “stock” materials from the local waste management operation (serving roughly 1 million people), and had to import materials from other regions.⁴⁶ Future EIPs should consider that they may need to be net importers of waste. Also, while landfill gas recovery systems, like the one currently used in SIA, can generate power, EIPs can still be very water and power intensive. In addition, more EIP activities will require the extension of the existing rail spur, which could be expensive and bifurcate districts in the SIA.

An existing concern in South Placer that could be extended is that EIPs contain noxious, heavy industrial uses that can deter high-end uses. EWMC is located on the edge of town in an industrial zone, with a mix of heavy industrial users engaged in heavy industrial activities that are near high-end residential uses. Several strategies have been implemented to deal with odors issuing from EIPs including advanced odor control management systems and shorting hours of operation or covering odor sources on days with high potential odor conditions. These measures have resulted in only occasional complaints from residents.⁴⁷ The landfill and MRF in the SIA, on the other hand, have been the subject of considerable odor complaints from nearby residents in the past, due in part to local climate and prevailing wind conditions. While the EWMC case study indicates potential local land use compatibility issues, it also suggests that in many cases, eco-industrial and residential/commercial uses may be compatible with appropriate mitigations.

Table 40 provides a feature comparison between EWMC, the Western Placer landfill/MRF and surrounding facilities, and the other waste-related facilities in the SIA. Given that the MRF will be located in the SIA for the foreseeable future, synergistic uses that can be consolidated with the MRF, especially those that will not add to odor levels, should be explored.

⁴⁵ TXP, Inc. The Current and Potential Economic Impacts of Austin Recycling and Reuse-Related Activity. Prepared for the City of Austin, Winter 2015.

⁴⁶ Smith, Darin, Managing Partner. Economic and Planning Systems. May 2015.

⁴⁷ Derick, Gordon, General Supervisor of Engineering and Technical Services. Edmonton Waste Management Centre. May 2015.

Table 40
Feature Comparison of Eco-Industrial Facilities

Edmonton Waste Management Centre	South Placer Landfill/MRF	Other SIA Facilities
<ul style="list-style-type: none"> • Materials Recovery Facility (MRF) (64,000 sq. ft.) • Composting facility (62 acres) • E-waste recycling (45,000 sq. ft.) • Greys Paper recycling (68,000 sq. ft. on 7 acres) • Landfill (closed) • Landfill gas recovery system • Integrated Processing & Transfer Facility • Construction and Demolition (C&D) recycling • Waste-to-Biofuels facility (7 acres) • Residential Transfer Station • Compost Curing/Biosolids Composting • Weigh-Scale Facility • Advanced Energy Research Facility • Leachate Treatment Plant • R&D Facility • Biosolids Lagoons 	<ul style="list-style-type: none"> • Western Regional Sanitary Landfill (291 acres alone, 321 acres when combined with MRF) • Landfill gas recovery system • Materials Recovery Facility (MRF) (177,000 square feet) • Composting facility • Expansion Area (480 acres) 	<ul style="list-style-type: none"> • Salvage and Junkyard (C&D recycling) • Biomass facility • Propane tank storage

The attraction of tenants at EWMC occurred rather organically over time, while Austin has designated clear target manufacturing industries. These targets, included below, could serve as guidance for other uses that can be consolidated in the SIA along with the MRF:

- Construction & demolition debris recycling
- Plastics processor (grinding, washing, pelletizing, molding)
- Paper conversion plant
- Wood salvage and re-milling
- Glass processing/manufacturing
- Appliance repair and resell
- Scrap tire recycling/baling
- Electronics repair, de-manufacturing, recycling
- Non-profit/small industry incubator

As discussed above, it will be critical to ensure that appropriate design guidelines, circulation, and landscaped buffers are put in place as fundamental elements of this Eco-Industrial/Manufacturing district. Overall the district should gravitate from more employment-intensive and higher value uses with higher value to the west, with heavier manufacturing positioned closer to the MRF.

The district concept also allows the County to identify key sites for cost effective implementation in the form of a Specific Plan. Based on this preliminary analysis, there could be justification for including any one or two contiguous districts as part of the specific plan. While the districts in the eastern portion of the SIA present logical extensions of the existing development and Placer Ranch plans, the western portion of the SIA also offers the opportunity to leverage the University of Warwick planned west of the SIA boundaries. It will be important for the Specific Plan to consider how infrastructure and utilities investments can be organized in ways that prompt and do not inadvertently prohibit desired development. The Specific Plan options will be explored further through the plan update process.

The other key issue to consider moving forward revolves around the status of planned uses in the Placer Ranch project. This project is actively moving through the development approval process with the City of Roseville, including a General Plan Amendment, Specific Plan Amendment, Rezone and Sphere of Influence Amendment, Annexation and Development Agreement. As highlighted in the Introduction chapter, the most recent Placer Ranch plans include more than 300 acres of "Commercial Park" space, which was tentatively defined as a mix of industrial/flex and office uses for the purposes of the related traffic analysis. While it does not appear that Westpark has commissioned a comprehensive market study to further define the feasible nonresidential options, noting the proposed types of residential units, university campus, amenities, and location, it seems likely that Placer Ranch will position itself for higher end uses in the areas allocated to "Commercial Park" development. This could translate to a greater concentration on office and R&D products over light industrial, manufacturing, or warehouse space. As a result, it might be expected that Placer Ranch could capture roughly 20 percent of the projected industrial/flex acreage and 80 percent of the office acreage in the land demand scenarios.

The Placer Ranch plans also call for 82 acres of Regional Commercial positioned at a new major intersection for the Placer Parkway at Fiddymment Road. The other major Placer Parkway intersection is surrounded by the Commercial Park uses, which the development team has indicated primarily is intended to protect the retail and services being contemplated in the nearby university village concept. Like the other major intersection, this type of location would normally suggest strong opportunities for regional retail, commercial, or hotel development. Should the university village concept change as the project moves through the planning process, it would be reasonable to assume that some of the Commercial Park space would be reallocated to a use like Regional Commercial that takes advantage of the major interchange location. This could result in a somewhat smaller share of the projected industrial/flex and office uses in the SIA. Another opportunity that could present itself if the Placer Ranch plans remain as currently proposed is the location of some retail and commercial uses on the other side of the Placer Parkway interchange at Foothills Boulevard on the land owned by the Placer Athens group. The type of development could take advantage of what could be a desirable interchange location regardless of Placer Ranch plans and align more closely with the Entertainment/Retail district concept. However, it is important to note that South Placer is already well-represented across a broad swath of retail categories, and any well-conceived retail development concepts that could potentially emerge will seek to bring new formats and retailers to the region that avoid head-on competition with established centers.

Noting that the Placer Ranch project is still in the middle of the planning process, there is always the possibility that the project will not come to fruition. On the one hand, this would introduce a significant amount of well-positioned land to integrate into the district concept discussed above. On the other hand, it would remove a significant catalyst project with a major amenity in the form of a university campus and significant investment in extending critical infrastructure and utilities in the SIA. This topic, and its implications for districting, infrastructure development and funding, and other strategic considerations will be important topics in upcoming evaluation of land use alternatives and funding approaches.



APPENDICES:

- Appendix A: Employment Data Sources
- Appendix B: Cluster Definitions
- Appendix C: Real Estate Market Tables
- Appendix D: Vacant Land Data
- Appendix E: Planned Projects
- Appendix F: Land Price Comparisons
- Appendix G: Fee Comparisons
- Appendix H: Energy Costs
- Appendix I: Land Use Demand Methodology
- Appendix J: Stakeholder Interviews



APPENDIX A:
Employment Data Sources

Table A-1 Absolute Employment Growth Comparison,
 NETS vs. LEHD.....A-2

EMPLOYMENT DATA SOURCES

The employment data analyzed for this report was taken from two sources. The National Establishment Time-Series (NETS) database from Walls & Associates was used to examine establishment-specific dynamics in South Placer. The establishment-specific dynamics permitted analyses related to relocation, gazelles, and economic base, which are not possible using standard employment data sources. Woods & Poole's employment database was then used to benchmark South Placer against other areas, as Woods & Poole is most similar to NETS in that it factors in both payroll employment and proprietor employment.

These sources both differ from federal and state data available through sources like the U.S. Census Bureau, which provides work-based employment data from the LEHD Origin Destination Employment Statistics program. **Table A-1** compares the absolute employment growth in South Placer based on data from both LEHD and NETS. The timeframe for the LEHD data is 2002 to 2011, while the timeframe for the NETS data is 2002 to 2012.

Table A-1
Sunset Industrial Area Market Analysis
Absolute Employment Growth Comparison, NETS vs. LEHD

Industry (NAICS)	South Placer				Sacramento Region			
	NETS		LEHD OnTheMap		Woods and Poole		LEHD OnTheMap	
	2012	2002-2012	2011	2002-2011	2012	2002-2012	2011	2002-2011
Total Employment	138,207	39,821	95,581	15,004	1,228,921	61,435	890,265	125,478
Agriculture, Forestry, Fishing and Hunting (11)	597	165	250	(118)	19,747	(3,231)	10,718	265
Mining (21)	73	(40)	13	(42)	2,503	1,080	666	(189)
Utilities (22)	213	156	414	149	2,480	181	7,523	555
Construction (23)	12,760	1,843	5,903	(5,020)	62,688	(23,826)	37,313	(22,120)
Manufacturing (31-33)	7,459	(890)	5,616	(3,230)	39,312	(15,759)	35,311	(14,357)
Wholesale Trade (42)	5,450	1,024	3,611	957	31,080	(1,500)	27,677	(1,913)
Retail Trade (44-45)	18,153	6,105	14,294	2,154	123,295	(2,502)	88,774	(1,416)
Transportation and Warehousing (48-49)	1,851	(1,384)	1,523	34	32,435	2,397	21,962	157
Information (51)	3,479	287	1,908	(418)	19,002	(7,018)	16,666	(886)
Finance and Insurance (52)	8,720	3,679	7,136	2,815	66,693	6,626	37,077	(6,114)
Real Estate and Rental and Leasing (53)	5,109	1,905	1,602	79	60,662	16,896	12,917	(1,710)
Professional, Scientific, and Technical Services (54)	11,254	3,762	6,051	2,612	94,141	19,398	56,868	11,328
Management of Companies & Enterprises (55)	372	341	1,003	(479)	12,980	366	12,614	388
Administrative and Waste Services (56)	12,589	8,408	3,990	(1,099)	74,276	7,067	45,407	(923)
Educational Services, Health Care and Social Assistance (61-62)	20,552	8,199	22,544	8,832	144,324	34,130	198,290	42,679
Arts, Entertainment, and Recreation (71)	4,653	2,212	3,341	2,183	27,386	4,698	19,169	2,071
Accommodation and Food Services (72)	8,038	1,470	9,487	3,250	80,777	7,828	72,439	9,042
Other Services (81)	7,716	(1,384)	4,340	1,631	68,878	3,708	55,642	8,587
Public Administration (92) [3]	9,149	3,984	2,555	714	266,260	10,896	133,232	100,034
Uncoded and Not Classified	20	(21)	0	0	0	0	0	0

"OTM_compare"

Source: U.S. Census Bureau, OnTheMap, and LEHD Origin Destination Employment Statistics; National Establishment Time-Series (NETS) Database, Walls & Associates, 2012; Woods and Poole, 2014 data series; EPS.

A-2



APPENDIX B: Cluster Definitions

CLUSTER DEFINITIONS

This section lists the four-digit NAICS codes included as part of the new and modified definitions for the 10 viable clusters. Note that the Clean Energy Technology cluster does not have a NAICS-based definition because of the need to isolate related activities that are embedded along with other non-relevant activities in specific industries.

Agriculture & Food

- 1111 Oilseed and Grain Farming
- 1112 Vegetable and Melon Farming
- 1113 Fruit and Tree Nut Farming
- 1114 Greenhouse, Nursery, and Floriculture Production
- 1119 Other Crop Farming
- 1121 Cattle Ranching and Farming
- 1122 Hog and Pig Farming
- 1123 Poultry and Egg Production
- 1124 Sheep and Goat Farming
- 1125 Aquaculture
- 1129 Other Animal Production
- 1141 Fishing
- 1142 Hunting and Trapping
- 1151 Support Activities for Crop Production
- 1152 Support Activities for Animal Production
- 3111 Animal Food Manufacturing
- 3112 Grain and Oilseed Milling
- 3113 Sugar and Confectionery Product Manufacturing
- 3114 Fruit and Vegetable Preserving and Specialty Food Manufacturing
- 3115 Dairy Product Manufacturing
- 3116 Animal Slaughtering and Processing

- 3117 Seafood Product Preparation and Packaging
- 3118 Bakeries and Tortilla Manufacturing
- 3119 Other Food Manufacturing
- 3121 Beverage Manufacturing
- 3253 Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing
- 3322 Cutlery and Handtool Manufacturing
- 3331 Agriculture, Construction, and Mining Machinery Manufacturing
- 4244 Grocery and Related Product Merchant Wholesalers
- 4245 Farm Product Raw Material Merchant Wholesalers
- 4248 Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers
- 4442 Lawn and Garden Equipment and Supplies Stores
- 4452 Specialty Food Stores

Advanced Manufacturing

- 3327 Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing
- 3332 Industrial Machinery Manufacturing
- 3333 Commercial and Service Industry Machinery Manufacturing
- 3334 Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing
- 3336 Engine, Turbine, and Power Transmission Equipment Manufacturing
- 3339 Other General Purpose Machinery Manufacturing
- 3361 Motor Vehicle Manufacturing
- 3362 Motor Vehicle Body and Trailer Manufacturing
- 3363 Motor Vehicle Parts Manufacturing
- 3364 Aerospace Product and Parts Manufacturing
- 3365 Railroad Rolling Stock Manufacturing
- 3369 Other Transportation Equipment Manufacturing
- 4231 Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers
- 4238 Machinery, Equipment, and Supplies Merchant Wholesalers

Information & Communications Technology

- 3341 Computer and Peripheral Equipment Manufacturing
- 3342 Communications Equipment Manufacturing
- 3343 Audio and Video Equipment Manufacturing
- 3344 Semiconductor and Other Electronic Component Manufacturing
- 3346 Manufacturing and Reproducing Magnetic and Optical Media
- 3353 Electrical Equipment Manufacturing
- 3359 Other Electrical Equipment and Component Manufacturing
- 4236 Household Appliances and Electrical and Electronic Goods Merchant Wholesalers
- 5112 Software Publishers
- 5171 Wired Telecommunications Carriers
- 5172 Wireless Telecommunications Carriers (except Satellite)
- 5174 Satellite Telecommunications
- 5179 Other Telecommunications
- 5182 Data Processing, Hosting, and Related Services
- 5415 Computer Systems Design and Related Services

Life Science & Health Services

- 3254 Pharmaceutical and Medicine Manufacturing
- 3345 Navigational, Measuring, Electromedical, and Control Instruments Manufacturing
- 3391 Medical Equipment and Supplies Manufacturing
- 4234 Professional and Commercial Equipment and Supplies Merchant Wholesalers
- 4242 Drugs and Druggists' Sundries Merchant Wholesalers
- 4461 Health and Personal Care Stores
- 5621 Waste Collection
- 5622 Waste Treatment and Disposal
- 6211 Offices of Physicians
- 6212 Offices of Dentists

- 6213 Offices of Other Health Practitioners
- 6214 Outpatient Care Centers
- 6215 Medical and Diagnostic Laboratories
- 6216 Home Health Care Services
- 6219 Other Ambulatory Health Care Services
- 6221 General Medical and Surgical Hospitals
- 6222 Psychiatric and Substance Abuse Hospitals
- 6223 Specialty (except Psychiatric and Substance Abuse) Hospitals
- 6231 Nursing Care Facilities (Skilled Nursing Facilities)
- 6232 Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities
- 6233 Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly
- 6239 Other Residential Care Facilities
- 6241 Individual and Family Services
- 6242 Community Food and Housing, and Emergency and Other Relief Services
- 6243 Vocational Rehabilitation Services
- 8112 Electronic and Precision Equipment Repair and Maintenance

Education & Knowledge Creation

- 3231 Printing and Related Support Activities
- 5111 Newspaper, Periodical, Book, and Directory Publishers
- 5191 Other Information Services
- 6111 Elementary and Secondary Schools
- 6112 Junior Colleges
- 6113 Colleges, Universities, and Professional Schools
- 6114 Business Schools and Computer and Management Training
- 6115 Technical and Trade Schools

- 6116 Other Schools and Instruction
- 6117 Educational Support Services

Advanced Materials

- 2122 Metal Ore Mining
- 2123 Nonmetallic Mineral Mining and Quarrying
- 2131 Support Activities for Mining
- 3241 Petroleum and Coal Products Manufacturing
- 3251 Basic Chemical Manufacturing
- 3252 Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing
- 3255 Paint, Coating, and Adhesive Manufacturing
- 3256 Soap, Cleaning Compound, and Toilet Preparation Manufacturing
- 3259 Other Chemical Product and Preparation Manufacturing
- 3261 Plastics Product Manufacturing
- 3262 Rubber Product Manufacturing
- 3271 Clay Product and Refractory Manufacturing
- 3272 Glass and Glass Product Manufacturing
- 3273 Cement and Concrete Product Manufacturing
- 3274 Lime and Gypsum Product Manufacturing
- 3279 Other Nonmetallic Mineral Product Manufacturing
- 3311 Iron and Steel Mills and Ferroalloy Manufacturing
- 3312 Steel Product Manufacturing from Purchased Steel
- 3313 Alumina and Aluminum Production and Processing
- 3314 Nonferrous Metal (except Aluminum) Production and Processing
- 3315 Foundries
- 3321 Forging and Stamping
- 3326 Spring and Wire Product Manufacturing
- 3328 Coating, Engraving, Heat Treating, and Allied Activities

- 3329 Other Fabricated Metal Product Manufacturing
- 3335 Metalworking Machinery Manufacturing
- 4235 Metal and Mineral (except Petroleum) Merchant Wholesalers
- 4246 Chemical and Allied Products Merchant Wholesalers
- 4247 Petroleum and Petroleum Products Merchant Wholesalers

Business & Financial Services

- 5222 Nondepository Credit Intermediation
- 5223 Activities Related to Credit Intermediation
- 5231 Securities and Commodity Contracts Intermediation and Brokerage
- 5239 Other Financial Investment Activities
- 5241 Insurance Carriers
- 5242 Agencies, Brokerages, and Other Insurance Related Activities
- 5251 Insurance and Employee Benefit Funds
- 5259 Other Investment Pools and Funds
- 5331 Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
- 5411 Legal Services
- 5412 Accounting, Tax Preparation, Bookkeeping, and Payroll Services
- 5413 Architectural, Engineering, and Related Services
- 5414 Specialized Design Services
- 5415 Computer Systems Design and Related Services
- 5416 Management, Scientific, and Technical Consulting Services
- 5417 Scientific Research and Development Services
- 5418 Advertising, Public Relations, and Related Services
- 5419 Other Professional, Scientific, and Technical Services
- 5511 Management of Companies and Enterprises
- 8132 Grantmaking and Giving Services
- 8133 Social Advocacy Organizations

- 8134 Civic and Social Organizations
- 8139 Business, Professional, Labor, Political, and Similar Organizations

Distribution & Electronic Commerce

- 4232 Furniture and Home Furnishing Merchant Wholesalers
- 4233 Lumber and Other Construction Materials Merchant Wholesalers
- 4234 Professional and Commercial Equipment and Supplies Merchant Wholesalers
- 4236 Household Appliances and Electrical and Electronic Goods Merchant Wholesalers
- 4237 Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers
- 4239 Miscellaneous Durable Goods Merchant Wholesalers
- 4241 Paper and Paper Product Merchant Wholesalers
- 4243 Apparel, Piece Goods, and Notions Merchant Wholesalers
- 4249 Miscellaneous Nondurable Goods Merchant Wholesalers
- 4251 Wholesale Electronic Markets and Agents and Brokers
- 4541 Electronic Shopping and Mail-Order Houses
- 4543 Direct Selling Establishments
- 4821 Rail Transportation
- 4841 General Freight Trucking
- 4842 Specialized Freight Trucking
- 4885 Freight Transportation Arrangement
- 4889 Other Support Activities for Transportation
- 4931 Warehousing and Storage
- 5324 Commercial and Industrial Machinery and Equipment Rental and Leasing
- 5614 Business Support Services
- 5619 Other Support Services

Recreation & Tourism

- 3399 Other Miscellaneous Manufacturing
- 4511 Sporting Goods, Hobby, and Musical Instrument Stores
- 4871 Scenic and Sightseeing Transportation, Land
- 4872 Scenic and Sightseeing Transportation, Water
- 4879 Scenic and Sightseeing Transportation, Other
- 5615 Travel Arrangement and Reservation Services
- 7111 Performing Arts Companies
- 7112 Spectator Sports
- 7113 Promoters of Performing Arts, Sports, and Similar Events
- 7114 Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
- 7115 Independent Artists, Writers, and Performers
- 7121 Museums, Historical Sites, and Similar Institutions
- 7131 Amusement Parks and Arcades
- 7132 Gambling Industries
- 7139 Other Amusement and Recreation Industries
- 7211 Traveler Accommodation
- 7212 RV (Recreational Vehicle) Parks and Recreational Camps
- 7213 Rooming and Boarding Houses
- 7224 Drinking Places (Alcoholic Beverages)
- 7225 Restaurants and Other Eating Places



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REAL ESTATE MARKET TABLES

The following tables provide further detail on these various real estate sectors:

- Office
- Retail
- Warehousing & Distribution
- Manufacturing
- Other Industrial
- Light Distribution
- Light Manufacturing
- Telecom & Data Housing
- R&D
- Flex

**Table C-1
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Market Summary Table**

Item	Sunset Industrial Area	South Placer	Placer County	Sacramento Region
Office [1]				
2014 Q4 Leasable Sq. Ft.	171,938	12,611,722	14,670,391	102,507,345
Annual Avg. Change in Sq. Ft.	9.0%	4.1%	3.8%	1.7%
Annual Avg. Vacancy	20.4%	18.8%	17.2%	12.6%
Annual Avg. Absorption	5,687	337,157	362,888	1,090,097
2014 Q4 Lease Rate	\$1.52	\$1.65	\$1.64	\$1.66
Annual Avg. Change in Lease Rt.	2.86%	(0.50%)	(0.45%)	0.32%
Annual Avg. Sq. Ft. Constructed	8,015	411,766	443,502	1,728,401
Retail [2]				
2014 Q4 Leasable Sq. Ft.	16,180	16,543,104	20,434,135	108,726,951
Annual Avg. Change in Sq. Ft.	0.0%	1.6%	1.4%	0.8%
Annual Avg. Vacancy	0.0%	9.9%	9.2%	9.3%
Annual Avg. Absorption	67	257,273	278,813	646,981
2014 Q4 Lease Rate	-	\$1.42	\$1.41	\$1.34
Annual Avg. Change in Lease Rt.	n/a	(5.02%)	(5.13%)	(4.21%)
Annual Avg. Sq. Ft. Constructed	0	279,005	297,732	1,351,610
Flex [1] [3]				
2014 Q4 Leasable Sq. Ft.	220,864	509,402	871,608	6,487,581
Annual Avg. Change in Sq. Ft.	5.0%	4.6%	3.6%	1.5%
Annual Avg. Vacancy	18.8%	16.8%	26.8%	21.5%
Annual Avg. Absorption	5,980	14,689	7,396	15,708
2014 Q4 Lease Rate	\$1.01	\$0.93	\$0.80	\$0.73
Annual Avg. Change in Lease Rt.	(0.88%)	(0.43%)	(1.52%)	0.85%
Annual Avg. Sq. Ft. Constructed	7,285	18,651	25,258	92,806
Industrial [1] [4]				
2014 Q4 Leasable Sq. Ft.	3,688,110	15,999,918	18,129,370	146,614,841
Annual Avg. Change in Sq. Ft.	1.7%	1.3%	1.2%	0.6%
Annual Avg. Vacancy	14.3%	14.1%	12.8%	11.1%
Annual Avg. Absorption	49,420	117,006	129,000	605,768
2014 Q4 Lease Rate	\$0.31	\$0.33	\$0.34	\$0.36
Annual Avg. Change in Lease Rt.	(0.23%)	(0.31%)	(0.17%)	0.22%
Annual Avg. Sq. Ft. Constructed	51,108	198,542	212,346	1,212,271

summary

Source: CoStar; EPS.

[1] Annual average items analyzed from 2000-2014.

[2] Annual average items analyzed from 2006-2014.

[3] Includes the following CoStar industry sub-categories: Flex telecom & data hosting, industrial telecom & data hosting, light distribution, light manufacturing, R&D.

[4] Includes the following CoStar industry sub-categories: Airplane hangar, airport, auto salvage facility, cement/gravel plant, chemical/oil refinery, contractor storage yard, distribution, flex showroom, food processing, industrial showroom, landfill, lumberyard, manufacturing, railroad yard, refrigeration/cold storage, self-storage, shipyard, truck terminal, utility sub-station, warehouses, and water treatment facility.

Table C-2
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Office Market Average Asking Lease Rates (2000-2014)

Office -- Lease Rates

Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA) [1]	Full Service	-	-	-	-	\$1.15	\$1.15	-	-	-	\$1.64	\$1.61	\$1.61	\$1.57	\$1.53	\$1.52	2.86%	\$0.37
South Placer Jurisdictions																		
Lincoln	Full Service	-	-	-	\$2.05	\$2.20	\$2.58	\$2.59	\$2.57	\$2.40	\$2.01	\$1.88	\$1.90	\$1.80	\$1.68	\$1.82	n/a	n/a
Loomis	Full Service	\$1.12	\$1.10	\$1.64	\$2.06	\$1.96	\$1.91	\$1.64	\$1.71	\$1.76	\$1.59	\$1.31	\$1.34	\$1.39	\$1.21	\$1.13	0.08%	\$0.01
Rocklin	Full Service	\$1.73	\$1.75	\$1.70	\$1.77	\$1.82	\$2.16	\$2.23	\$2.23	\$2.02	\$1.91	\$1.80	\$1.68	\$1.61	\$1.54	\$1.53	-0.87%	(\$0.20)
Roseville	Full Service	\$1.78	\$1.91	\$1.92	\$2.10	\$1.96	\$2.12	\$2.24	\$2.23	\$2.09	\$1.93	\$1.84	\$1.72	\$1.64	\$1.66	\$1.67	-0.44%	(\$0.11)
South Placer	Full Service	\$1.77	\$1.87	\$1.89	\$2.02	\$1.94	\$2.13	\$2.23	\$2.23	\$2.07	\$1.92	\$1.82	\$1.71	\$1.63	\$1.63	\$1.65	-0.50%	(\$0.12)
Placer County	Full Service	\$1.75	\$1.85	\$1.88	\$2.01	\$1.94	\$2.13	\$2.22	\$2.22	\$2.06	\$1.91	\$1.81	\$1.69	\$1.61	\$1.61	\$1.64	-0.45%	(\$0.11)
Sacramento Region	Full Service	\$1.59	\$1.67	\$1.70	\$1.75	\$1.77	\$1.88	\$1.97	\$2.08	\$2.00	\$1.88	\$1.79	\$1.70	\$1.65	\$1.64	\$1.66	0.32%	\$0.07
SIA Percent Difference Compared to South Placer		n/a	n/a	n/a	n/a	(40.8%)	(46.0%)	n/a	n/a	n/a	(14.8%)	(11.6%)	(5.4%)	(3.9%)	(5.8%)	(7.5%)	-	-
South Placer Percent Difference Compared to Placer Co.		1.0%	0.8%	0.8%	0.6%	0.2%	0.3%	0.4%	0.5%	0.4%	0.5%	0.7%	0.9%	1.0%	1.1%	0.4%	-	-
Placer Co. Percent Difference Compared to Sac Region		10.0%	10.7%	10.4%	14.7%	9.7%	12.9%	13.0%	6.9%	3.3%	1.7%	1.2%	(0.4%)	(2.0%)	(1.8%)	(1.2%)	-	-

Source: CoStar; EPS.

office lease

[1] Average Annual % Change and Difference (2004-2014)

Table C-3
 Sunset Industrial Area Market Analysis
 Commercial and Industrial Market Analysis
 Office Market Annual RBA Delivered

Office -- Bldg. Sq. Ft. Constructed

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Average Annual (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	62,034	0	0	0	0	0	0	58,187	0	0	0	0	120,221	8,015
South Placer Jurisdictions																		
Lincoln		0	2,600	20,800	0	18,200	11,514	58,165	24,668	22,800	0	0	0	0	0	0	158,747	10,583
Loomis		0	6,550	0	11,000	0	0	5,600	0	0	0	0	0	0	0	0	23,150	1,543
Rocklin		41,872	37,331	229,418	154,059	55,873	127,137	168,396	462,014	231,275	135,267	58,187	0	0	5,800	0	1,706,629	113,775
Roseville		592,484	255,843	223,249	574,502	423,775	719,275	359,813	240,091	478,108	0	0	0	0	51,169	62,440	3,980,749	265,383
South Placer	b	656,580	372,334	494,428	804,580	558,191	907,958	610,598	726,773	732,183	135,267	58,187	0	0	56,969	62,440	6,176,488	411,766
Placer County	c	657,705	456,059	494,428	804,580	571,121	965,837	736,078	877,873	753,388	135,267	58,187	0	22,596	56,969	62,440	6,652,528	443,502
Sacramento Region	d	2,017,448	3,336,711	2,845,026	2,960,281	1,658,636	3,468,544	1,651,806	2,015,225	1,989,723	2,379,906	595,678	240,195	359,559	273,931	133,346	25,926,015	1,728,401
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	7.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	1.9%	1.9%
South Placer as a Percentage of Placer Co.	b/c	99.8%	81.6%	100.0%	100.0%	97.7%	94.0%	83.0%	82.8%	97.2%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	92.8%	92.8%
Placer Co. as a Percentage of Sac Region	c/d	32.6%	13.7%	17.4%	27.2%	34.4%	27.8%	44.6%	43.6%	37.9%	5.7%	9.8%	0.0%	6.3%	20.8%	46.8%	25.7%	25.7%

Source: CoStar; EPS.

office deliv

Table C-4
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Retail Market Average Asking Lease Rates (2006-2014)

Retail -- Lease Rates

Market	Lease Type	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2006-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	-	-	-	-	-	-	-	-	-	n/a	n/a
South Placer Jurisdictions												
Lincoln	Triple Net	\$2.39	\$1.75	\$1.93	\$2.00	\$1.81	\$1.70	\$1.77	\$1.76	\$1.84	-3.22%	n/a
Loomis	Triple Net	\$1.75	\$1.75	-	-	-	\$2.50	\$1.90	\$2.00	\$1.61	-1.06%	(\$0.14)
Rocklin	Triple Net	\$2.10	\$2.14	\$1.83	\$1.87	\$1.50	\$1.45	\$1.31	\$1.30	\$1.35	-5.38%	(\$0.75)
Roseville	Triple Net	\$2.18	\$2.48	\$2.11	\$1.91	\$1.75	\$1.51	\$1.39	\$1.42	\$1.38	-5.56%	(\$0.80)
South Placer	Triple Net	\$2.14	\$2.19	\$1.94	\$1.90	\$1.67	\$1.52	\$1.41	\$1.42	\$1.42	-5.02%	(\$0.72)
Placer County	Triple Net	\$2.15	\$2.21	\$1.98	\$1.94	\$1.64	\$1.48	\$1.41	\$1.41	\$1.41	-5.13%	(\$0.74)
Sacramento Region	Triple Net	\$1.90	\$1.96	\$1.75	\$1.65	\$1.49	\$1.37	\$1.33	\$1.30	\$1.34	-4.21%	(\$0.55)
SIA Percent Difference Compared to South Placer		n/a	-	-								
South Placer Percent Difference Compared to Placer Co.		(0.8%)	(0.8%)	(2.1%)	(2.0%)	2.2%	2.5%	0.4%	0.7%	0.2%	-	-
Placer Co. Percent Difference Compared to Sac Region		13.5%	12.6%	13.1%	17.5%	9.7%	7.9%	5.9%	8.1%	5.1%	-	-

retail lease

Source: CoStar; EPS.

Table C-5
 Sunset Industrial Area Market Analysis
 Commercial and Industrial Market Analysis
 Retail Market Annual RBA Delivered

Retail -- Bldg. Sq. Ft. Constructed

Market	Formula	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Annual Average (2006-2014)
Sunset Industrial Area (SIA)	a	0	0	0	0	0	0	0	0	0	0	0
South Placer Jurisdictions												
Lincoln		207,048	360,101	17,805	6,100	0	14,490	0	0	0	605,544	67,283
Loomis		0	0	0	0	0	0	0	0	0	0	0
Rocklin		94,025	435,615	18,660	21,835	0	7,000	0	190,062	272,289	1,039,486	115,498
Roseville		210,074	148,870	349,973	46,063	0	22,870	16,406	13,800	15,000	823,056	91,451
South Placer	b	511,147	984,386	386,438	77,161	0	44,360	16,406	203,862	287,289	2,511,049	279,005
Placer County	c	561,042	1,008,543	455,254	97,903	2,519	44,360	16,406	206,271	287,289	2,679,587	297,732
Sacramento Region	d	3,440,938	3,055,948	1,876,653	1,217,148	381,071	453,621	281,627	649,702	807,778	12,164,486	1,351,610
<hr/>												
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Placer as a Percentage of Placer Co.	b/c	91.1%	97.6%	84.9%	78.8%	0.0%	100.0%	100.0%	98.8%	100.0%	93.7%	93.7%
Placer Co. as a Percentage of Sac Region	c/d	16.3%	33.0%	24.3%	8.0%	0.7%	9.8%	5.8%	31.7%	35.6%	22.0%	22.0%

Source: CoStar; EPS.

retail deliv

Table C-6
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Warehouse & Distribution Market Inventory: Leasable Square Feet (2000-2014)

**Warehouse & Distribution --
Leasable Sq. Ft.**

Market	Formula	Warehouse & Distribution Inventory: Leasable Sq. Ft. [1]															Difference 2000-2014	Average Annual % Change	Average Annual Share
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4			
Sunset Industrial Area (SIA)	a	2,874,309	3,202,202	3,289,706	3,289,706	3,311,506	3,423,384	3,443,034	3,544,890	670,581	1.5%	-							
South Placer Jurisdictions																			
Lincoln		2,251,338	2,275,266	2,275,266	2,275,266	2,285,667	2,285,667	2,285,667	2,385,317	2,385,317	2,385,317	2,385,317	2,385,317	2,385,317	2,385,317	2,385,317	133,979	0.4%	-
Loomis		731,503	733,978	733,978	733,978	757,778	776,678	789,037	789,037	789,037	789,037	789,037	834,537	834,537	834,537	834,537	103,034	0.9%	-
Rocklin		4,217,888	4,558,701	4,646,205	4,646,205	4,684,455	4,803,560	4,847,714	5,011,930	5,011,930	5,011,930	5,011,930	5,011,930	5,011,930	5,011,930	5,011,930	794,042	1.2%	-
Roseville		2,840,278	3,200,193	3,434,076	3,457,108	3,607,056	3,651,732	3,856,914	3,936,931	3,936,931	4,022,251	4,053,627	4,038,927	4,038,927	4,038,927	4,237,671	1,397,393	2.9%	-
South Placer	b	10,049,007	10,776,138	11,097,525	11,120,557	11,346,014	11,531,495	11,793,190	12,137,073	12,137,073	12,222,393	12,253,769	12,284,569	12,284,569	12,284,569	12,483,313	2,434,306	1.6%	-
Regional Markets																			
Highway 50 Corridor		15,731,571	16,039,058	16,345,868	16,723,494	17,270,909	17,281,409	17,348,605	17,674,314	17,689,306	17,693,056	17,693,056	17,693,056	17,675,305	17,634,747	17,634,747	1,903,176	0.8%	-
McClellan		10,261,360	10,537,160	10,608,024	10,608,024	10,669,759	10,917,743	11,038,654	11,108,854	11,148,638	11,153,438	11,148,940	11,148,940	11,148,940	11,105,608	10,915,048	653,688	0.4%	-
West Sacramento		12,341,200	12,652,950	12,990,074	13,126,794	13,157,794	13,411,738	13,530,534	13,530,534	13,830,534	13,810,534	13,786,394	13,084,817	13,084,817	13,196,028	13,196,028	854,828	0.5%	-
Davis/Woodland		13,619,969	13,762,655	14,235,461	14,235,461	14,261,981	14,307,981	14,322,981	14,322,981	13,763,981	13,763,981	13,744,131	13,744,131	13,744,131	13,709,565	13,709,565	89,596	0.0%	-
Woodland		12,693,464	12,818,550	13,291,356	13,291,356	13,317,876	13,363,876	13,378,876	13,378,876	13,378,876	13,378,876	13,359,026	13,359,026	13,359,026	13,357,366	13,357,366	663,902	0.4%	-
Power Inn		20,285,847	20,394,803	20,857,109	21,070,889	21,573,942	21,831,322	22,090,032	22,664,846	22,718,924	22,665,924	22,677,984	22,617,984	22,617,984	22,572,503	22,572,503	2,286,656	0.8%	-
Natomas/Northgate		8,590,043	8,839,569	9,065,172	9,065,172	9,593,489	10,578,083	10,804,379	11,097,701	11,100,301	11,100,301	11,100,301	11,107,221	11,107,221	11,107,221	11,107,221	2,517,178	1.9%	-
Mather		2,726,827	2,852,652	2,882,652	2,996,141	3,145,641	3,145,641	3,192,837	3,272,037	3,272,037	3,272,037	3,272,037	3,272,037	3,254,286	3,250,828	3,250,828	524,001	1.3%	-
Folsom/El Dorado		1,235,069	1,267,829	1,267,829	1,301,540	1,301,540	1,305,540	1,327,288	1,342,538	1,392,538	1,392,538	1,392,538	1,392,538	1,392,538	1,392,538	1,392,538	157,469	0.9%	-
Sunrise		7,720,429	7,902,091	8,143,961	8,427,786	8,594,915	8,605,415	8,625,415	8,700,445	8,710,445	8,714,195	8,714,195	8,714,195	8,714,195	8,709,195	8,709,195	988,766	0.9%	-
Placer County	c	11,804,619	12,563,742	12,956,711	12,979,743	13,205,200	13,390,681	13,667,112	14,016,035	14,016,035	14,101,355	14,132,731	14,163,531	14,163,531	14,163,531	14,362,275	2,557,656	1.4%	-
Sacramento Region	d	110,114,718	112,188,246	114,368,544	115,342,301	117,123,331	119,257,113	120,643,980	122,294,868	122,217,420	122,226,290	121,236,047	120,512,190	120,494,439	120,241,613	120,159,122	10,044,404	0.6%	-
SIA as a Percentage of South Placer	a/b	28.6%	29.7%	29.6%	29.6%	29.2%	29.7%	29.2%	29.2%	29.2%	29.0%	28.9%	28.9%	28.9%	28.9%	28.4%	27.5%	(0.1%)	29.1%
South Placer as a Percentage of Placer Co.	b/c	85.1%	85.8%	85.7%	85.7%	85.9%	86.1%	86.3%	86.6%	86.6%	86.7%	86.7%	86.7%	86.7%	86.7%	86.9%	95.2%	0.1%	86.3%
Placer Co. as a Percentage of Sac Region	c/d	10.7%	11.2%	11.3%	11.3%	11.3%	11.2%	11.3%	11.5%	11.5%	11.5%	11.7%	11.8%	11.8%	11.8%	12.0%	25.5%	0.8%	11.5%

Source: CoStar; EPS.

w&d inv

[1] Reflects data as of the fourth quarter of each year.

Table C-7
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Warehouse & Distribution Market Vacancy (2000-2014)

**Warehouse & Distribution --
 Vacancy**

Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	331,800	11.5%	588,364	18.4%	758,858	23.1%	415,854	12.6%	405,941	12.3%	175,654	5.1%	137,004	4.0%	560,497	15.8%
South Placer Jurisdictions																	
Lincoln		312,613	13.9%	359,513	15.8%	323,023	14.2%	266,642	11.7%	307,232	13.4%	283,878	12.4%	677,157	29.6%	859,316	36.0%
Loomis		14,500	2.0%	28,600	3.9%	51,639	7.0%	41,770	5.7%	50,593	6.7%	27,400	3.5%	33,550	4.3%	37,748	4.8%
Rocklin		357,700	8.5%	618,864	13.6%	804,999	17.3%	468,939	10.1%	917,899	19.6%	215,015	4.5%	163,137	3.4%	602,979	12.0%
Roseville		158,000	5.6%	529,874	16.6%	400,977	11.7%	380,919	11.0%	383,847	10.6%	226,809	6.2%	269,334	7.0%	195,571	5.0%
South Placer	b	842,813	8.4%	1,536,851	14.3%	1,580,638	14.2%	1,158,270	10.4%	1,659,571	14.6%	753,102	6.5%	1,143,178	9.7%	1,698,414	14.0%
Regional Markets																	
Highway 50 Corridor		900,104	5.7%	1,064,530	6.6%	934,619	5.7%	1,277,688	7.6%	1,473,823	8.5%	1,216,918	7.0%	1,220,778	7.0%	1,289,312	7.3%
McClellan		364,139	3.5%	2,391,149	22.7%	2,150,963	20.3%	2,009,671	18.9%	1,871,009	17.5%	2,084,218	19.1%	2,149,175	19.5%	1,561,512	14.1%
West Sacramento		889,171	7.2%	1,585,743	12.5%	1,595,208	12.3%	1,614,738	12.3%	1,631,859	12.4%	1,507,639	11.2%	1,346,081	9.9%	945,639	7.0%
Davis/Woodland		1,361,824	10.0%	1,642,165	11.9%	2,507,231	17.6%	1,793,909	12.6%	2,663,971	18.7%	2,192,668	15.3%	1,504,207	10.5%	1,434,399	10.0%
Woodland		1,347,724	10.6%	1,624,465	12.7%	2,480,461	18.7%	1,772,409	13.3%	2,065,411	15.5%	2,089,899	15.6%	1,451,047	10.8%	1,377,539	10.3%
Power Inn		3,759,945	18.5%	2,851,787	14.0%	3,271,518	15.7%	3,004,264	14.3%	3,199,315	14.8%	3,035,270	13.9%	2,669,719	12.1%	2,203,431	9.7%
Natomas/Northgate		550,284	6.4%	998,879	11.3%	923,839	10.2%	690,578	7.6%	713,102	7.4%	1,318,184	12.5%	1,503,417	13.9%	1,365,002	12.3%
Mather		177,185	6.5%	431,127	15.1%	219,839	7.6%	517,602	17.3%	551,431	17.5%	451,238	14.3%	303,528	9.5%	384,834	11.8%
Folsom/El Dorado		46,500	3.8%	107,260	8.5%	119,355	9.4%	64,860	5.0%	33,175	2.5%	8,600	0.7%	100,364	7.6%	153,940	11.5%
Sunrise		297,672	3.9%	237,215	3.0%	337,663	4.1%	484,874	5.8%	557,114	6.5%	565,564	6.6%	607,685	7.0%	550,373	6.3%
Placer County	c	846,493	7.2%	1,536,851	12.2%	1,592,838	12.3%	1,175,503	9.1%	1,680,970	12.7%	786,586	5.9%	1,179,517	8.6%	1,759,232	12.6%
Sacramento Region	d	9,738,679	8.8%	13,396,450	11.9%	14,201,901	12.4%	12,650,759	11.0%	14,536,929	12.4%	13,551,969	11.4%	12,545,047	10.4%	11,965,227	9.8%
SIA as a Percentage of South Placer	a/b	-	39.4%	-	38.3%	-	48.0%	-	35.9%	-	24.5%	-	23.3%	-	12.0%	-	33.0%
South Placer as a Percentage of Placer Co.	b/c	-	99.6%	-	100.0%	-	99.2%	-	98.5%	-	98.7%	-	95.7%	-	96.9%	-	96.5%
Placer Co. as a Percentage of Sac Region	c/d	-	8.7%	-	11.5%	-	11.2%	-	9.3%	-	11.6%	-	5.8%	-	9.4%	-	14.7%

Source: CoStar; EPS.

Table C-7
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Warehouse & Distribution Market Vacancy (2000-2014)

**Warehouse & Distribution --
Vacancy**

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%														
Sunset Industrial Area (SIA)	a	604,896	17.1%	680,837	19.2%	691,363	19.5%	499,203	14.1%	493,686	13.9%	483,834	13.6%	465,752	13.1%	486,236	14.2%
South Placer Jurisdictions																	
Lincoln		1,392,182	58.4%	1,308,067	54.8%	1,460,236	61.2%	1,471,946	61.7%	1,460,906	61.2%	1,330,022	55.8%	1,283,915	53.8%	873,110	37.4%
Loomis		25,778	3.3%	38,800	4.9%	40,050	5.1%	113,995	13.7%	91,564	11.0%	49,986	6.0%	5,654	0.7%	43,442	5.5%
Rocklin		652,236	13.0%	744,690	14.9%	729,620	14.6%	537,249	10.7%	550,782	11.0%	493,867	9.9%	481,678	9.6%	555,977	11.5%
Roseville		335,596	8.5%	493,924	12.3%	562,568	13.9%	541,657	13.4%	581,594	14.4%	472,477	11.7%	235,926	5.6%	384,605	10.2%
South Placer	b	2,405,792	19.8%	2,585,481	21.2%	2,792,474	22.8%	2,667,647	21.7%	2,684,846	21.9%	2,346,352	19.1%	2,007,173	16.1%	1,857,507	15.8%
Regional Markets																	
Highway 50 Corridor		1,658,996	9.4%	2,280,343	12.9%	2,405,626	13.6%	2,150,602	12.2%	1,762,010	10.0%	1,737,007	9.8%	1,175,976	6.7%	1,503,222	8.7%
McClellan		1,372,028	12.3%	1,587,475	14.2%	1,787,352	16.0%	2,048,976	18.4%	2,041,219	18.3%	1,866,386	16.8%	1,637,151	15.0%	1,794,828	16.5%
West Sacramento		581,140	4.2%	641,597	4.6%	920,483	6.7%	862,744	6.6%	1,021,351	7.8%	815,384	6.2%	751,910	5.7%	1,114,046	8.4%
Davis/Woodland		1,565,928	11.4%	1,767,365	12.8%	2,261,337	16.5%	1,929,960	14.0%	2,460,890	17.9%	2,212,093	16.1%	1,059,939	7.7%	1,890,526	13.6%
Woodland		1,542,228	11.5%	1,741,169	13.0%	2,208,921	16.5%	1,864,384	14.0%	2,391,634	17.9%	2,160,790	16.2%	1,002,309	7.5%	1,808,026	13.6%
Power Inn		2,526,584	11.1%	2,834,054	12.5%	2,972,657	13.1%	2,838,262	12.5%	2,386,416	10.6%	2,374,419	10.5%	1,740,035	7.7%	2,777,845	12.7%
Natomas/Northgate		1,480,899	13.3%	1,645,611	14.8%	1,676,665	15.1%	1,648,986	14.8%	1,756,426	15.8%	1,204,284	10.8%	1,143,246	10.3%	1,241,293	12.0%
Mather		492,285	15.0%	493,831	15.1%	496,574	15.2%	493,261	15.1%	489,421	15.0%	480,146	14.8%	519,859	16.0%	433,477	13.8%
Folsom/El Dorado		135,313	9.7%	131,855	9.5%	127,543	9.2%	121,922	8.8%	200,402	14.4%	83,689	6.0%	99,044	7.1%	102,255	7.6%
Sunrise		621,569	7.1%	1,051,968	12.1%	1,224,337	14.0%	1,080,064	12.4%	770,730	8.8%	693,457	8.0%	532,298	6.1%	640,839	7.5%
Placer County	c	2,503,044	17.9%	2,600,869	18.4%	2,861,715	20.2%	2,811,067	19.8%	2,803,488	19.8%	2,427,019	17.1%	2,058,084	14.3%	1,908,218	14.1%
Sacramento Region	d	13,202,740	10.8%	15,299,084	12.5%	16,946,491	14.0%	16,251,712	13.5%	15,920,629	13.2%	13,886,796	11.5%	10,958,236	9.1%	13,670,177	11.5%
SIA as a Percentage of South Placer	a/b	-	25.1%	-	26.3%	-	24.8%	-	18.7%	-	18.4%	-	20.6%	-	23.2%	-	26.2%
South Placer as a Percentage of Placer Co.	b/c	-	96.1%	-	99.4%	-	97.6%	-	94.9%	-	95.8%	-	96.7%	-	97.5%	-	97.3%
Placer Co. as a Percentage of Sac Region	c/d	-	19.0%	-	17.0%	-	16.9%	-	17.3%	-	17.6%	-	17.5%	-	18.8%	-	14.0%

w&d vacancy

Source: CoStar; EPS.

Table C-8
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Warehouse & Distribution Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

**Warehouse & Distribution --
Net Absorption**

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	164,133	16,040	(27,701)	(214,670)	578,117	353,435	58,300	(321,637)	(59,999)	(68,341)	(18,166)	121,883	91,434	(10,183)	(9,883)	43,517
South Placer Jurisdictions																	
Lincoln		(231,549)	(22,972)	36,490	47,001	(20,809)	(11,966)	(413,959)	(26,509)	(532,866)	84,115	(152,169)	(11,710)	40	141,884	46,107	(71,258)
Loomis		35,842	(11,625)	(23,039)	9,869	14,977	42,093	(391)	2,402	11,970	(13,022)	(1,250)	(28,445)	17,931	46,078	44,332	9,848
Rocklin		175,653	11,450	(30,432)	(221,614)	135,694	833,259	92,524	(278,118)	(63,998)	(82,163)	9,880	122,094	69,454	38,298	(37,588)	51,626
Roseville		297,974	(22,397)	373,218	(842)	170,309	222,357	148,657	119,014	(91,259)	(77,008)	(60,390)	33,333	(57,937)	112,878	405,393	104,887
South Placer	b	277,920	(45,544)	356,237	(165,586)	303,229	1,088,543	(173,169)	(186,011)	(673,353)	(88,078)	(203,929)	112,472	32,288	339,138	458,244	95,493
Regional Markets																	
Highway 50 Corridor		223,648	(5,902)	568,875	77,570	301,229	362,129	102,131	302,940	(390,127)	(629,544)	(202,630)	332,596	229,690	134,518	339,689	116,454
McClellan		636,514	(1,938,507)	450,724	219,050	195,962	25,975	73,042	553,234	319,289	(196,921)	(196,493)	(260,112)	(7,680)	105,654	71,934	3,444
West Sacramento		243,821	(368,639)	197,989	(52,549)	237,497	373,350	317,124	500,854	656,789	(60,064)	(389,009)	(565,358)	(220,406)	282,819	151,012	87,015
Davis/Woodland		(260,139)	(129,640)	(500,650)	533,867	(537,297)	512,303	553,847	(368,143)	(97,964)	(207,837)	(526,623)	325,792	(593,047)	301,134	981,365	(869)
Woodland		(253,539)	(143,640)	(491,580)	528,597	39,763	16,512	504,238	194,557	(131,124)	(205,341)	(500,403)	341,402	(591,817)	316,087	987,692	40,760
Power Inn		(1,213,224)	293,321	715,599	558,341	285,025	391,593	828,948	986,493	(281,635)	(435,247)	(62,341)	(204,645)	728,881	18,602	304,835	194,303
Natomas/Northgate		580,906	(149,584)	223,292	120,720	626,680	368,209	98,572	467,529	(135,915)	(149,960)	(173,966)	75,073	(286,243)	586,042	270,722	168,138
Mather		105,759	(115,737)	154,557	(68,837)	86,105	83,006	224,909	(522)	(125,451)	16,454	(26,743)	23,713	(24,462)	(783)	(42,962)	19,267
Folsom/El Dorado		28,063	(26,642)	(10,853)	68,206	31,685	28,575	(78,910)	(29,432)	68,627	3,458	4,312	5,621	(88,245)	126,478	(15,355)	7,706
Sunrise		151,953	196,830	276,048	1,267	108,993	114,574	(33,142)	166,052	(78,631)	(406,649)	(221,311)	123,667	254,122	190,888	164,604	67,284
Placer County	c	376,410	(9,872)	415,619	(171,794)	300,238	1,076,458	(161,288)	(205,450)	(709,787)	(16,934)	(247,062)	38,293	57,066	373,438	491,675	107,134
Sacramento Region	d	626,918	(2,672,539)	2,211,159	1,378,411	1,282,306	3,162,557	2,614,995	1,801,541	(624,731)	(3,087,831)	(359,213)	(247,447)	99,307	2,092,737	2,633,256	727,428
SIA as a Percentage of South Placer	a/b	59.1%	(35.2%)	(7.8%)	129.6%	190.7%	32.5%	(33.7%)	172.9%	8.9%	77.6%	8.9%	108.4%	283.2%	(3.0%)	(2.2%)	45.6%
South Placer as a Percentage of Placer Co.	b/c	73.8%	461.3%	85.7%	96.4%	101.0%	101.1%	107.4%	90.5%	94.9%	520.1%	82.5%	293.7%	56.6%	90.8%	93.2%	89.1%
Placer Co. as a Percentage of Sac Region	c/d	60.0%	0.4%	18.8%	(12.5%)	23.4%	34.0%	(6.2%)	(11.4%)	113.6%	0.5%	68.8%	(15.5%)	57.5%	17.8%	18.7%	14.7%

Source: CoStar; EPS.

w&d absorb

Table C-9
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Warehouse & Distribution Market Average Asking Lease Rates (2000-2014)

**Warehouse & Distribution --
Lease Rates**

Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	\$0.32	\$0.32	\$0.28	\$0.42	\$0.41	\$0.57	\$0.56	\$0.69	\$0.66	\$0.54	\$0.50	\$0.38	\$0.43	\$0.48	\$0.31	(0.3%)	(\$0.01)
South Placer Jurisdictions																		
Lincoln	Triple Net	-	-	\$0.31	-	-	\$0.60	\$0.60	-	\$1.00	\$0.74	\$0.35	\$0.34	\$0.34	\$0.31	\$0.28	n/a	n/a
Loomis	Triple Net	-	-	-	\$0.65	\$0.65	\$0.65	-	\$0.85	\$0.75	\$0.59	\$0.59	\$0.65	\$0.59	\$0.39	\$0.38	n/a	n/a
Rocklin	Triple Net	\$0.32	\$0.36	\$0.33	\$0.38	\$0.38	\$0.60	\$0.58	\$0.79	\$0.75	\$0.55	\$0.50	\$0.39	\$0.47	\$0.51	\$0.31	(0.3%)	(\$0.01)
Roseville	Triple Net	\$0.37	\$0.49	\$0.49	\$0.57	\$0.55	\$0.64	\$0.67	\$0.56	\$0.65	\$0.51	\$0.58	\$0.51	\$0.52	\$0.52	\$0.60	3.6%	\$0.23
South Placer	Triple Net	\$0.35	\$0.43	\$0.36	\$0.44	\$0.43	\$0.62	\$0.63	\$0.71	\$0.71	\$0.54	\$0.46	\$0.39	\$0.40	\$0.37	\$0.32	(0.7%)	(\$0.03)
Regional Markets																		
Highway 50 Corridor	Triple Net	\$0.36	\$0.36	\$0.36	\$0.44	\$0.41	\$0.47	\$0.49	\$0.51	\$0.48	\$0.41	\$0.40	\$0.37	\$0.38	\$0.38	\$0.40	0.8%	\$0.04
McClellan	Triple Net	\$0.25	\$0.42	\$0.36	\$0.40	\$0.51	\$0.45	\$0.58	\$0.50	\$0.53	\$0.40	\$0.38	\$0.44	\$0.44	\$0.43	\$0.34	2.3%	\$0.09
West Sacramento	Triple Net	\$0.30	\$0.32	\$0.36	\$0.33	\$0.37	\$0.38	\$0.42	\$0.46	\$0.46	\$0.38	\$0.37	\$0.36	\$0.40	\$0.44	\$0.41	2.3%	\$0.11
Davis/Woodland	Triple Net	\$0.29	\$0.27	\$0.26	\$0.25	\$0.24	\$0.24	\$0.26	\$0.29	\$0.29	\$0.30	\$0.26	\$0.26	\$0.26	\$0.25	\$0.27	(0.5%)	(\$0.02)
Woodland	Triple Net	\$0.29	\$0.27	\$0.26	\$0.25	\$0.25	\$0.26	\$0.27	\$0.29	\$0.29	\$0.30	\$0.25	\$0.25	\$0.25	\$0.25	\$0.27	(0.5%)	(\$0.02)
Power Inn	Triple Net	\$0.49	\$0.28	\$0.30	\$0.31	\$0.34	\$0.45	\$0.50	\$0.44	\$0.40	\$0.34	\$0.33	\$0.33	\$0.34	\$0.32	\$0.34	(2.5%)	(\$0.15)
Natomas/Northgate	Triple Net	\$0.31	\$0.32	\$0.33	\$0.32	\$0.39	\$0.38	\$0.39	\$0.45	\$0.40	\$0.35	\$0.35	\$0.34	\$0.37	\$0.38	\$0.40	1.7%	\$0.08
Mather	Triple Net	\$0.39	\$0.45	\$0.34	\$0.47	\$0.35	\$0.37	\$0.40	\$0.50	\$0.45	\$0.43	\$0.41	\$0.40	\$0.42	\$0.38	\$0.37	(0.3%)	(\$0.01)
Folsom/El Dorado	Triple Net	\$0.36	\$0.54	\$0.58	\$0.65	\$0.65	\$0.65	\$0.97	\$1.04	\$0.70	\$0.68	\$0.65	\$0.76	\$0.76	\$0.71	\$0.73	5.2%	\$0.37
Sunrise	Triple Net	\$0.34	\$0.48	\$0.44	\$0.41	\$0.43	\$0.50	\$0.54	\$0.60	\$0.58	\$0.47	\$0.42	\$0.39	\$0.39	\$0.41	\$0.44	1.8%	\$0.09
Placer County	Triple Net	\$0.35	\$0.43	\$0.37	\$0.44	\$0.43	\$0.62	\$0.64	\$0.72	\$0.71	\$0.54	\$0.47	\$0.40	\$0.41	\$0.38	\$0.33	(0.5%)	(\$0.02)
Sacramento Region	Triple Net	\$0.34	\$0.33	\$0.33	\$0.34	\$0.35	\$0.39	\$0.43	\$0.47	\$0.44	\$0.40	\$0.37	\$0.35	\$0.36	\$0.36	\$0.36	0.3%	\$0.01
SIA Percent Difference Compared to South Placer		(9.3%)	(25.5%)	(23.0%)	(2.9%)	(3.7%)	(7.8%)	(11.2%)	(3.1%)	(6.8%)	(1.4%)	8.7%	(2.1%)	9.0%	29.6%	(4.7%)	-	-
South Placer Percent Difference Compared to Placer Co.		0.0%	0.0%	(0.7%)	(0.8%)	(0.2%)	0.0%	(1.2%)	(0.2%)	(0.7%)	1.1%	(1.6%)	(1.5%)	(3.0%)	(2.0%)	(2.3%)	-	-
Placer Co. Percent Difference Compared to Sac Region		1.7%	32.8%	12.3%	30.0%	22.1%	60.4%	48.8%	51.4%	62.2%	35.3%	26.6%	14.4%	13.3%	6.8%	(8.8%)	-	-

Source: CoStar; EPS.

w&d lease

Table C-10
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Warehouse & Distribution Market Annual RBA Delivered

Warehouse & Distribution -- Bldg. Sq. Ft. Constructed
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Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Annual Average (2000-2014)
Sunset Industrial Area (S)A	a	0	327,893	87,504	0	21,800	111,878	19,650	101,856	0	0	0	0	0	0	0	670,581	44,705
South Placer Jurisdictions																		
Lincoln		77,164	23,928	0	0	10,401	0	0	99,650	0	0	0	0	0	0	0	211,143	14,076
Loomis		26,300	2,475	0	0	23,800	18,900	12,359	0	0	0	0	45,500	0	0	0	129,334	8,622
Rocklin		16,120	340,813	87,504	0	38,250	119,105	44,154	164,216	0	0	0	0	0	0	0	810,162	54,011
Roseville		209,260	359,915	233,883	23,032	149,948	44,676	205,182	80,017	0	85,320	31,376	0	0	0	198,744	1,621,353	108,090
South Placer	b	328,844	727,131	321,387	23,032	225,457	185,481	261,695	343,883	0	85,320	31,376	45,500	0	0	198,744	2,777,850	185,190
Regional Markets																		
Highway 50 Corridor		224,359	307,487	306,810	434,097	547,415	10,500	67,196	325,709	14,992	3,750	0	0	0	0	0	2,242,315	149,488
McClellan		363,760	275,800	70,864	0	61,735	247,984	120,911	70,200	44,496	4,800	0	0	0	0	0	1,260,550	84,037
West Sacramento		214,008	311,750	337,124	136,720	49,000	253,944	118,796	0	300,000	0	0	0	0	131,211	0	1,852,553	123,504
Davis/Woodland		690,401	142,686	472,806	0	26,520	46,000	15,000	0	0	0	0	0	0	0	0	1,393,413	92,894
Woodland		690,401	125,086	472,806	0	26,520	46,000	15,000	0	0	0	0	0	0	0	0	1,375,813	91,721
Power Inn		12,757	108,956	462,306	213,780	503,053	257,380	258,710	558,814	54,078	7,000	12,060	0	0	0	0	2,448,894	163,260
Natomas/Northgate		360,860	249,526	225,603	0	528,317	984,594	226,296	293,322	17,600	0	0	6,920	0	0	0	2,893,038	192,869
Mather		37,545	125,825	30,000	169,960	149,500	0	47,196	79,200	0	0	0	0	0	0	0	639,226	42,615
Folsom/El Dorado		38,163	32,760	0	33,711	0	4,000	21,748	15,250	50,000	0	0	0	0	0	0	195,632	13,042
Sunrise		186,814	181,662	241,870	283,825	167,129	10,500	20,000	75,030	10,000	3,750	0	0	0	0	0	1,180,580	78,705
Placer County	c	393,094	759,123	392,969	23,032	225,457	185,481	276,431	348,923	0	85,320	31,376	45,500	0	0	198,744	2,965,450	197,697
Sacramento Region	d	2,354,702	2,201,528	2,275,298	1,030,228	1,799,030	2,133,782	1,386,867	1,634,888	636,346	100,870	52,636	52,420	0	131,211	198,744	15,988,550	1,065,903
SIA as a Percentage of South Placer	a/b	0.0%	45.1%	27.2%	0.0%	9.7%	60.3%	7.5%	29.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	24.1%	24.1%
South Placer as a Percentage of Placer Co.	b/c	83.7%	95.8%	81.8%	100.0%	100.0%	100.0%	94.7%	98.6%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%	93.7%	93.7%
Placer Co. as a Percentage of Sac Region	c/d	16.7%	34.5%	17.3%	2.2%	12.5%	8.7%	19.9%	21.3%	0.0%	84.6%	59.6%	86.8%	0.0%	0.0%	100.0%	18.5%	18.5%

Source: CoStar; EPS.

w&d deliv

Table C-11
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Manufacturing Market Inventory: Leasable Square Feet (2000-2014)

Manufacturing -- Leasable Sq. Ft.

Market	Formula	Manufacturing Inventory: Leasable Sq. Ft. [1]															Difference 2000-2014	Average Annual % Change	Average Annual Share				
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4							
Sunset Industrial Area (SIA)	a	47,186	47,186	47,186	47,186	53,206	6,020	n/a	-														
South Placer Jurisdictions																							
Lincoln		1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	1,390,276	0	n/a	-		
Loomis		57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	57,939	0	n/a	-	
Rocklin		511,409	511,409	511,409	511,409	517,429	517,429	517,429	522,469	522,469	522,469	522,469	522,469	522,469	522,469	522,469	522,469	522,469	522,469	11,060	n/a	-	
Roseville		1,256,150	1,256,150	1,256,150	1,256,150	1,256,150	1,256,150	1,256,150	1,256,150	1,256,150	1,264,650	1,264,650	1,264,650	1,264,650	1,264,650	1,264,650	1,264,650	1,264,650	1,264,650	8,500	0.0%	-	
South Placer	b	3,210,524	3,210,524	3,210,524	3,210,524	3,216,544	3,216,544	3,216,544	3,221,584	3,221,584	3,230,084	19,560	0.0%	-									
Regional Markets																							
Highway 50 Corridor		2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	2,615,463	0	0.0%	-	
McClellan		2,975,802	2,975,802	2,975,802	2,975,802	2,975,802	2,975,802	2,967,149	2,967,149	2,967,149	2,967,149	2,967,149	2,967,149	2,967,149	2,967,149	2,948,551	2,948,551	2,948,551	2,948,551	(27,251)	-0.1%	-	
West Sacramento		1,569,200	1,569,200	1,705,085	1,705,085	1,705,085	1,705,085	1,705,085	1,705,085	1,705,085	1,705,085	1,705,085	1,670,028	1,670,028	1,740,028	1,814,056	1,814,056	1,814,056	1,814,056	244,856	1.0%	-	
Davis/Woodland		2,415,702	2,422,702	2,422,702	2,422,702	2,422,702	2,422,702	2,422,702	2,422,702	2,422,702	2,422,702	2,422,702	2,422,702	2,422,702	2,622,702	2,622,702	2,622,702	2,622,702	2,622,702	207,000	0.6%	-	
Woodland		2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	2,147,599	0	0.0%	-	
Power Inn		2,831,077	2,831,077	2,819,777	2,819,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	2,869,777	38,700	0.1%	-
Natomas/Northgate		412,882	412,882	412,882	412,882	412,882	412,882	471,302	471,302	471,302	471,302	471,302	471,302	471,302	471,302	471,302	471,302	471,302	471,302	471,302	58,420	0.9%	-
Mather		604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	604,776	0	0.0%	-
Folsom/El Dorado		881,127	970,127	970,127	970,127	970,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	1,000,127	119,000	0.9%	-
Sunrise		1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	1,218,507	0	0.0%	-
Placer County	c	3,382,098	3,386,477	3,386,477	3,386,477	3,392,497	3,392,497	3,412,607	3,412,607	3,412,607	3,421,107	39,009	0.1%	-									
Sacramento Region	d	23,203,251	23,303,630	23,822,684	23,822,684	24,018,704	24,048,704	24,118,581	24,118,581	24,134,081	23,976,358	23,976,358	23,941,301	24,141,301	24,187,962	24,261,084	1,057,833	0.3%	-				
SIA as a Percentage of South Placer	a/b	1.5%	1.5%	1.5%	1.5%	1.7%	1.7%	1.7%	1.7%	1.7%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	30.8%	0.8%	1.6%				
South Placer as a Percentage of Placer Co.	b/c	94.9%	94.8%	94.8%	94.8%	94.8%	94.8%	94.3%	94.4%	50.1%	0.0%	94.6%											
Placer Co. as a Percentage of Sac Region	c/d	14.6%	14.5%	14.2%	14.2%	14.1%	14.1%	14.1%	14.1%	14.1%	14.3%	14.3%	14.3%	14.2%	14.1%	14.1%	3.7%	-0.2%	14.2%				

Source: CoStar; EPS.

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[1] Reflects data as of the fourth quarter of each year.

Table C-12
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Manufacturing Market Vacancy (2000-2014)

Manufacturing -- Vacancy

Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1,100	2.1%	800	1.5%	500	0.9%	500	0.9%
South Placer Jurisdictions																	
Lincoln		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	216,886	15.6%	216,886	15.6%
Loomis		500	0.9%	600	1.0%	16,060	27.7%	7,142	12.3%	5,700	9.8%	500	0.9%	500	0.9%	500	0.9%
Rocklin		5,800	1.1%	9,100	1.8%	349,826	68.4%	12,500	2.4%	10,500	2.0%	7,500	1.4%	500	0.1%	500	0.1%
Roseville		155,680	12.4%	182,400	14.5%	138,600	11.0%	908,898	72.4%	858,680	68.4%	146,053	11.6%	50,271	4.0%	3,500	0.3%
South Placer	b	161,980	5.0%	192,100	6.0%	504,486	15.7%	928,540	28.9%	874,880	27.2%	154,053	4.8%	268,157	8.3%	221,386	6.9%
Regional Markets																	
Highway 50 Corridor		44,008	1.7%	166,008	6.3%	143,500	5.5%	153,960	5.9%	122,120	4.7%	35,180	1.3%	62,980	2.4%	72,988	2.8%
McClellan		7,800	0.3%	1,102,964	37.1%	1,354,564	45.5%	1,244,840	41.8%	1,135,097	38.1%	1,080,894	36.3%	1,022,726	34.5%	671,659	22.6%
West Sacramento		18,780	1.2%	71,660	4.6%	86,730	5.1%	71,236	4.2%	37,450	2.2%	20,300	1.2%	99,784	5.9%	87,834	5.2%
Davis/Woodland		29,100	1.2%	244,116	10.1%	244,816	10.1%	241,916	10.0%	311,516	12.9%	302,748	12.5%	226,118	9.3%	463,751	19.1%
Woodland		29,100	1.4%	244,116	11.4%	244,816	11.4%	241,916	11.3%	311,516	14.5%	280,748	13.1%	204,118	9.5%	426,191	19.8%
Power Inn		103,319	3.6%	200,055	7.1%	170,310	6.0%	129,600	4.6%	172,377	6.0%	20,000	0.7%	124,640	4.3%	94,280	3.3%
Natomas/Northgate		42,763	10.4%	5,100	1.2%	12,840	3.1%	19,400	4.7%	3,800	0.9%	9,650	2.3%	62,233	13.2%	14,600	3.1%
Mather		17,300	2.9%	17,900	3.0%	33,400	5.5%	7,000	1.2%	8,200	1.4%	25,080	4.1%	61,780	10.2%	14,000	2.3%
Folsom/El Dorado		26,565	3.0%	27,865	2.9%	27,865	2.9%	94,474	9.7%	94,000	9.7%	96,050	9.6%	111,072	11.1%	101,372	10.1%
Sunrise		26,708	2.2%	40,108	3.3%	2,100	0.2%	38,960	3.2%	5,920	0.5%	1,200	0.1%	1,200	0.1%	58,988	4.8%
Placer County	c	163,480	4.8%	192,100	5.7%	506,486	15.0%	931,540	27.5%	878,380	25.9%	157,553	4.6%	291,207	8.5%	226,436	6.6%
Sacramento Region	d	479,015	2.1%	1,927,768	8.3%	2,562,351	10.8%	2,926,146	12.3%	2,807,212	11.7%	1,830,317	7.6%	2,107,860	8.7%	1,906,566	7.9%
SIA as a Percentage of South Placer	a/b	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.1%	-	0.5%	-	0.2%	-	0.2%
South Placer as a Percentage of Placer Co.	b/c	-	99.1%	-	100.0%	-	99.6%	-	0.0%	-	99.6%	-	97.8%	-	92.1%	-	97.8%
Placer Co. as a Percentage of Sac Region	c/d	-	34.1%	-	10.0%	-	19.8%	-	31.8%	-	31.3%	-	8.6%	-	13.8%	-	11.9%

Source: CoStar; EPS.

Table C-12
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Manufacturing Market Vacancy (2000-2014)

Manufacturing -- Vacancy

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%														
Sunset Industrial Area (SIA)	a	900	1.7%	22,100	41.5%	22,500	42.3%	22,600	42.5%	22,600	42.5%	1,200	2.3%	7,500	14.1%	6,820	13.2%
South Placer Jurisdictions																	
Lincoln		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	28,918	2.1%
Loomis		500	0.9%	2,632	4.5%	500	0.9%	1,792	3.1%	1,792	3.1%	500	0.9%	5,223	9.0%	2,963	5.1%
Rocklin		1,900	0.4%	37,660	7.2%	26,900	5.1%	58,060	11.1%	58,060	11.1%	1,200	0.2%	7,500	1.4%	39,167	7.6%
Roseville		51,150	4.1%	50,900	4.0%	49,400	3.9%	45,266	3.6%	25,419	2.0%	64,989	5.1%	63,549	5.0%	186,317	14.8%
South Placer	b	53,550	1.7%	91,192	2.8%	76,800	2.4%	105,118	3.3%	85,271	2.6%	66,689	2.1%	76,272	2.4%	257,365	8.0%
Regional Markets																	
Highway 50 Corridor		159,288	6.1%	128,879	4.9%	116,191	4.4%	132,460	5.1%	169,697	6.5%	124,892	4.8%	132,538	5.1%	117,646	4.5%
McClellan		855,730	28.8%	1,095,748	36.9%	1,072,417	36.1%	654,731	22.1%	607,236	20.5%	588,558	20.0%	514,281	17.4%	867,283	29.2%
West Sacramento		80,050	4.7%	63,985	3.8%	275,246	16.1%	299,290	17.9%	252,515	15.1%	74,985	4.3%	107,711	5.9%	109,837	6.5%
Davis/Woodland		343,041	14.2%	457,641	18.9%	384,187	15.9%	221,361	9.1%	61,220	2.3%	61,220	2.3%	10,920	0.4%	240,245	9.8%
Woodland		305,481	14.2%	420,081	19.6%	346,627	16.1%	183,801	8.6%	61,220	2.9%	61,220	2.9%	10,920	0.5%	224,791	10.5%
Power Inn		131,180	4.6%	45,767	1.6%	42,072	1.5%	106,756	3.7%	84,270	2.9%	131,883	4.6%	155,939	5.4%	114,163	4.0%
Natomas/Northgate		43,634	9.3%	93,334	19.8%	87,659	18.6%	105,056	22.3%	113,475	24.1%	88,418	18.8%	68,183	14.5%	51,343	11.5%
Mather		0	0.0%	57,420	9.5%	60,540	10.0%	57,460	9.5%	77,680	12.8%	76,810	12.7%	48,400	8.0%	37,531	6.2%
Folsom/El Dorado		10,916	1.1%	30,691	3.1%	37,106	3.7%	36,020	3.6%	30,630	3.1%	17,238	1.7%	16,288	1.6%	50,543	5.1%
Sunrise		51,288	4.2%	71,232	5.8%	55,424	4.5%	75,900	6.2%	92,917	7.6%	47,855	3.9%	28,989	2.4%	39,919	3.3%
Placer County	c	54,050	1.6%	124,892	3.7%	130,050	3.8%	159,558	4.7%	146,211	4.3%	84,439	2.5%	95,022	2.8%	276,094	8.1%
Sacramento Region	d	1,833,025	7.6%	2,348,800	9.8%	2,547,976	10.6%	2,016,970	8.4%	1,692,990	7.0%	2,819,576	11.7%	2,611,520	10.8%	2,161,206	9.0%
SIA as a Percentage of South Placer	a/b	-	1.7%	-	24.2%	-	29.3%	-	21.5%	-	26.5%	-	1.8%	-	9.8%	-	2.6%
South Placer as a Percentage of Placer Co.	b/c	-	99.1%	-	73.0%	-	59.1%	-	65.9%	-	58.3%	-	79.0%	-	80.3%	-	93.2%
Placer Co. as a Percentage of Sac Region	c/d	-	2.9%	-	5.3%	-	5.1%	-	7.9%	-	8.6%	-	3.0%	-	3.6%	-	12.8%

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Source: CoStar; EPS.

Table C-13
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Manufacturing Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

Manufacturing -- Net Absorption
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Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	0	4,920	300	300	0	(400)	(21,200)	(400)	(100)	0	21,400	(6,300)	(99)
South Placer Jurisdictions																	
Lincoln		0	0	0	0	0	0	(216,886)	0	216,886	0	0	0	0	0	0	0
Loomis		3,374	(100)	(23,142)	16,600	1,442	5,200	0	0	0	(2,132)	2,132	(1,292)	0	1,292	(4,723)	(90)
Rocklin		0	(3,300)	(340,726)	(2,800)	348,146	3,000	7,000	5,040	(1,400)	(35,760)	10,760	(31,160)	0	56,860	(6,300)	624
Roseville		40,700	(26,720)	(200)	(726,298)	50,218	217,442	550,967	86,771	(47,650)	8,750	1,500	4,134	19,847	(39,570)	1,440	9,422
South Placer	b	44,074	(30,120)	(364,068)	(712,498)	399,806	225,642	341,081	91,811	167,836	(29,142)	14,392	(28,318)	19,847	18,582	(9,583)	9,956
Regional Markets																	
Highway 50 Corridor		(43,560)	(101,200)	27,208	(62,660)	84,040	86,940	(27,800)	(10,008)	(86,300)	30,409	12,688	(16,269)	(37,237)	42,725	(108,066)	(13,939)
McClellan		9,295	(1,903,075)	478,311	145,984	153,483	(9,997)	113,715	351,067	(184,071)	(329,628)	112,941	23,028	20,423	389,810	106,277	(34,829)
West Sacramento		63,580	(50,560)	120,815	12,894	36,386	17,150	(100,629)	33,095	7,784	16,065	(211,261)	(59,101)	46,775	83,200	205,632	14,788
Davis/Woodland		64,300	(208,016)	(12,700)	14,900	(69,600)	8,768	76,630	(237,633)	120,710	(114,600)	73,454	147,826	375,141	0	50,300	19,299
Woodland		64,300	(215,016)	(12,700)	14,900	(69,600)	30,768	76,630	(222,073)	120,710	(114,600)	73,454	147,826	137,581	0	50,300	5,499
Power Inn		14,511	(86,486)	6,605	(585)	48,518	152,377	(104,640)	30,360	(36,900)	85,413	(12,505)	(48,484)	22,486	(47,613)	(126,556)	(6,900)
Natomas/Northgate		30,650	37,663	(7,740)	(6,560)	15,600	(5,850)	5,837	47,633	(29,034)	(66,900)	22,875	(24,793)	(1,023)	25,057	20,235	4,243
Mather		(700)	(5,300)	(10,800)	(8,800)	34,000	(16,880)	(36,700)	47,780	14,000	(57,420)	(3,120)	3,080	(20,220)	(1,210)	30,490	(2,120)
Folsom/El Dorado		(21,965)	87,700	0	(66,609)	474	27,950	(16,822)	11,500	90,456	(19,775)	(6,415)	1,086	5,390	13,392	(5,450)	6,727
Sunrise		(42,860)	12,100	38,008	(53,860)	50,040	4,720	0	(57,788)	7,700	(19,944)	15,808	(20,476)	(17,017)	45,062	18,866	(1,309)
Placer County	c	47,174	(24,241)	(366,068)	(713,498)	399,306	225,642	341,641	104,771	172,386	(62,342)	(5,158)	(29,508)	13,347	34,332	16,857	10,309
Sacramento Region	d	508,394	(2,209,515)	642,000	(707,274)	802,115	447,510	288,774	264,239	85,895	(782,662)	(103,066)	95,095	519,304	(889,951)	376,365	(44,185)
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	1.2%	0.1%	0.1%	0.0%	(0.2%)	72.7%	(2.8%)	0.4%	0.0%	115.2%	65.7%	(1.0%)
South Placer as a Percentage of Placer Co.	b/c	93.4%	124.3%	99.5%	99.9%	100.1%	100.0%	99.8%	87.6%	97.4%	46.7%	(279.0%)	96.0%	148.7%	54.1%	(56.8%)	96.6%
Placer Co. as a Percentage of Sac Region	c/d	9.3%	1.1%	(57.0%)	100.9%	49.8%	50.4%	118.3%	39.7%	200.7%	8.0%	5.0%	(31.0%)	2.6%	(3.9%)	4.5%	(23.3%)

Source: CoStar; EPS.

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Table C-14
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Manufacturing Market Average Asking Lease Rates (2000-2014)

Manufacturing -- Lease Rates

Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
South Placer Jurisdictions																		
Lincoln	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Loomis	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Rocklin	Triple Net	-	-	\$0.32	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Roseville	Triple Net	\$0.29	\$0.29	\$0.32	\$0.34	\$1.37	\$0.32	\$0.41	\$0.46	\$0.48	\$0.42	\$0.42	\$0.43	\$0.39	\$0.40	\$0.41	2.4%	\$0.11
South Placer	Triple Net	\$0.29	\$0.29	\$0.32	\$0.34	\$1.37	\$0.32	\$0.41	\$0.46	\$0.48	\$0.42	\$0.42	\$0.43	\$0.39	\$0.40	\$0.41	2.4%	\$0.11
Regional Markets																		
Highway 50 Corridor	Triple Net	\$0.32	\$0.45	\$0.52	\$0.60	\$0.58	\$0.46	\$0.46	\$0.68	\$0.66	\$0.65	\$0.42	\$0.40	\$0.36	\$0.37	\$0.37	0.9%	\$0.05
McClellan	Triple Net	-	-	\$0.35	-	-	\$0.28	\$0.28	\$0.53	\$0.30	\$0.30	\$0.29	\$0.35	\$0.35	\$0.29	\$0.29	n/a	n/a
West Sacramento	Triple Net	\$0.35	\$0.34	\$0.39	\$0.35	\$0.39	\$0.36	\$0.40	\$0.47	\$0.46	\$0.43	\$0.37	\$0.68	\$0.73	\$0.37	\$0.36	0.3%	\$0.01
Davis/Woodland	Triple Net	-	-	-	-	\$0.40	\$0.37	\$0.30	\$0.28	\$0.29	\$0.30	\$0.25	\$0.25	\$0.25	-	-	n/a	n/a
Woodland	Triple Net	-	-	-	-	\$0.40	\$0.37	\$0.27	\$0.28	\$0.29	\$0.30	\$0.25	\$0.25	\$0.25	-	-	n/a	n/a
Power Inn	Triple Net	\$0.22	\$0.19	-	\$0.60	-	-	\$0.46	\$0.56	\$0.69	\$0.67	\$0.35	\$0.39	\$0.34	\$0.30	\$0.33	2.9%	\$0.11
Natomas/Northgate	Triple Net	\$0.49	\$0.32	-	-	-	\$0.39	\$0.45	\$0.58	\$0.44	\$0.26	\$0.25	\$0.27	\$0.41	\$0.40	\$0.38	(1.8%)	(\$0.11)
Mather	Triple Net	\$0.25	\$0.35	\$0.50	-	\$0.57	\$0.57	\$0.46	\$0.46	\$0.46	\$0.45	\$0.36	\$0.36	\$0.36	\$0.38	\$0.36	2.6%	\$0.11
Folsom/El Dorado	Triple Net	\$0.95	\$0.95	\$0.55	\$1.15	\$1.14	\$1.14	\$1.14	\$1.15	\$0.90	\$0.71	\$0.68	\$0.90	\$0.67	\$0.72	\$0.77	(1.5%)	(\$0.18)
Sunrise	Triple Net	\$0.36	\$0.55	\$0.55	\$0.60	\$0.59	\$0.44	-	-	-	\$0.60	\$0.50	\$0.39	\$0.39	-	\$0.69	4.9%	\$0.33
Placer County	Triple Net	\$0.29	\$0.29	\$0.32	\$0.34	\$1.37	\$0.32	\$0.41	\$0.46	\$0.48	\$0.45	\$0.42	\$0.42	\$0.39	\$0.41	\$0.41	2.5%	\$0.12
Sacramento Region	Triple Net	\$0.35	\$0.35	\$0.35	\$0.58	\$0.95	\$0.49	\$0.40	\$0.49	\$0.38	\$0.41	\$0.36	\$0.43	\$0.42	\$0.31	\$0.31	(0.7%)	(\$0.03)
SIA Percent Difference Compared to South Placer		n/a	-	-														
South Placer Percent Difference Compared to Placer Co.		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(7.1%)	0.0%	0.2%	0.2%	(0.6%)	(1.6%)	-	-
Placer Co. Percent Difference Compared to Sac Region		(15.6%)	(15.6%)	(8.1%)	(41.1%)	43.8%	(34.8%)	3.1%	(7.4%)	26.3%	10.2%	19.2%	(0.4%)	(6.2%)	29.2%	31.8%	-	-

Source: CoStar; EPS.

manufac lease

Table C-15
 Sunset Industrial Area Market Analysis
 Commercial and Industrial Market Analysis
 Manufacturing Market Annual RBA Delivered

Manufacturing -- Bldg. Sq. Ft. Constructed
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Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	0	6,020	0	0	0	0	0	0	0	0	0	0	6,020	401
South Placer Jurisdictions																		
Lincoln		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loomis		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rocklin		0	0	0	0	6,020	0	0	5,040	0	0	0	0	0	0	0	11,060	737
Roseville		8,280	0	0	0	0	0	0	0	0	8,500	0	0	0	0	0	16,780	1,119
South Placer	b	8,280	0	0	0	6,020	0	0	5,040	0	8,500	0	0	0	0	0	27,840	1,856
Regional Markets																		
Highway 50 Corridor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
McClellan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Sacramento		51,300	0	135,885	0	0	0	0	0	0	0	0	0	0	70,000	74,028	331,213	22,081
Davis/Woodland		0	7,000	0	0	0	0	0	0	0	0	0	0	200,000	0	0	207,000	13,800
Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Inn		0	0	0	0	50,000	0	0	0	0	0	0	0	0	0	0	50,000	3,333
Natomas/Northgate		0	0	0	0	0	0	58,420	0	0	0	0	0	0	0	0	58,420	3,895
Mather		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Folsom/El Dorado		0	89,000	0	0	0	30,000	0	0	0	0	0	0	0	0	0	119,000	7,933
Sunrise		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Placer County	c	8,280	4,379	0	0	6,020	0	20,110	0	0	8,500	0	0	0	0	0	47,289	3,153
Sacramento Region	d	279,789	100,379	530,354	0	196,020	30,000	78,530	0	43,000	12,370	0	0	200,000	70,000	74,028	1,614,470	107,631
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	21.6%	21.6%
South Placer as a Percentage of Placer Co.	b/c	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	58.9%	58.9%
Placer Co. as a Percentage of Sac Region	c/d	3.0%	4.4%	0.0%	0.0%	3.1%	0.0%	25.6%	0.0%	0.0%	68.7%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	2.9%

Source: CoStar; EPS.

manufac deliv

Table C-16
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Other Industrial Market Inventory: Leasable Square Feet (2000-2014)

Other Industrial -- Leasable Sq. Ft.

Market	Formula	Other Industrial Inventory: Leasable Sq. Ft. [1]															Difference 2000-2014	Average Annual % Change	Average Annual Share				
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4							
Sunset Industrial Area (SIA)	a	0	90,000	90,000	n/a	-																	
South Placer Jurisdictions																							
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-			
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	-		
Rocklin		3,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	90,000	25.5%	-	
Roseville		78,000	112,560	112,560	112,560	112,560	112,560	136,081	136,081	136,081	154,433	154,433	154,433	154,433	154,433	154,433	154,433	154,433	154,433	76,433	0.0%	-	
South Placer	b	81,900	206,460	206,460	206,460	206,460	206,460	229,981	229,981	229,981	248,333	248,333	166,433	8.2%	-								
Regional Markets																							
Highway 50 Corridor		297,864	297,864	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	311,584	13,720	0.3%	-	
McClellan		127,914	127,914	127,914	127,914	142,914	153,452	153,452	153,452	153,452	153,452	153,452	153,452	153,452	153,452	153,452	153,452	153,452	153,452	25,538	1.3%	-	
West Sacramento		81,894	81,894	81,894	95,894	95,894	95,894	95,894	95,894	95,894	95,894	95,894	75,894	75,894	75,894	75,894	75,894	75,894	75,894	(6,000)	-0.5%	-	
Davis/Woodland		49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	49,882	0	0.0%	-	
Woodland		13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	13,760	0	0.0%	-	
Power Inn		203,742	203,742	217,462	217,462	217,462	217,462	217,462	236,714	236,714	236,714	236,714	236,714	236,714	236,714	236,714	236,714	236,714	236,714	32,972	1.1%	-	
Natomas/Northgate		36,000	36,000	36,000	36,000	43,560	67,560	84,552	84,552	84,552	84,552	84,552	84,552	84,552	84,552	84,552	84,552	84,552	84,552	84,552	48,552	6.3%	-
Mather		149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	149,870	0	0.0%	-	
Folsom/El Dorado		41,886	41,886	41,886	52,493	69,993	69,993	69,993	69,993	69,993	69,993	69,993	69,993	69,993	69,993	69,993	69,993	69,993	69,993	28,107	0.0%	-	
Sunrise		124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	124,234	0	0.0%	-	
Placer County	c	103,260	227,820	227,820	227,820	227,820	227,820	251,341	251,341	251,341	269,693	269,693	166,433	7.1%	-								
Sacramento Region	d	1,413,537	1,538,097	1,551,817	1,576,424	1,616,484	1,651,022	1,691,535	1,716,787	1,716,787	1,735,139	1,735,139	1,715,139	1,715,139	1,715,139	1,715,139	1,715,139	1,715,139	301,602	1.4%	-		
SIA as a Percentage of South Placer	a/b	0.0%	43.6%	43.6%	43.6%	43.6%	43.6%	39.1%	39.1%	39.1%	36.2%	36.2%	54.1%	-1.4%	38.2%								
South Placer as a Percentage of Placer Co.	b/c	79.3%	90.6%	90.6%	90.6%	90.6%	90.6%	91.5%	91.5%	91.5%	92.1%	92.1%	100.0%	1.1%	91.1%								
Placer Co. as a Percentage of Sac Region	c/d	7.3%	14.8%	14.7%	14.5%	14.1%	13.8%	14.9%	14.6%	14.6%	15.5%	15.5%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	55.2%	5.6%	14.6%		

Source: CoStar; EPS.

other ind inv

[1] Reflects data as of the fourth quarter of each year.

Table C-17
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Other Industrial Market Vacancy (2000-2014)

Other Industrial -- Vacancy

Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	0	0.0%	40,896	45.4%	40,896	45.4%	14,592	16.2%	10,212	11.3%	800	0.9%	14,396	16.0%	7,296	8.1%
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		0	0.0%	40,896	43.6%	40,896	43.6%	14,592	15.5%	10,212	10.9%	800	0.9%	14,396	15.3%	7,296	7.8%
Roseville		7,200	9.2%	18,160	16.1%	5,140	4.6%	41,700	37.0%	45,340	40.3%	24,380	21.7%	23,521	17.3%	14,442	10.6%
South Placer	b	7,200	8.8%	59,056	28.6%	46,036	22.3%	56,292	27.3%	55,552	26.9%	25,180	12.2%	37,917	16.5%	21,738	9.5%
Regional Markets																	
Highway 50 Corridor		61,560	20.7%	102,076	34.3%	60,217	19.3%	81,384	26.1%	68,016	21.8%	50,295	16.1%	11,437	3.7%	44,726	14.4%
McClellan		2,168	1.7%	50,983	39.9%	4,800	3.8%	4,200	3.3%	4,600	3.2%	4,318	2.8%	41,460	27.0%	5,000	3.3%
West Sacramento		0	0.0%	0	0.0%	1,224	1.5%	3,800	4.0%	10,092	10.5%	7,852	8.2%	9,292	9.7%	9,152	9.5%
Davis/Woodland		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	13,760	27.6%	0	0.0%
Woodland		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	13,760	100.0%	0	0.0%
Power Inn		8,368	4.1%	1,425	0.7%	14,860	6.8%	36,037	16.6%	32,322	14.9%	9,222	4.2%	31,632	14.5%	41,543	17.5%
Natomas/Northgate		6,780	18.8%	0	0.0%	4,691	13.0%	0	0.0%	11,237	25.8%	22,737	33.7%	41,292	48.8%	26,120	30.9%
Mather		61,560	41.1%	61,560	41.1%	8,981	6.0%	6,960	4.6%	1,000	0.7%	7,043	4.7%	3,378	2.3%	23,442	15.6%
Folsom/EI Dorado		500	1.2%	6,420	15.3%	700	1.7%	2,100	4.0%	2,100	3.0%	1,100	1.6%	1,000	1.4%	1,200	1.7%
Sunrise		0	0.0%	40,516	32.6%	40,516	32.6%	63,252	50.9%	67,016	53.9%	43,252	34.8%	3,448	2.8%	21,284	17.1%
Placer County	c	7,200	7.0%	59,056	25.9%	46,036	20.2%	58,962	25.9%	55,552	24.4%	25,180	11.1%	37,917	15.1%	21,738	8.6%
Sacramento Region	d	130,912	9.3%	239,160	15.5%	132,208	8.5%	186,261	11.8%	200,453	12.4%	179,732	10.9%	220,279	13.0%	187,279	10.9%
SIA as a Percentage of South Placer	a/b	-	0.0%	-	69.2%	-	88.8%	-	25.9%	-	18.4%	-	3.2%	-	38.0%	-	33.6%
South Placer as a Percentage of Placer Co.	b/c	-	100.0%	-	100.0%	-	100.0%	-	95.5%	-	100.0%	-	100.0%	-	100.0%	-	100.0%
Placer Co. as a Percentage of Sac Region	c/d	-	5.5%	-	24.7%	-	34.8%	-	31.7%	-	27.7%	-	14.0%	-	17.2%	-	11.6%

Source: CoStar; EPS.

Table C-17
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Other Industrial Market Vacancy (2000-2014)

Other Industrial -- Vacancy

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	14,396	16.0%	20,158	22.4%	14,012	15.6%	7,100	7.9%	14,012	15.6%	14,012	15.6%	0	0.0%	14,185	16.9%
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		14,396	15.3%	24,058	25.6%	14,012	14.9%	7,100	7.6%	14,012	14.9%	14,012	14.9%	0	0.0%	14,445	16.4%
Roseville		15,752	11.6%	4,816	3.1%	3,316	2.1%	37,936	24.6%	28,828	18.7%	6,436	4.2%	0	0.0%	18,464	14.0%
South Placer	b	30,148	13.1%	28,874	11.6%	17,328	7.0%	45,036	18.1%	42,840	17.3%	20,448	8.2%	0	0.0%	32,910	15.0%
Regional Markets																	
Highway 50 Corridor		60,586	19.4%	83,195	26.7%	99,438	31.9%	62,548	20.1%	53,934	17.3%	62,245	20.0%	51,217	16.4%	63,525	20.5%
McClellan		3,500	2.3%	8,203	5.3%	7,000	4.6%	2,240	1.5%	0	0.0%	318	0.2%	27,951	18.2%	11,116	7.6%
West Sacramento		6,200	6.5%	6,200	6.5%	10,366	10.8%	2,323	3.1%	15,094	19.9%	13,633	18.0%	8,183	10.8%	6,894	7.9%
Davis/Woodland		8,560	17.2%	13,760	27.6%	13,760	27.6%	13,760	27.6%	30,700	61.5%	30,700	61.5%	30,700	61.5%	10,380	20.8%
Woodland		8,560	62.2%	13,760	100.0%	13,760	100.0%	13,760	100.0%	0	0.0%	0	0.0%	0	0.0%	4,240	30.8%
Power Inn		48,867	20.6%	70,208	29.7%	86,603	36.6%	41,697	17.6%	36,640	15.5%	38,376	16.2%	33,826	14.3%	35,442	15.7%
Natomas/Northgate		10,565	12.5%	11,621	13.7%	27,158	32.1%	18,602	22.0%	14,331	16.9%	15,323	18.1%	8,211	9.7%	14,578	21.5%
Mather		23,030	15.4%	15,123	10.1%	29,313	19.6%	27,670	18.5%	30,710	20.5%	24,600	16.4%	26,580	17.7%	23,397	15.6%
Folsom/EI Dorado		6,204	8.9%	9,059	12.9%	23,010	32.9%	27,125	38.8%	14,393	20.6%	4,685	6.7%	0	0.0%	6,640	10.5%
Sunrise		37,556	30.2%	49,646	40.0%	51,699	41.6%	34,878	28.1%	18,613	15.0%	37,645	30.3%	20,026	16.1%	35,290	28.4%
Placer County	c	30,148	12.0%	28,874	10.7%	18,828	7.0%	45,536	16.9%	42,840	15.9%	20,448	7.6%	0	0.0%	33,221	13.8%
Sacramento Region	d	205,280	12.0%	295,719	17.0%	341,437	19.7%	323,762	18.9%	312,019	18.2%	270,684	15.8%	279,480	16.3%	233,644	14.1%
SIA as a Percentage of South Placer	a/b	-	47.8%	-	69.8%	-	80.9%	-	15.8%	-	32.7%	-	68.5%	-	0.0%	-	43.1%
South Placer as a Percentage of Placer Co.	b/c	-	100.0%	-	100.0%	-	92.0%	-	98.9%	-	100.0%	-	100.0%	-	0.0%	-	99.1%
Placer Co. as a Percentage of Sac Region	c/d	-	14.7%	-	9.8%	-	5.5%	-	14.1%	-	13.7%	-	7.6%	-	0.0%	-	14.2%

other ind vacancy

Source: CoStar; EPS.

Table C-18
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Other Industrial Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

Other Industrial -- Net Absorption

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	30,384	18,720	19,008	11,676	9,412	(13,596)	7,100	(7,100)	(5,762)	6,146	6,912	(6,912)	0	14,012	6,000
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		0	30,384	18,720	19,008	11,676	9,412	(13,596)	7,100	(7,100)	(9,662)	10,046	6,912	(6,912)	0	14,012	6,000
Roseville		(300)	24,899	11,721	(36,560)	(3,640)	17,880	27,460	9,079	(1,310)	29,288	1,500	(34,620)	9,108	22,392	6,436	5,556
South Placer	b	(300)	55,283	30,441	(17,552)	8,036	27,292	13,864	16,179	(8,410)	19,626	11,546	(27,708)	2,196	22,392	20,448	11,556
Regional Markets																	
Highway 50 Corridor		(50,280)	(46,843)	61,906	(9,167)	1,368	15,921	40,658	(33,289)	(35,936)	(2,533)	(16,243)	36,890	8,614	(8,311)	11,028	(1,748)
McClellan		929	(49,025)	1,593	45,400	14,600	10,820	(37,142)	36,460	1,500	(4,703)	1,203	4,760	2,240	(318)	(27,633)	46
West Sacramento		21,616	0	(1,224)	11,424	(9,244)	5,192	(8,332)	7,032	2,952	0	(4,166)	(11,957)	(12,771)	1,461	5,450	496
Davis/Woodland		0	0	0	0	0	0	(13,760)	13,760	(8,560)	(5,200)	0	0	(16,940)	0	0	(2,047)
Woodland		0	0	0	0	0	0	(13,760)	13,760	(8,560)	(5,200)	0	0	13,760	0	0	0
Power Inn		478	4,159	4,969	(21,177)	1,104	25,711	(26,390)	13,321	(7,324)	(23,901)	(13,835)	35,280	14,683	(1,736)	4,550	659
Natomas/Northgate		(12,275)	12,275	(4,691)	4,691	(3,677)	12,500	(1,563)	15,172	15,555	(1,056)	(15,537)	8,556	4,271	(992)	7,112	2,689
Mather		(50,280)	(1,643)	54,222	(5,979)	13,960	(7,843)	5,465	(20,064)	412	7,907	(14,190)	1,643	(3,040)	6,110	(1,980)	(1,020)
Folsom/El Dorado		1,080	(5,920)	5,720	9,207	17,500	1,000	100	(200)	(5,004)	(2,855)	(13,951)	(4,115)	11,260	11,180	4,685	1,979
Sunrise		0	(40,516)	0	(2,736)	(23,764)	23,764	39,804	(17,836)	(36,348)	7,986	(2,053)	16,821	16,265	(19,032)	17,619	(1,335)
Placer County	c	(300)	55,283	30,441	(20,222)	10,706	27,292	13,864	16,179	(8,410)	19,626	10,046	(26,708)	2,696	22,392	20,448	11,556
Sacramento Region	d	(77,077)	13,275	94,830	6,641	34,018	55,942	(6,026)	69,124	(38,077)	(54,571)	(43,158)	(11,951)	19,897	42,807	(8,796)	6,459
SIA as a Percentage of South Placer	a/b	0.0%	55.0%	61.5%	(108.3%)	145.3%	34.5%	(98.1%)	43.9%	84.4%	(29.4%)	53.2%	(24.9%)	(314.8%)	0.0%	68.5%	51.9%
South Placer as a Percentage of Placer Co.	b/c	100.0%	100.0%	100.0%	86.8%	75.1%	100.0%	100.0%	100.0%	100.0%	100.0%	114.9%	103.7%	81.5%	100.0%	100.0%	100.0%
Placer Co. as a Percentage of Sac Region	c/d	0.4%	416.4%	32.1%	(304.5%)	31.5%	48.8%	(230.1%)	23.4%	22.1%	(36.0%)	(23.3%)	223.5%	13.5%	52.3%	(232.5%)	178.9%

other ind absorb

Source: CoStar; EPS.

Table C-19
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Other Industrial Market Average Asking Lease Rates (2000-2014)

Other Industrial -- Lease Rates
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Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area	Triple Net	-	\$0.76	\$0.76	\$0.76	-	-	\$1.10	\$0.98	\$0.96	\$0.70	\$0.70	\$0.70	-	-	\$0.55	n/a	n/a
South Placer Jurisdictions																		
Lincoln	Triple Net	n/a	n/a															
Loomis	Triple Net	n/a	n/a															
Rocklin	Triple Net	-	\$0.76	\$0.76	\$0.76	-	-	\$1.10	\$0.97	\$0.96	\$0.70	\$0.70	\$0.70	-	-	\$0.55	n/a	n/a
Roseville	Triple Net	\$0.85	\$1.18	\$1.25	\$1.25	\$1.22	\$1.26	\$1.33	\$1.32	\$1.25	\$1.27	\$0.84	\$1.25	\$1.25	\$0.93	\$1.01	1.2%	\$0.16
South Placer	Triple Net	\$0.85	\$0.88	\$0.88	\$0.85	\$1.22	\$1.26	\$1.29	\$1.19	\$1.12	\$1.01	\$0.82	\$0.87	\$1.25	\$0.93	\$0.79	(0.5%)	(\$0.06)
Regional Markets																		
Highway 50 Corridor	Triple Net	\$0.80	\$0.49	-	\$0.84	\$0.90	\$0.58	\$0.57	\$0.73	\$0.66	\$0.62	\$0.55	\$0.42	\$0.44	\$0.33	\$0.36	(5.6%)	(\$0.44)
McClellan	Triple Net	-	-	\$0.40	\$0.65	\$0.68	\$0.68	\$0.50	-	-	\$0.65	\$0.65	\$0.65	\$0.38	-	\$0.44	n/a	n/a
West Sacramento	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Davis/Woodland	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1.25	\$1.25	n/a	n/a
Woodland	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Power Inn	Triple Net	\$0.60	\$0.62	\$0.56	\$0.75	\$0.73	\$0.77	\$0.92	\$0.78	\$0.66	\$0.62	\$0.54	\$0.52	\$0.70	\$0.65	\$0.59	(0.1%)	(\$0.01)
Natomas/Northgate	Triple Net	-	-	-	-	-	\$1.65	\$2.25	\$1.95	\$1.75	\$1.50	\$1.64	\$1.64	\$1.61	\$1.63	\$1.25	n/a	n/a
Mather	Triple Net	\$0.80	\$0.85	-	\$0.61	\$1.20	\$0.94	\$0.83	\$0.74	\$0.60	-	\$0.46	\$0.37	\$0.41	\$0.33	\$0.30	(6.8%)	(\$0.50)
Folsom/El Dorado	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Sunrise	Triple Net	-	\$0.45	-	\$0.91	\$0.89	\$0.51	\$0.51	\$0.72	\$0.72	\$0.75	\$0.75	\$0.65	\$0.65	-	-	n/a	n/a
Placer County	Triple Net	\$0.85	\$0.88	\$0.88	\$0.85	\$1.22	\$1.26	\$1.29	\$1.19	\$1.12	\$1.01	\$0.82	\$0.87	\$1.25	\$0.93	\$0.79	(0.5%)	(\$0.06)
Sacramento Region	Triple Net	\$0.69	\$0.69	\$0.64	\$0.81	\$0.83	\$0.99	\$1.11	\$1.06	\$0.81	\$0.66	\$0.67	\$0.61	\$0.62	\$0.82	\$0.68	(0.1%)	(\$0.01)
SIA Percent Difference Compared to South Placer		n/a	(13.1%)	(13.7%)	(10.1%)	n/a	n/a	(14.9%)	(17.5%)	(14.1%)	(30.8%)	(15.0%)	(19.6%)	n/a	n/a	(30.5%)	-	-
South Placer Percent Difference Compared to Placer Co.		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
Placer Co. Percent Difference Compared to Sac Region		23.0%	26.2%	37.1%	4.0%	47.3%	27.7%	16.6%	11.6%	38.0%	54.1%	23.3%	42.6%	103.3%	12.9%	15.6%	-	-

Source: CoStar; EPS.

other ind lease

Table C-20
 Sunset Industrial Area Market Analysis
 Commercial and Industrial Market Analysis
 Other Industrial Market Annual RBA Delivered

Other Industrial -- Bldg. Sq. Ft. Constructed
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Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Average Annual (2000-2014)
Sunset Industrial Area (SIA)	a	0	90,000	0	0	0	0	0	0	0	0	0	0	0	0	0	90,000	6,000
South Placer Jurisdictions																		
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Rocklin		0	90,000	0	0	0	0	0	0	0	0	0	0	0	0	0	90,000	6,000
Roseville		6,000	34,560	0	0	0	0	23,521	0	0	18,352	0	0	0	0	0	82,433	5,496
South Placer	b	6,000	124,560	0	0	0	0	23,521	0	0	18,352	0	0	0	0	0	172,433	11,496
Regional Markets																		
Highway 50 Corridor		0	0	13,720	0	0	0	0	0	0	0	0	0	0	0	0	13,720	915
McClellan		0	0	0	0	15,000	10,538	0	0	0	0	0	0	0	0	0	25,538	1,703
West Sacramento		0	0	0	14,000	0	0	0	0	0	0	0	0	0	0	0	14,000	933
Davis/Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Inn		0	0	13,720	0	0	0	0	19,252	0	0	0	0	0	0	0	32,972	2,198
Natomas/Northgate		0	0	0	0	7,560	24,000	16,992	0	0	0	0	0	0	0	0	48,552	3,237
Mather		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Folsom/El Dorado		0	0	0	10,607	17,500	0	0	0	0	0	0	0	0	0	0	28,107	1,874
Sunrise		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Placer County	c	6,000	124,560	0	0	0	0	23,521	0	0	18,352	0	0	0	0	0	172,433	11,496
Sacramento Region	d	6,000	124,560	13,720	24,607	40,060	34,538	40,513	25,252	0	18,352	0	0	0	0	0	327,602	21,840
SIA as a Percentage of South Placer	a/b	0.0%	72.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	52.2%	52.2%
South Placer as a Percentage of Placer Co.	b/c	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
Placer Co. as a Percentage of Sac Region	c/d	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	58.1%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	52.6%	52.6%

Source: CoStar; EPS.

other ind deliv

Table C-21
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Total Industrial Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

Total Industrial -- Net Absorption

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	164,133	46,438	(8,981)	(195,662)	594,713	363,147	45,004	(314,537)	(67,499)	(95,303)	(12,420)	128,695	84,522	11,217	(2,171)	49,420
South Placer	b	321,694	(20,367)	22,610	(895,636)	711,071	1,341,477	181,776	(78,021)	(513,927)	(97,594)	(177,991)	56,446	54,331	380,112	469,109	117,006
Placer County	c	424,284	21,184	79,492	(906,014)	710,250	1,329,392	194,217	(84,500)	(545,811)	(59,650)	(245,974)	(15,723)	74,309	430,362	529,180	129,000
Sacramento Region	d	1,058,290	(4,869,588)	2,947,589	679,101	2,117,439	3,675,959	2,886,793	2,135,504	(574,943)	(3,916,327)	(2,028,785)	(169,303)	641,218	1,245,793	3,257,785	605,768
SIA as a Percentage of South Placer	a/b	51.0%	(228.0%)	(39.7%)	21.8%	83.6%	27.1%	24.8%	403.1%	13.1%	97.7%	7.0%	228.0%	155.6%	3.0%	(0.5%)	42.2%
South Placer as a Percentage of Placer Co.	b/c	75.8%	(96.1%)	28.4%	98.9%	100.1%	100.9%	93.6%	92.3%	94.2%	163.6%	72.4%	(359.0%)	73.1%	88.3%	88.6%	90.7%
Placer Co. as a Percentage of Sac Region	c/d	40.1%	(0.4%)	2.7%	(133.4%)	33.5%	36.2%	6.7%	(4.0%)	94.9%	1.5%	12.1%	9.3%	11.6%	34.5%	16.2%	21.3%

tot ind absorb

Source: CoStar; EPS.

Table C-22
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Total Industrial Market Average Asking Lease Rates (2000-2014)

Total Industrial -- Lease Rates

Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	\$0.32	\$0.37	\$0.31	\$0.44	\$0.41	\$0.57	\$0.58	\$0.70	\$0.68	\$0.54	\$0.50	\$0.39	\$0.43	\$0.48	\$0.31	(0.2%)	(\$0.01)
South Placer	Triple Net	\$0.35	\$0.43	\$0.37	\$0.43	\$0.49	\$0.64	\$0.63	\$0.69	\$0.70	\$0.54	\$0.46	\$0.40	\$0.40	\$0.38	\$0.33	(0.3%)	(\$0.01)
Placer County	Triple Net	\$0.35	\$0.43	\$0.37	\$0.43	\$0.49	\$0.64	\$0.63	\$0.69	\$0.70	\$0.53	\$0.46	\$0.41	\$0.41	\$0.39	\$0.34	(0.2%)	(\$0.01)
Sacramento Region	Triple Net	\$0.35	\$0.33	\$0.33	\$0.36	\$0.38	\$0.40	\$0.44	\$0.49	\$0.44	\$0.40	\$0.37	\$0.36	\$0.37	\$0.36	\$0.36	0.2%	\$0.01
SIA Percent Difference Compared to South Placer		(8.6%)	(15.4%)	(15.5%)	2.3%	(16.1%)	(10.6%)	(7.2%)	1.9%	(2.5%)	0.5%	9.4%	(3.1%)	9.0%	26.8%	(7.5%)	-	-
South Placer Percent Difference Compared to Placer Co.		0.0%	0.0%	(0.5%)	(0.6%)	0.0%	0.0%	(0.9%)	(0.4%)	(0.8%)	0.6%	(0.9%)	(1.0%)	(2.2%)	(1.9%)	(2.0%)	-	-
Placer Co. Percent Difference Compared to Sac Region		0.2%	30.5%	11.3%	21.7%	30.0%	59.1%	44.7%	42.1%	59.9%	32.6%	24.6%	13.3%	10.1%	8.9%	(5.1%)	-	-

Source: CoStar; EPS.

tot ind lease

Table C-23
 Sunset Industrial Area Market Analysis
 Commercial and Industrial Market Analysis
 Total Industrial Market Annual RBA Delivered

Total Industrial -- Bldg. Sq. Ft. Constructed
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Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Annual Average (2000-2014)
Sunset Industrial Area (S)A	a	0	417,907	87,504	0	27,820	111,878	19,650	101,856	0	0	0	0	0	0	0	766,615	51,108
South Placer	b	343,124	851,705	321,387	23,032	231,477	185,481	285,216	348,923	0	112,172	31,376	45,500	0	0	198,744	2,978,137	198,542
Placer County	c	407,374	888,076	392,969	23,032	231,477	185,481	320,062	348,923	0	112,172	31,376	45,500	0	0	198,744	3,185,186	212,346
Sacramento Region	d	2,639,446	2,426,481	2,823,852	1,054,835	2,035,110	2,198,320	1,505,910	1,660,140	679,346	131,592	52,636	52,420	200,000	201,211	522,772	18,184,071	1,212,271
SIA as a Percentage of South Placer	a/b	0.0%	49.1%	27.2%	0.0%	12.0%	60.3%	6.9%	29.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.7%	25.7%
South Placer as a Percentage of Placer Co.	b/c	84.2%	95.9%	81.8%	100.0%	100.0%	100.0%	89.1%	100.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%	93.5%	93.5%
Placer Co. as a Percentage of Sac Region	c/d	15.4%	36.6%	13.9%	2.2%	11.4%	8.4%	21.3%	21.0%	0.0%	85.2%	59.6%	86.8%	0.0%	0.0%	38.0%	17.5%	17.5%

Source: CoStar; EPS.

tot ind deliv

Table C-24
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Light Distribution Market Inventory: Leasable Square Feet (2000-2014)

Light Distribution --
Leasable Sq. Ft.

Market	Formula	Light Distribution Inventory: Leasable Sq. Ft. [1]															Difference 2000-2014	Average Annual % Change	Average Annual Share	
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4				
Sunset Industrial Area (SIA)	a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
South Placer Jurisdictions																				
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Rocklin		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Roseville		40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	0	
South Placer	b	40,095	40,095	40,095	40,095	40,095	40,095	40,095	40,095	62,550	62,550	22,455								
Regional Markets																				
Highway 50 Corridor		45,600	45,600	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850	11,250
McClellan		7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	7,927	0
West Sacramento		14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	14,315	0
Davis/Woodland		103,923	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	121,523	17,600
Woodland		40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	0
Power Inn		52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	52,292	0
Natomas/Northgate		60,262	60,262	60,262	60,262	60,262	60,262	60,262	60,262	80,262	80,262	80,262	80,262	80,262	80,262	80,262	80,262	80,262	80,262	20,000
Mather		9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	0
Folsom/El Dorado		73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	73,818	0
Sunrise		36,000	36,000	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	11,250
Placer County	c	104,795	104,795	104,795	104,795	104,795	104,795	104,795	104,795	127,250	127,250	127,250	22,455							
Sacramento Region	d	614,678	632,278	643,528	643,528	670,528	670,528	690,528	718,983	718,983	718,983	104,305								
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
South Placer as a Percentage of Placer Co.	b/c	38.3%	38.3%	38.3%	38.3%	38.3%	38.3%	38.3%	38.3%	49.2%	49.2%	49.2%	100.0%							
Placer Co. as a Percentage of Sac Region	c/d	17.0%	16.6%	16.3%	16.3%	15.6%	15.6%	15.2%	17.7%	17.7%	17.7%	21.5%								

Source: CoStar; EPS.

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[1] Reflects data as of the fourth quarter of each year.

**Table C-25
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Light Distribution Market Vacancy (2000-2014)**

Light Distribution -- Vacancy
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Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Roseville		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
South Placer	b	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2,600	4.2%
Regional Markets																	
Highway 50 Corridor		0	0.0%	0	0.0%	10,350	18.2%	10,350	18.2%	3,200	5.6%	19,849	34.9%	7,772	13.7%	0	0.0%
McClellan		6,327	79.8%	1,400	17.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
West Sacramento		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Davis/Woodland		2,700	2.6%	2,400	2.0%	26,906	22.1%	18,569	15.3%	19,700	16.2%	15,900	13.1%	4,100	3.4%	2,700	2.2%
Woodland		0	0.0%	0	0.0%	9,637	23.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Power Inn		800	1.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Natomas/Northgate		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	6,300	7.8%	0	0.0%
Mather		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	9,600	100.0%	0	0.0%	0	0.0%
Folsom/El Dorado		0	0.0%	5,623	7.6%	21,839	29.6%	0	0.0%	0	0.0%	5,632	7.6%	0	0.0%	0	0.0%
Sunrise		0	0.0%	0	0.0%	10,350	21.9%	10,350	21.9%	3,200	6.8%	10,249	21.7%	7,772	16.4%	0	0.0%
Placer County	c	4,000	3.8%	6,425	6.1%	6,636	6.3%	0	0.0%	11,400	10.9%	8,600	8.2%	8,833	8.4%	11,235	8.8%
Sacramento Region	d	33,127	5.4%	31,333	5.0%	68,131	10.6%	31,319	4.9%	81,109	12.1%	98,881	14.7%	75,205	10.9%	65,435	9.1%
SIA as a Percentage of South Placer	a/b	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
South Placer as a Percentage of Placer Co.	b/c	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	23.1%
Placer Co. as a Percentage of Sac Region	c/d	-	12.1%	-	20.5%	-	9.7%	-	0.0%	-	14.1%	-	8.7%	-	11.7%	-	17.2%

Source: CoStar; EPS.

Table C-26
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Light Distribution Market Vacancy (2000-2014)

Light Distribution -- Vacancy

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Roseville		40,095	100.0%	40,095	100.0%	29,203	72.8%	29,203	72.8%	29,000	72.3%	29,000	72.3%	29,000	72.3%	15,040	37.5%
South Placer	b	62,550	100.0%	62,550	100.0%	51,658	82.6%	51,658	82.6%	29,000	46.4%	29,000	46.4%	29,000	46.4%	21,201	40.7%
Regional Markets																	
Highway 50 Corridor		6,953	12.2%	6,953	12.2%	19,754	34.7%	15,200	26.7%	12,000	21.1%	12,000	21.1%	12,800	22.5%	9,145	16.5%
McClellan		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	515	6.5%
West Sacramento		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Davis/Woodland		19,100	15.7%	18,800	15.5%	17,000	14.0%	29,800	24.5%	26,596	21.9%	24,805	20.4%	20,865	17.2%	16,663	13.8%
Woodland		0	0.0%	0	0.0%	0	0.0%	12,800	31.6%	7,500	18.5%	7,500	18.5%	4,987	12.3%	2,828	7.0%
Power Inn		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2,400	4.6%	800	1.5%	267	0.5%
Natomas/Northgate		10,000	12.5%	10,000	12.5%	10,000	12.5%	10,000	12.5%	10,000	12.5%	10,000	12.5%	10,000	12.5%	5,087	7.0%
Mather		0	0.0%	0	0.0%	9,600	100.0%	9,600	100.0%	9,600	100.0%	9,600	100.0%	9,600	100.0%	3,840	40.0%
Folsom/El Dorado		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	15,000	20.3%	0	0.0%	3,206	4.3%
Sunrise		6,953	14.7%	6,953	14.7%	10,154	21.5%	5,600	11.9%	2,400	5.1%	2,400	5.1%	3,200	6.8%	5,305	11.6%
Placer County	c	71,678	56.3%	70,308	55.3%	64,384	50.6%	69,711	54.8%	50,113	39.4%	51,805	40.7%	41,593	32.7%	31,781	27.2%
SACOG 6 Counties	d	153,585	21.4%	152,115	21.2%	162,202	22.6%	187,375	26.1%	146,373	20.4%	180,923	25.2%	139,809	19.4%	107,128	15.6%
SIA as a Percentage of South Placer	a/b	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
South Placer as a Percentage of Placer Co.	b/c	-	87.3%	-	89.0%	-	80.2%	-	74.1%	-	57.9%	-	56.0%	-	69.7%	-	66.7%
Placer Co. as a Percentage of Sac Region	c/d	-	46.7%	-	46.2%	-	39.7%	-	37.2%	-	34.2%	-	28.6%	-	29.7%	-	29.7%

Source: CoStar; EPS.

It dist vacancy

Table C-27
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Light Distribution Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

Light Distribution -- Net Absorption

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average Annual (2000-2014)
Sunset Industrial Area (SIA)	a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Roseville		0	0	0	0	0	0	0	0	(40,095)	0	10,892	0	203	0	0	(1,933)
South Placer	b	0	0	0	0	0	0	0	19,855	(59,950)	0	10,892	0	22,658	0	0	(436)
Regional Markets																	
Highway 50 Corridor		0	0	900	0	7,150	(16,649)	12,077	7,772	(6,953)	0	(12,801)	4,554	3,200	0	(800)	(103)
McClellan		(6,327)	4,927	0	1,400	0	0	0	0	0	0	0	0	0	0	0	0
West Sacramento		0	0	0	(6,950)	6,950	0	0	0	0	0	0	0	0	0	0	0
Davis/Woodland		750	17,900	(24,506)	8,337	(1,131)	3,800	11,800	1,400	(16,400)	300	1,800	(12,800)	3,204	1,791	3,940	12
Woodland		0	0	(9,637)	9,637	0	0	0	0	0	0	0	(12,800)	5,300	0	2,513	(332)
Power Inn		(800)	800	0	0	0	0	0	0	0	0	0	0	0	(2,400)	1,600	(53)
Natomas/Northgate		0	0	0	0	0	0	13,700	6,300	(10,000)	0	0	0	0	0	0	667
Mather		0	0	0	0	0	(9,600)	9,600	0	0	0	(9,600)	0	0	0	0	(640)
Folsom/El Dorado		0	(5,623)	(16,216)	21,839	0	(5,632)	5,632	0	0	0	0	0	0	(15,000)	15,000	0
Sunrise		0	0	900	0	7,150	(7,049)	2,477	7,772	(6,953)	0	(3,201)	4,554	3,200	0	(800)	537
Placer County	c	(4,000)	(2,425)	(211)	(3,562)	(1,202)	2,800	(233)	20,053	(60,443)	1,370	5,924	(5,327)	19,598	(1,692)	10,212	(1,276)
Sacramento Region	d	35,123	15,779	(34,718)	32,449	(19,033)	(4,381)	43,676	38,225	(88,150)	1,470	(10,087)	(25,173)	41,002	(34,550)	41,114	2,183
SIA as a Percentage of South Placer	a/b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer as a Percentage of Placer Co.	b/c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	99.0%	99.2%	0.0%	183.9%	0.0%	115.6%	0.0%	0.0%	34.2%
Placer Co. as a Percentage of Sac Region	c/d	(11.4%)	(15.4%)	0.6%	(11.0%)	6.3%	(63.9%)	(0.5%)	52.5%	68.6%	93.2%	(58.7%)	21.2%	47.8%	4.9%	24.8%	(58.4%)

Source: CoStar; EPS.

It dist absorb

Table C-28
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Light Distribution Market Average Asking Lease Rates (2000-2014)

Light Distribution -- Lease Rates

Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	n/a	n/a															
South Placer Jurisdictions																		
Lincoln	Triple Net	n/a	n/a															
Loomis	Triple Net	n/a	n/a															
Rocklin	Triple Net	n/a	n/a															
Roseville	Triple Net	-	-	-	-	-	-	-	-	\$1.25	\$1.25	\$1.15	\$1.15	\$1.15	\$1.15	\$0.85	n/a	n/a
South Placer	Triple Net	-	-	-	-	-	-	-	-	\$1.12	\$1.12	\$1.04	\$1.04	\$1.15	\$1.15	\$0.85	n/a	n/a
Regional Markets																		
Highway 50 Corridor	Triple Net	-	-	\$0.82	\$0.65	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
McClellan	Triple Net	\$0.90	\$0.90	-	-	-	-	\$1.26	-	-	-	-	-	-	-	-	n/a	n/a
West Sacramento	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Davis/Woodland	Triple Net	-	-	-	-	-	-	-	-	\$0.75	\$0.75	\$0.65	\$0.68	\$0.86	\$0.94	\$0.91	n/a	n/a
Woodland	Triple Net	-	-	-	-	-	-	-	-	-	-	-	\$0.71	\$1.19	\$1.19	\$1.19	n/a	n/a
Power Inn	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Natomas/Northgate	Triple Net	-	-	-	-	-	-	-	-	\$0.90	\$0.90	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	n/a	n/a
Mather	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Folsom/El Dorado	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	\$0.75	\$0.75	\$0.75	n/a	n/a
Sunrise	Triple Net	-	-	\$0.82	\$0.65	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Placer County	Triple Net	-	-	-	-	\$1.10	\$1.07	\$1.07	\$1.02	\$1.12	\$1.12	\$1.03	\$1.03	\$1.15	\$1.15	\$0.85	n/a	n/a
Sacramento Region	Triple Net	\$0.57	\$0.73	\$0.73	\$0.65	\$1.10	\$1.50	\$1.13	\$1.02	\$1.00	\$0.99	\$1.01	\$0.87	\$0.87	\$0.87	\$0.78	2.31%	\$0.21
SIA Percent Difference Compared to South Placer		n/a	-	-														
South Placer Percent Difference Compared to Placer Co.		n/a	0.0%	0.0%	0.9%	1.1%	0.0%	0.0%	0.0%	-	-							
Placer Co. Percent Difference Compared to Sac Region		n/a	n/a	n/a	n/a	0.0%	(28.6%)	(5.4%)	(0.1%)	12.6%	13.9%	2.6%	18.3%	31.8%	32.6%	8.5%	-	-

Source: CoStar; EPS.

It dist lease

Table C-29
 Sunset Industrial Area Market Analysis
 Commercial and Industrial Market Analysis
 Light Distribution Market Annual RBA Delivered

Light Distribution --
 Bldg. Sq. Ft. Constructed

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
South Placer Jurisdictions																		
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Rocklin		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Roseville		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Placer	b	0	0	0	0	0	0	0	22,455	0	22,455	1,497						
Regional Markets																		
Highway 50 Corridor		0	0	11,250	0	0	0	0	0	0	0	0	0	0	0	0	11,250	750
McClellan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Sacramento		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Davis/Woodland		0	17,600	0	0	0	0	0	0	0	0	0	0	0	0	0	17,600	1,173
Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Inn		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Natomas/Northgate		0	0	0	0	0	0	20,000	0	0	0	0	0	0	0	0	20,000	1,333
Mather		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Folsom/El Dorado		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sunrise		0	0	11,250	0	0	0	0	0	0	0	0	0	0	0	0	11,250	750
Placer County	c	0	0	0	0	0	0	0	22,455	0	22,455	1,497						
Sacramento Region	d	60,000	17,600	11,250	0	27,000	0	20,000	28,455	0	164,305	10,954						
SIA as a Percentage of South Placer	a/b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer as a Percentage of Placer Co.	b/c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	100.0%						
Placer Co. as a Percentage of Sac Region	c/d	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	78.9%	0.0%	13.7%	13.7%						

Source: CoStar; EPS.

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Table C-30
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Light Manufacturing Market Inventory: Leasable Square Feet (2000-2014)

Light Manufacturing --
Leasable Sq. Ft.

Market	Formula	Light Manufacturing Inventory: Leasable Sq. Ft. [1]															Difference 2000-2014	Average Annual % Change	Average Annual Share	
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4				
Sunset Industrial Area (SIA)	a	36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	54,357	17,957	n/a	-							
South Placer Jurisdictions																				
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
Rocklin		36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400	54,357	54,357	54,357	54,357	54,357	54,357	54,357	54,357	54,357	17,957	n/a
Roseville		0	0	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	62,815	#DIV/0!
South Placer	b	36,400	36,400	99,215	99,215	99,215	99,215	99,215	99,215	117,172	80,772	8.7%	-							
Regional Markets																				
Highway 50 Corridor		267,073	292,093	292,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	322,093	55,020
McClellan		84,012	84,012	84,012	84,012	84,012	84,012	84,012	84,012	53,878	53,878	53,878	53,878	53,878	53,878	53,878	53,878	53,878	53,878	(30,134)
West Sacramento		78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	78,148	0
Davis/Woodland		119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	119,185	0
Woodland		62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	62,954	0
Power Inn		36,723	36,723	36,723	36,723	36,723	49,123	49,123	49,123	49,123	49,123	49,123	49,123	49,123	49,123	49,123	49,123	49,123	49,123	12,400
Natomas/Northgate		129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	129,005	0
Mather		156,112	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	181,132	25,020
Folsom/El Dorado		111,278	111,278	111,278	111,278	111,278	111,278	111,278	111,278	127,625	127,625	127,625	127,625	127,625	127,625	127,625	127,625	127,625	127,625	16,347
Sunrise		104,961	104,961	104,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	134,961	30,000
Placer County	c	58,181	67,004	129,819	129,819	129,819	129,819	129,819	129,819	147,776	89,595	6.9%	-							
Sacramento Region	d	989,464	1,023,307	1,086,122	1,116,122	1,116,122	1,164,454	1,180,801	1,180,801	1,168,624	179,160	1.2%	-							
SIA as a Percentage of South Placer	a/b	100.0%	100.0%	36.7%	36.7%	36.7%	36.7%	36.7%	36.7%	46.4%	22.2%	-5.3%	45.1%							
South Placer as a Percentage of Placer Co.	b/c	62.6%	54.3%	76.4%	76.4%	76.4%	76.4%	76.4%	76.4%	79.3%	90.2%	1.7%	76.8%							
Placer Co. as a Percentage of Sac Region	c/d	5.9%	6.5%	12.0%	11.6%	11.6%	11.1%	11.0%	11.0%	12.6%	50.0%	5.6%	11.4%							

Source: CoStar; EPS.

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[1] Reflects data as of the fourth quarter of each year.

Table C-31
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Light Manufacturing Market Vacancy (2000-2014)

Light Manufacturing -- Vacancy

Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	6,000	16.5%	7,700	21.2%	4,200	11.5%	4,300	11.8%	5,600	15.4%	2,000	5.5%	4,000	11.0%	5,100	14.0%
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a						
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a						
Rocklin		6,000	16.5%	7,700	21.2%	4,200	11.5%	4,300	11.8%	5,600	15.4%	2,000	5.5%	4,000	11.0%	5,100	14.0%
Roseville		n/a	n/a	n/a	n/a	8,520	13.6%	6,605	10.5%	1,474	2.3%	0	0.0%	0	0.0%	3,052	4.9%
South Placer	b	6,000	16.5%	7,700	21.2%	12,720	12.8%	10,905	11.0%	7,074	7.1%	2,000	2.0%	4,000	4.0%	8,152	8.2%
Regional Markets																	
Highway 50 Corridor		10,000	3.7%	16,760	5.7%	9,360	3.2%	20,100	6.2%	23,680	7.4%	12,251	3.8%	5,352	1.7%	0	0.0%
McClellan		2,100	2.5%	40,834	48.6%	40,634	48.4%	39,134	46.6%	40,034	47.7%	38,934	46.3%	13,200	15.7%	11,000	13.1%
West Sacramento		0	0.0%	0	0.0%	0	0.0%	0	0.0%	6,445	8.2%	8,516	10.9%	32,031	41.0%	29,116	37.3%
Davis/Woodland		5,186	4.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Woodland		5,186	8.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Power Inn		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	12,000	24.4%	12,000	24.4%
Natomas/Northgate		17,265	13.4%	13,540	10.5%	1,830	1.4%	15,429	12.0%	17,590	13.6%	13,428	10.4%	17,430	13.5%	10,293	8.0%
Mather		10,000	6.4%	16,760	9.3%	9,360	5.2%	15,600	8.6%	0	0.0%	12,251	6.8%	5,352	3.0%	0	0.0%
Folsom/El Dorado		1,000	0.9%	1,000	0.9%	10,579	9.5%	11,800	10.6%	29,879	26.9%	17,846	16.0%	15,695	12.3%	27,395	21.5%
Sunrise		0	0.0%	0	0.0%	0	0.0%	4,500	3.3%	23,680	17.5%	0	0.0%	0	0.0%	0	0.0%
Placer County	c	6,000	10.3%	8,200	12.2%	12,720	9.8%	10,905	8.4%	7,574	5.8%	2,900	2.2%	4,000	3.1%	8,152	6.3%
Sacramento Region	d	64,051	6.5%	80,334	7.9%	75,123	6.9%	97,368	8.7%	125,202	11.2%	93,875	8.1%	106,283	9.0%	104,895	8.9%
SIA as a Percentage of South Placer	a/b	-	100.0%	-	100.0%	-	33.0%	-	39.4%	-	79.2%	-	100.0%	-	100.0%	-	62.6%
South Placer as a Percentage of Placer Co.	b/c	-	100.0%	-	93.9%	-	100.0%	-	0.0%	-	93.4%	-	69.0%	-	100.0%	-	100.0%
Placer Co. as a Percentage of Sac Region	c/d	-	9.4%	-	10.2%	-	16.9%	-	11.2%	-	6.0%	-	3.1%	-	3.8%	-	7.8%

Source: CoStar; EPS.

Table C-31
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Light Manufacturing Market Vacancy (2000-2014)

**Light Manufacturing --
 Vacancy**

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%	Sq. Ft.	%												
Sunset Industrial Area (SIA)	a	14,068	25.9%	22,912	42.2%	20,057	36.9%	7,695	14.2%	10,920	20.1%	10,920	20.1%	7,695	14.2%	8,878	19.8%
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a												
Loomis		n/a	n/a	n/a	n/a												
Rocklin		14,068	25.9%	22,912	42.2%	20,057	36.9%	7,695	14.2%	10,920	20.1%	10,920	20.1%	7,695	14.2%	8,878	19.8%
Roseville		12,625	20.1%	8,629	13.7%	5,985	9.5%	5,852	9.3%	1,474	2.3%	2,595	4.1%	5,689	9.1%	4,808	8.8%
South Placer	b	26,693	22.8%	31,541	26.9%	26,042	22.2%	13,547	11.6%	12,394	10.6%	13,515	11.5%	13,384	11.4%	13,044	13.1%
Regional Markets																	
Highway 50 Corridor		77,460	24.0%	85,060	26.4%	99,940	31.0%	108,455	33.7%	140,020	43.5%	112,210	34.8%	73,940	23.0%	52,973	16.8%
McClellan		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	15,058	21.5%
West Sacramento		8,516	10.9%	21,817	27.9%	25,476	32.6%	25,476	32.6%	26,532	34.0%	25,483	32.6%	14,091	18.0%	14,900	19.1%
Davis/Woodland		0	0.0%	0	0.0%	0	0.0%	6,254	5.2%	6,254	5.2%	6,254	5.2%	6,254	5.2%	2,013	1.7%
Woodland		0	0.0%	0	0.0%	0	0.0%	6,254	9.9%	6,254	9.9%	6,254	9.9%	6,254	9.9%	2,013	3.2%
Power Inn		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2,031	4.1%	2,031	4.1%	1,871	4.2%
Natomas/Northgate		32,417	25.1%	34,399	26.7%	37,065	28.7%	0	0.0%	1,830	1.4%	5,460	4.2%	5,490	4.3%	14,898	11.5%
Mather		12,240	6.8%	17,440	9.6%	32,320	17.8%	44,800	24.7%	56,059	30.9%	52,289	28.9%	48,238	26.6%	22,181	12.4%
Folsom/El Dorado		30,217	23.7%	18,059	14.2%	14,522	11.4%	11,186	8.8%	3,486	2.7%	1,022	0.8%	3,042	2.4%	13,115	10.8%
Sunrise		65,220	48.3%	67,620	50.1%	67,620	50.1%	63,655	47.2%	83,961	62.2%	57,890	42.9%	23,671	17.5%	30,521	23.7%
Placer County	c	26,693	18.1%	31,541	21.3%	26,042	17.6%	13,547	9.2%	12,394	8.4%	13,515	9.1%	13,384	9.1%	13,171	10.2%
Sacramento Region	d	186,544	16.0%	190,876	16.3%	230,645	19.7%	192,518	16.5%	216,616	18.5%	167,544	14.3%	117,281	10.0%	136,610	12.0%
SIA as a Percentage of South Placer	a/b	-	52.7%	-	72.6%	-	77.0%	-	56.8%	-	88.1%	-	80.8%	-	57.5%	-	68.1%
South Placer as a Percentage of Placer Co.	b/c	-	100.0%	-	99.0%												
Placer Co. as a Percentage of Sac Region	c/d	-	14.3%	-	16.5%	-	11.3%	-	7.0%	-	5.7%	-	8.1%	-	11.4%	-	9.6%

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Source: CoStar; EPS.

Table C-32
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Light Manufacturing Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

Light Manufacturing -- Net Absorption
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Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	(900)	(1,700)	3,500	(100)	(1,300)	3,600	(2,000)	(1,100)	8,989	(8,844)	2,855	12,362	(3,225)	0	3,225	1,024
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		(900)	(1,700)	3,500	(100)	(1,300)	3,600	(2,000)	(1,100)	8,989	(8,844)	2,855	12,362	(3,225)	0	3,225	1,024
Roseville [1]		0	0	54,295	1,915	5,131	1,474	0	(3,052)	(9,573)	3,996	2,644	133	4,378	(2,502)	(1,713)	3,808
South Placer	b	(900)	(1,700)	57,795	1,815	3,831	5,074	(2,000)	(4,152)	(584)	(4,848)	5,499	12,495	1,153	(2,502)	1,512	4,833
Regional Markets																	
Highway 50 Corridor		3,933	18,260	7,400	19,260	(7,740)	(3,217)	(55,856)	75,153	(65,700)	(7,600)	(14,880)	(8,515)	(31,565)	27,810	(19,620)	(4,192)
McClellan		0	(38,734)	200	1,500	(900)	1,100	25,734	2,200	(19,134)	0	0	0	0	0	0	(1,869)
West Sacramento		0	30,000	0	0	(6,445)	(2,071)	(23,515)	2,915	0	7,299	(3,659)	0	(1,056)	1,049	11,392	1,061
Davis/Woodland		(2,500)	5,186	0	0	0	0	0	0	0	0	0	(6,254)	0	0	0	(238)
Woodland		(2,500)	5,186	0	0	0	0	0	0	0	0	0	(6,254)	0	0	0	(238)
Power Inn		2,880	0	0	0	0	12,400	(12,000)	0	12,000	0	0	0	0	(2,031)	0	883
Natomas/Northgate		1,325	3,725	11,710	(13,599)	(3,391)	5,392	(4,002)	7,137	(22,124)	(1,982)	(2,666)	37,065	(1,830)	(3,630)	(30)	873
Mather		3,933	18,260	7,400	(6,240)	11,440	(26,897)	25,705	(6,408)	(480)	(5,200)	(14,880)	(12,480)	(11,259)	3,770	4,051	(619)
Folsom/El Dorado		6,860	(5,200)	(4,379)	(1,221)	(18,079)	12,033	18,498	(11,700)	(2,822)	12,158	1,137	5,736	7,700	2,464	(2,020)	1,411
Sunrise		0	0	0	25,500	(19,180)	23,680	(81,561)	81,561	(65,220)	(2,400)	0	3,965	(20,306)	26,071	(23,671)	(3,437)
Placer County	c	(900)	6,623	58,295	1,815	3,331	4,674	(1,100)	(4,152)	(584)	(4,848)	5,499	12,495	1,153	(2,502)	1,512	5,421
Sacramento Region	d	18,598	42,360	73,226	7,755	(33,224)	66,243	(58,816)	71,189	(102,666)	16,268	(42,169)	40,527	(24,098)	47,691	(6,246)	7,776
SIA as a Percentage of South Placer	a/b	100.0%	100.0%	6.1%	(5.5%)	(33.9%)	70.9%	100.0%	26.5%	(1,539.2%)	182.4%	51.9%	98.9%	(279.7%)	0.0%	213.3%	21.2%
South Placer as a Percentage of Placer Co.	b/c	100.0%	(25.7%)	99.1%	100.0%	115.0%	108.6%	181.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	89.1%
Placer Co. as a Percentage of Sac Region	c/d	(4.8%)	15.6%	79.6%	23.4%	(10.0%)	7.1%	1.9%	(5.8%)	0.6%	(29.8%)	(13.0%)	30.8%	(4.8%)	(5.2%)	(24.2%)	69.7%

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Source: CoStar; EPS.

[1] Only represents Q4 absorption for year 2000.

Table C-33
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Light Manufacturing Market Average Asking Lease Rates (2000-2014)

Light Manufacturing -- Lease Rates

Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	-	-	-	-	-	-	-	-	-	-	-	\$1.06	\$1.00	\$1.00	\$1.01	n/a	n/a
South Placer Jurisdictions																		
Lincoln	Triple Net	n/a	n/a															
Loomis	Triple Net	n/a	n/a															
Rocklin	Triple Net	-	-	-	-	-	-	-	-	-	-	-	\$1.06	\$1.00	\$1.00	\$1.01	n/a	n/a
Roseville	Triple Net	-	\$0.60	\$1.10	\$1.25	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
South Placer	Triple Net	-	\$0.60	\$1.10	\$1.25	-	-	-	-	-	-	-	\$1.06	\$1.00	\$1.00	\$1.01	n/a	n/a
Regional Markets																		
Highway 50 Corridor	Triple Net	\$0.46	\$0.31	\$0.35	\$0.56	\$0.85	\$0.77	\$0.97	\$1.00	\$0.68	\$0.60	\$0.43	\$0.48	\$0.53	\$0.58	\$0.59	1.8%	\$0.13
McClellan	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
West Sacramento	Triple Net	\$0.29	\$0.48	-	-	\$0.65	\$0.65	\$0.71	\$0.68	\$1.00	\$0.95	\$0.86	\$0.86	\$0.55	\$0.55	\$0.55	4.7%	\$0.26
Davis/Woodland	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Woodland	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Power Inn	Triple Net	-	-	-	-	\$1.08	\$1.08	\$1.75	\$1.05	\$0.78	\$0.78	-	\$0.52	-	-	-	n/a	n/a
Natomas/Northgate	Triple Net	\$0.61	\$0.60	\$0.60	\$0.79	\$0.71	\$0.81	\$0.99	\$0.72	\$0.85	\$0.77	\$0.53	\$0.36	\$0.69	\$0.56	\$0.66	0.6%	\$0.05
Mather	Triple Net	\$0.46	\$0.31	\$0.35	\$0.56	-	\$0.77	\$0.81	\$1.00	\$0.95	\$0.59	\$0.40	\$0.46	\$0.48	\$0.48	\$0.52	0.7%	\$0.05
Folsom/El Dorado	Triple Net	\$0.45	-	-	-	\$0.78	\$0.75	\$0.75	\$1.20	\$1.15	\$1.00	\$0.95	-	-	-	\$0.60	2.1%	\$0.15
Sunrise	Triple Net	-	-	-	-	\$0.85	-	\$1.00	-	\$0.64	\$0.60	\$0.85	\$0.85	\$0.79	\$0.64	\$0.69	n/a	n/a
Placer County	Triple Net	-	\$0.60	\$1.10	\$1.25	-	-	-	-	-	-	-	\$1.06	\$1.00	\$1.00	\$1.01	n/a	n/a
Sacramento Region	Triple Net	\$0.39	\$0.43	\$0.77	\$0.82	\$0.78	\$0.87	\$1.08	\$1.16	\$0.82	\$0.73	\$0.67	\$0.76	\$0.71	\$0.67	\$0.74	4.7%	\$0.35
SIA Percent Difference Compared to South Placer		n/a	0.0%	0.0%	0.0%	0.0%	-	-										
South Placer Percent Difference Compared to Placer Co.		n/a	0.0%	0.0%	0.0%	n/a	0.0%	0.0%	0.0%	0.0%	-	-						
Placer Co. Percent Difference Compared to Sac Region		n/a	37.9%	42.2%	52.1%	n/a	40.0%	41.1%	50.6%	36.2%	-	-						

Source: CoStar; EPS.

lt manufac lease

Table C-34
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Light Manufacturing Market Annual RBA Delivered

Light Manufacturing -- Bldg. Sq. Ft. Constructed

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Average Annual (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	0	0	0	0	0	17,957	0	0	0	0	0	0	17,957	1,197
South Placer Jurisdictions																		
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Rocklin		0	0	0	0	0	0	0	0	17,957	0	0	0	0	0	0	17,957	1,197
Roseville [1]		0	0	62,815	0	0	0	0	0	0	0	0	0	0	0	0	62,815	4,188
South Placer	b	0	0	62,815	0	0	0	0	0	17,957	0	0	0	0	0	0	80,772	5,385
Regional Markets																		
Highway 50 Corridor		0	25,020	0	30,000	0	0	0	0	0	0	0	0	0	0	0	55,020	3,668
McClellan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Sacramento		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Davis/Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Inn		0	0	0	0	0	12,400	0	0	0	0	0	0	0	0	0	12,400	827
Natomas/Northgate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mather		0	25,020	0	0	0	0	0	0	0	0	0	0	0	0	0	25,020	1,668
Folsom/El Dorado		0	0	0	0	0	0	16,347	0	0	0	0	0	0	0	0	16,347	1,090
Sunrise		0	0	0	30,000	0	0	0	0	0	0	0	0	0	0	0	30,000	2,000
Placer County	c	0	8,823	62,815	0	0	0	0	0	17,957	0	0	0	0	0	0	89,595	5,973
Sacramento Region	d	0	33,843	62,815	30,000	0	48,332	16,347	0	17,957	0	0	0	0	0	0	209,294	13,953
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	22.2%	22.2%
South Placer as a Percentage of Placer Co.	b/c	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	90.2%	90.2%
Placer Co. as a Percentage of Sac Region	c/d	0.0%	26.1%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	42.8%	42.8%

Source: CoStar; EPS.

lt manufac deliv

[1] Only represents Q4 building square footage constructed for 2000.

Table C-35
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Telecom & Data Housing Market Inventory: Leasable Square Feet (2000-2014)

**Telecom & Data Housing --
Leasable Sq. Ft.**

Market	Formula	Telecom & Data Housing Inventory: Leasable Sq. Ft. [1]															Difference 2000-2014	Average Annual % Change	Average Annual Share		
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4					
Sunset Industrial Area (SIA)	a	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	0	0.0%	-	
South Placer Jurisdictions																					
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
Rocklin		66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	0	0.0%	-
Roseville		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	
South Placer	b	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	0	0.0%	-	
Regional Markets																					
Highway 50 Corridor		156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	0	0.0%	-
McClellan		258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	258,105	0	0.0%	-
West Sacramento		123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	123,938	0	0.0%	-
Davis/Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	-
Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	-
Power Inn		110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	110,257	0	0.0%	-
Natomas/Northgate		295,547	295,547	376,772	376,772	376,772	376,772	376,772	376,772	376,772	376,772	376,772	376,772	376,772	376,772	376,772	376,772	376,772	81,225	1.7%	-
Mather		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	-
Folsom/El Dorado		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	-
Sunrise		156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	156,465	0	0.0%	-
Placer County	c	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	66,761	0	0.0%	-	
Sacramento Region	d	1,011,073	1,011,073	1,092,298	81,225	0.6%	-														
SIA as a Percentage of South Placer	a/b	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%
South Placer as a Percentage of Placer Co.	b/c	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%
Placer Co. as a Percentage of Sac Region	c/d	6.6%	6.6%	6.1%	6.1%	0.0%	-0.6%	6.2%													

Source: CoStar; EPS.

telecom inv

[1] Reflects data as of the fourth quarter of each year.

Table C-36
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Telecom & Data Housing Market Vacancy (2000-2014)

Telecom & Data Housing -- Vacancy
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Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Roseville		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer	b	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Regional Markets																	
Highway 50 Corridor		0	0.0%	29,410	18.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	29,410	18.8%
McClellan		1,300	0.5%	118,700	46.0%	118,600	46.0%	117,500	45.5%	118,200	45.8%	117,400	45.5%	120,500	46.7%	236,600	91.7%
West Sacramento		1,400	1.1%	2,100	1.7%	2,200	1.8%	2,200	1.8%	2,100	1.7%	1,800	1.5%	1,500	1.2%	1,000	0.8%
Davis/Woodland		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Woodland		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Power Inn		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Natomas/Northgate		0	0.0%	0	0.0%	64,980	17.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mather		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Folsom/El Dorado		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sunrise		0	0.0%	29,410	18.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	29,410	18.8%
Placer County	c	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Sacramento Region	d	2,700	0.3%	150,210	14.9%	185,780	17.0%	119,700	11.0%	120,300	11.0%	119,200	10.9%	122,000	11.2%	267,010	24.4%
SIA as a Percentage of South Placer	a/b	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
South Placer as a Percentage of Placer Co.	b/c	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Placer Co. as a Percentage of Sac Region	c/d	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%

Source: CoStar; EPS.

Table C-36
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Telecom & Data Housing Market Vacancy (2000-2014)

Telecom & Data Housing -- Vacancy
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Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Roseville		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer	b	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Regional Markets																	
Highway 50 Corridor		34,337	21.9%	34,337	21.9%	30,986	19.8%	32,996	21.1%	32,996	21.1%	3,586	2.3%	3,586	2.3%	15,443	9.9%
McClellan		236,600	91.7%	66,600	25.8%	66,600	25.8%	66,600	25.8%	66,600	25.8%	66,600	25.8%	66,600	25.8%	105,667	40.9%
West Sacramento		700	0.6%	700	0.6%	1,200	1.0%	1,400	1.1%	1,700	1.4%	1,800	1.5%	0	0.0%	1,453	1.2%
Davis/Woodland		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Woodland		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Power Inn		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	110,256	100.0%	7,350	6.7%
Natomas/Northgate		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4,332	1.2%
Mather		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Folsom/El Dorado		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sunrise		34,337	21.9%	34,337	21.9%	30,986	19.8%	32,996	21.1%	32,996	21.1%	3,586	2.3%	3,586	2.3%	15,443	9.9%
Placer County	c	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Sacramento Region	d	271,637	24.9%	101,637	9.3%	98,786	9.0%	100,996	9.2%	101,296	9.3%	71,986	6.6%	180,442	16.5%	134,245	12.4%
SIA as a Percentage of South Placer	a/b	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
South Placer as a Percentage of Placer Co.	b/c	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Placer Co. as a Percentage of Sac Region	c/d	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%

Source: CoStar; EPS.

telecom vacancy

Table C-37
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Telecom & Data Housing Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

Telcom & Data Housing -- Net Absorption
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Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Placer Jurisdictions																	
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Roseville		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer	b	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional Markets																	
Highway 50 Corridor		0	(29,410)	29,410	(29,410)	29,410	0	0	(29,410)	(4,927)	0	3,351	(2,010)	0	29,410	0	(239)
McClellan		(100)	(117,400)	100	1,100	(700)	800	(3,100)	(116,100)	0	170,000	0	0	0	0	0	(4,360)
West Sacramento		0	(700)	(100)	0	100	300	300	500	300	0	(500)	(200)	(300)	(100)	1,800	93
Davis/Woodland		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Woodland		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Power Inn		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(110,256)	(7,350)
Natomas/Northgate		292,300	0	16,245	64,980	0	0	0	0	0	0	0	0	0	0	0	24,902
Mather		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Folsom/El Dorado		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sunrise		0	(29,410)	29,410	(29,410)	29,410	0	0	(29,410)	(4,927)	0	3,351	(2,010)	0	29,410	0	(239)
Placer County	c	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sacramento Region	d	292,200	(147,510)	45,655	36,670	28,810	1,100	(2,800)	(145,010)	(4,627)	170,000	2,851	(2,210)	(300)	29,310	(108,456)	13,046
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Placer as a Percentage of Placer Co.	b/c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Placer Co. as a Percentage of Sac Region	c/d	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

telecom absorb

Source: CoStar; EPS.

Table C-38
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Telecom & Data Housing Market Average Asking Lease Rates (2000-2014)

Telecom & Data Housing -- Lease Rates
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Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
South Placer Jurisdictions																		
Lincoln	Triple Net	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis	Triple Net	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rocklin	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Roseville	Triple Net	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South Placer	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Regional Markets																		
Highway 50 Corridor	Triple Net	-	\$0.85	\$1.15	-	-	-	-	\$1.25	\$1.17	\$0.91	\$0.62	\$0.74	\$0.84	\$0.74	\$0.62	n/a	n/a
McClellan	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
West Sacramento	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Davis/Woodland	Triple Net	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Woodland	Triple Net	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Power Inn	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Natomas/Northgate	Triple Net	\$0.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Mather	Triple Net	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Folsom/El Dorado	Triple Net	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sunrise	Triple Net	-	\$0.85	\$1.15	-	-	-	-	\$1.25	\$1.17	\$0.91	\$0.62	\$0.74	\$0.84	\$0.74	\$0.62	n/a	n/a
Placer County	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Sacramento Region	Triple Net	\$0.70	\$0.85	\$1.15	-	-	-	-	\$1.25	\$1.17	\$0.91	\$0.62	\$0.74	\$0.84	\$0.74	\$0.62	-0.86%	(\$0.08)
SIA Percent Difference Compared to South Placer		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-
South Placer Percent Difference Compared to Placer Co.		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-
Placer Co. Percent Difference Compared to Sac Region		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-

Source: CoStar; EPS.

telecom lease

Table C-39
 Sunset Industrial Area Market Analysis
 Commercial and Industrial Market Analysis
 Telecom & Data Housing Market Annual RBA Delivered

Telecom & Data Housing -- Bldg. Sq. Ft. Constructed

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Placer Jurisdictions																		
Lincoln		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Loomis		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Rocklin		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Roseville		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
South Placer	b	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regional Markets																		
Highway 50 Corridor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
McClellan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Sacramento		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Davis/Woodland		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Woodland		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Power Inn		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Natomas/Northgate		0	0	81,225	0	0	0	0	0	0	0	0	0	0	0	0	81,225	5,415
Mather		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Folsom/El Dorado		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Sunrise		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Placer County	c	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sacramento Region	d	0	0	81,225	0	81,225	5,415											
<hr/>																		
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Placer as a Percentage of Placer Co.	b/c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Placer Co. as a Percentage of Sac Region	c/d	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CoStar; EPS.

telecom deliv

Table C-40
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
R&D Market Inventory: Leasable Square Feet (2000-2014)

R&D -- Leasable Sq. Ft.

Market	Formula	R&D Inventory: Leasable Sq. Ft. [1]															Difference 2000-2014	Average Annual % Change	Average Annual Share	
		2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4				
Sunset Industrial Area (SIA)	a	8,426	8,426	8,426	8,426	8,426	8,426	81,789	81,789	99,746	91,320	19.3%	-							
South Placer Jurisdictions																				
Lincoln		0	0	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219	n/a	-
Loomis		5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	0	0.0%	-
Rocklin		50,426	50,426	50,426	50,426	50,426	50,426	123,789	123,789	141,746	141,746	141,746	141,746	141,746	141,746	141,746	141,746	91,320	7.7%	-
Roseville		72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	72,154	0	0.0%	-
South Placer	b	128,380	128,380	171,599	171,599	171,599	171,599	244,962	244,962	262,919	134,539	5.3%	-							
Regional Markets																				
Highway 50 Corridor		621,970	621,970	677,970	677,970	706,277	706,277	706,277	706,277	706,277	706,277	706,277	706,277	706,277	706,277	706,277	706,277	84,307	0.9%	-
McClellan		480,038	480,038	480,038	480,038	480,038	480,038	480,038	480,038	480,038	480,038	480,038	480,038	480,038	470,538	470,538	470,538	(9,500)	-0.1%	-
West Sacramento		217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	217,091	0	0.0%	-
Davis/Woodland		182,386	182,386	182,386	182,386	182,386	203,435	203,435	203,435	203,435	274,610	267,110	267,110	267,110	267,110	267,110	267,110	84,724	0.0%	-
Woodland		49,306	49,306	49,306	49,306	49,306	49,306	49,306	49,306	49,306	41,806	41,806	41,806	41,806	41,806	41,806	41,806	(7,500)	0.0%	-
Power Inn		48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	48,859	0	0.0%	-
Natomas/Northgate		251,056	298,486	387,656	387,656	411,505	438,348	543,520	543,520	543,520	543,520	543,520	543,520	543,520	543,520	543,520	543,520	292,464	5.7%	-
Mather		192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	192,952	0	0.0%	-
Folsom/El Dorado		402,430	402,430	413,950	413,950	413,950	413,950	436,990	472,257	530,521	530,521	530,521	530,521	530,521	530,521	530,521	555,763	153,333	0.0%	-
Sunrise		403,218	403,218	459,218	459,218	487,525	487,525	487,525	487,525	487,525	487,525	487,525	487,525	487,525	487,525	487,525	487,525	84,307	1.4%	-
Placer County	c	304,995	384,282	438,501	438,501	438,501	438,501	511,864	511,864	529,821	224,826	4.0%	-							
Sacramento Region	d	2,623,027	2,749,744	2,983,693	2,995,213	3,047,369	3,095,261	3,296,836	3,332,103	3,408,324	3,483,099	3,475,599	3,475,599	3,475,599	3,466,099	3,491,341	868,314	2.1%	-	
SIA as a Percentage of South Placer	a/b	6.6%	6.6%	4.9%	4.9%	4.9%	4.9%	33.4%	33.4%	37.9%	67.9%	13.4%	27.9%							
South Placer as a Percentage of Placer Co.	b/c	42.1%	33.4%	39.1%	39.1%	39.1%	39.1%	47.9%	47.9%	49.6%	59.8%	1.2%	45.6%							
Placer Co. as a Percentage of Sac Region	c/d	11.6%	14.0%	14.7%	14.6%	14.4%	14.2%	15.5%	15.4%	15.5%	15.2%	15.2%	15.2%	15.2%	15.3%	15.2%	25.9%	1.9%	14.8%	

Source: CoStar; EPS.

r&d inv

[1] Reflects data as of the fourth quarter of each year.

Table C-41
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical R&D Market Vacancy (2000-2014)

R&D -- Vacancy

Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	0	0.0%	0	0.0%	0	0.0%	5,420	64.3%	0	0.0%	5,004	59.4%	64,698	79.1%	32,349	39.6%
South Placer Jurisdictions																	
Lincoln		0	0.0%	0	0.0%	7,026	16.3%	7,026	16.3%	7,026	16.3%	7,026	16.3%	7,026	16.3%	5,327	12.3%
Loomis		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Rocklin		15,000	29.7%	0	0.0%	0	0.0%	5,420	10.7%	0	0.0%	5,004	9.9%	64,698	52.3%	32,349	26.1%
Roseville		2,500	3.5%	9,318	12.9%	2,000	2.8%	7,082	9.8%	11,400	15.8%	7,614	10.6%	0	0.0%	0	0.0%
South Placer	b	17,500	13.6%	9,318	7.3%	9,026	5.3%	19,528	11.4%	18,426	10.7%	19,644	11.4%	71,724	29.3%	37,676	15.4%
Regional Markets																	
Highway 50 Corridor		27,681	4.5%	186,506	30.0%	256,746	37.9%	230,920	34.1%	246,276	34.9%	108,784	15.4%	107,017	15.2%	137,561	19.5%
McClellan		0	0.0%	425,834	88.7%	409,366	85.3%	389,803	81.2%	369,751	77.0%	369,751	77.0%	358,818	74.7%	370,070	77.1%
West Sacramento		18,269	8.4%	22,520	10.4%	15,324	7.1%	6,822	3.1%	0	0.0%	10,050	4.6%	0	0.0%	11,460	5.3%
Davis/Woodland		22,543	12.4%	30,110	16.5%	16,936	9.3%	57,530	31.5%	33,769	18.5%	93,680	46.0%	74,861	36.8%	65,297	32.1%
Woodland		0	0.0%	8,000	16.2%	0	0.0%	23,565	47.8%	4,944	10.0%	15,804	32.1%	15,804	32.1%	15,804	32.1%
Power Inn		1,200	2.5%	5,560	11.4%	3,200	6.5%	23,035	47.1%	29,180	59.7%	21,980	45.0%	4,889	10.0%	9,089	18.6%
Natomas/Northgate		3,475	1.4%	17,465	5.9%	106,823	27.6%	81,339	21.0%	64,737	15.7%	65,225	14.9%	140,257	25.8%	98,496	18.1%
Mather		26,481	13.7%	22,378	11.6%	52,937	27.4%	55,253	28.6%	40,787	21.1%	44,649	23.1%	46,449	24.1%	68,793	35.7%
Folsom/EI Dorado		0	0.0%	3,100	0.8%	54,285	13.1%	36,429	8.8%	19,227	4.6%	22,271	5.4%	16,290	3.7%	44,169	9.4%
Sunrise		0	0.0%	162,368	40.3%	203,809	44.4%	172,667	37.6%	196,344	40.3%	62,190	12.8%	60,568	12.4%	64,568	13.2%
Placer County	c	17,500	5.7%	10,718	2.8%	12,126	2.8%	22,128	5.0%	83,626	19.1%	84,644	19.3%	269,159	52.6%	225,111	44.0%
Sacramento Region	d	103,336	3.9%	715,366	26.0%	891,823	29.9%	861,299	28.8%	870,418	28.6%	803,925	26.0%	991,540	30.1%	985,483	29.6%
SIA as a Percentage of South Placer	a/b	-	0.0%	-	0.0%	-	0.0%	-	27.8%	-	0.0%	-	25.5%	-	90.2%	-	85.9%
South Placer as a Percentage of Placer Co.	b/c	-	100.0%	-	86.9%	-	74.4%	-	88.3%	-	22.0%	-	23.2%	-	26.6%	-	16.7%
Placer Co. as a Percentage of Sac Region	c/d	-	16.9%	-	1.5%	-	1.4%	-	2.6%	-	9.6%	-	10.5%	-	27.1%	-	22.8%

Source: CoStar; EPS.

Table C-41
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical R&D Market Vacancy (2000-2014)

R&D -- Vacancy

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%	Sq. Ft.	%												
Sunset Industrial Area (SIA)	a	53,356	53.5%	50,306	50.4%	53,356	53.5%	47,714	47.8%	11,798	11.8%	11,798	11.8%	16,982	17.0%	23,519	38.7%
South Placer Jurisdictions																	
Lincoln		10,553	24.4%	21,206	49.1%	21,306	49.3%	10,653	24.6%	5,326	12.3%	5,326	12.3%	5,326	12.3%	8,010	21.4%
Loomis		0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	900	15.5%	60	1.0%
Rocklin		53,356	37.6%	50,306	35.5%	69,213	48.8%	63,571	44.8%	11,798	8.3%	11,798	8.3%	16,982	12.0%	26,633	25.9%
Roseville		4,200	5.8%	8,050	11.2%	4,200	5.8%	5,967	8.3%	1,800	2.5%	0	0.0%	3,144	4.4%	4,485	6.2%
South Placer	b	68,109	25.9%	79,562	30.3%	94,719	36.0%	80,191	30.5%	18,924	7.2%	17,124	6.5%	26,352	10.0%	39,188	18.0%
Regional Markets																	
Highway 50 Corridor		138,400	19.6%	182,231	25.8%	184,696	26.2%	275,565	39.0%	246,370	34.9%	312,511	44.2%	295,145	41.8%	195,761	28.3%
McClellan		307,807	64.1%	264,793	55.2%	239,568	49.9%	224,046	46.7%	201,434	42.0%	178,961	38.0%	178,871	38.0%	285,925	59.7%
West Sacramento		22,756	10.5%	28,489	13.1%	41,660	19.2%	29,260	13.5%	14,408	6.6%	62,992	29.0%	33,227	15.3%	21,149	9.7%
Davis/Woodland		37,762	18.6%	31,500	11.5%	37,695	14.1%	45,820	17.2%	71,327	26.7%	69,693	26.1%	80,585	30.2%	51,274	23.1%
Woodland		13,860	28.1%	8,000	16.2%	18,038	43.1%	20,220	48.4%	14,038	33.6%	10,055	24.1%	10,055	24.1%	11,879	25.4%
Power Inn		7,145	14.6%	7,725	15.8%	10,710	21.9%	5,880	12.0%	13,820	28.3%	12,095	24.8%	10,450	21.4%	11,064	22.6%
Natomas/Northgate		86,815	16.0%	165,772	30.5%	220,574	40.6%	162,663	29.9%	186,955	34.4%	166,203	30.6%	196,853	36.2%	117,577	25.0%
Mather		72,726	37.7%	88,316	45.8%	88,517	45.9%	115,337	59.8%	96,157	49.8%	112,548	58.3%	99,966	51.8%	68,753	35.6%
Folsom/EI Dorado		118,375	22.3%	139,523	26.3%	159,403	30.0%	105,566	19.9%	91,166	17.2%	78,122	14.7%	118,154	21.3%	67,072	14.2%
Sunrise		58,529	12.0%	89,155	18.3%	88,434	18.1%	154,348	31.7%	145,313	29.8%	193,863	39.8%	193,419	39.7%	123,038	26.0%
Placer County	c	255,544	48.2%	286,464	54.1%	296,121	55.9%	276,093	52.1%	225,826	42.6%	213,026	40.2%	222,254	41.9%	166,689	34.8%
Sacramento Region	d	1,009,700	29.6%	1,150,043	33.0%	1,229,062	35.4%	1,157,736	33.3%	1,087,114	31.3%	1,121,369	32.4%	1,168,093	33.5%	943,087	29.2%
SIA as a Percentage of South Placer	a/b	-	78.3%	-	63.2%	-	56.3%	-	59.5%	-	62.3%	-	68.9%	-	64.4%	-	60.0%
South Placer as a Percentage of Placer Co.	b/c	-	26.7%	-	27.8%	-	32.0%	-	29.0%	-	8.4%	-	8.0%	-	11.9%	-	23.5%
Placer Co. as a Percentage of Sac Region	c/d	-	25.3%	-	24.9%	-	24.1%	-	23.8%	-	20.8%	-	19.0%	-	19.0%	-	17.7%

r&d vacancy

Source: CoStar; EPS.

Table C-42
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical R&D Year-to-Date Net Absorption -- Sq. Ft. (2000-2014)

R&D -- Net Absorption

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	(5,420)	5,420	(5,004)	13,669	15,213	14,086	3,050	(3,050)	5,642	35,916	0	(5,184)	4,956
South Placer Jurisdictions																	
Lincoln [1]		0	0	36,193	0	0	0	0	1,699	(5,226)	(10,653)	(100)	10,653	5,327	0	0	2,526
Loomis		0	0	0	0	0	0	0	0	0	0	0	0	0	0	(900)	(60)
Rocklin		27,000	15,000	0	(5,420)	5,420	(5,004)	13,669	15,213	14,086	3,050	(18,907)	5,642	51,773	0	(5,184)	7,756
Roseville		1,700	(6,818)	7,318	(5,082)	(4,318)	3,786	7,614	0	(4,200)	(3,850)	3,850	(1,767)	4,167	1,800	(3,144)	70
South Placer	b	28,700	8,182	43,511	(10,502)	1,102	(1,218)	21,283	16,912	4,660	(11,453)	(15,157)	14,528	61,267	1,800	(9,228)	10,292
Regional Markets																	
Highway 50 Corridor		56,620	(158,825)	(40,208)	19,389	38,147	81,797	50,810	(16,683)	(4,199)	(40,471)	(4,225)	(89,109)	29,195	(67,684)	18,909	(8,436)
McClellan		0	(430,373)	21,007	19,563	(1,828)	21,880	10,933	(33,862)	84,873	43,014	25,225	15,522	22,612	12,973	90	(12,558)
West Sacramento		(18,269)	(4,251)	7,196	8,502	6,822	(10,050)	10,050	(11,460)	(11,296)	(5,733)	(13,171)	6,200	14,852	(47,428)	29,713	(2,555)
Davis/Woodland		(9,457)	(3,112)	4,125	(40,594)	15,010	(21,062)	8,819	19,564	27,535	77,437	(13,695)	(8,125)	(25,507)	1,634	(10,892)	1,445
Woodland		0	(8,000)	8,000	(23,565)	821	6,940	0	0	1,944	5,860	(17,538)	(2,182)	6,182	3,983	0	(1,170)
Power Inn		3,160	(4,360)	2,360	(21,595)	(4,385)	7,200	17,091	(4,200)	1,944	(580)	(4,745)	6,590	(7,940)	1,725	1,645	(406)
Natomas/Northgate		1,745	33,440	(188)	20,028	20,962	28,658	52,782	41,761	11,681	(78,957)	(54,802)	57,911	(24,292)	11,929	(24,827)	6,522
Mather		12,062	4,103	(30,559)	(2,316)	14,466	(11,678)	6,016	(22,344)	(7,293)	(12,230)	(201)	(26,820)	19,180	(17,934)	14,125	(4,095)
Folsom/El Dorado		19,443	(3,100)	(39,665)	9,731	25,327	(9,058)	35,035	7,388	(15,942)	(21,148)	(19,880)	38,658	29,579	13,044	(14,790)	3,641
Sunrise		42,798	(162,368)	(11,409)	26,465	28,066	86,275	42,849	9,861	6,039	(30,626)	721	(65,914)	9,035	(48,550)	444	(4,421)
Placer County	c	28,700	86,069	52,811	(10,002)	(61,498)	(1,018)	(111,152)	26,912	4,660	(30,920)	(9,657)	20,028	50,267	12,800	(9,228)	3,251
Sacramento Region	d	80,644	(487,517)	29,134	22,026	26,238	94,659	78,474	24,384	92,630	(63,839)	(86,648)	51,707	85,801	(52,965)	(14,168)	(7,963)
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	51.6%	491.8%	410.8%	64.2%	90.0%	302.3%	(26.6%)	20.1%	38.8%	58.6%	0.0%	56.2%	48.2%
South Placer as a Percentage of Placer Co.	b/c	100.0%	9.5%	82.4%	105.0%	(1.8%)	119.6%	(19.1%)	62.8%	100.0%	37.0%	157.0%	72.5%	121.9%	14.1%	100.0%	316.5%
Placer Co. as a Percentage of Sac Region	c/d	35.6%	(17.7%)	181.3%	(45.4%)	(234.4%)	(1.1%)	(141.6%)	110.4%	5.0%	48.4%	11.1%	38.7%	58.6%	(24.2%)	65.1%	(40.8%)

r&d absorb

Source: CoStar; EPS.

[1] 2000 Q4 only.

Table C-43
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical R&D Market Average Asking Lease Rates (2000-2014)

R&D -- Lease Rates

Market	Lease Type	2000 Q4	2001 Q4	2002 Q4	2003 Q4	2004 Q4	2005 Q4	2006 Q4	2007 Q4	2008 Q4	2009 Q4	2010 Q4	2011 Q4	2012 Q4	2013 Q4	2014 Q4	Average Annual % Change (2000-2014)	Difference
Sunset Industrial Area (SIA)	Triple Net	-	-	-	-	\$1.10	\$1.10	\$1.15	\$1.15	\$1.00	\$1.00	\$1.00	\$1.00	-	-	-	n/a	n/a
South Placer Jurisdictions																		
Lincoln	Triple Net	-	-	-	-	-	-	-	-	-	-	\$0.60	\$0.60	\$0.60	\$0.55	\$0.75	n/a	n/a
Loomis	Triple Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Rocklin	Triple Net	\$1.00	-	-	-	\$1.10	\$1.10	\$1.15	\$1.15	\$1.05	\$1.00	\$0.95	\$0.95	\$0.85	-	-	n/a	n/a
Roseville	Triple Net	\$0.85	\$1.00	\$1.00	\$1.10	\$1.00	\$1.03	\$1.03	\$1.02	\$1.02	\$0.89	\$0.69	\$0.67	\$0.67	-	-	n/a	n/a
South Placer	Triple Net	\$0.99	\$1.00	\$1.00	\$1.10	\$1.08	\$1.09	\$1.14	\$1.15	\$1.05	\$0.98	\$0.87	\$0.88	\$0.78	\$0.55	\$0.75	(2.0%)	(\$0.24)
Regional Markets																		
Highway 50 Corridor	Triple Net	\$0.80	\$0.79	\$0.75	\$0.57	\$0.72	\$0.71	\$0.74	\$0.83	\$0.80	\$0.68	\$0.59	\$0.49	\$0.51	\$0.50	\$0.49	(3.5%)	(\$0.31)
McClellan	Triple Net	-	-	-	-	-	-	-	-	\$0.99	\$0.99	\$0.99	-	-	-	-	n/a	n/a
West Sacramento	Triple Net	-	\$0.67	\$0.66	\$0.68	-	\$0.67	\$0.35	\$0.64	\$0.80	\$0.70	\$0.70	\$0.70	\$0.70	\$0.80	\$0.80	n/a	n/a
Davis/Woodland	Triple Net	\$0.93	\$0.60	\$0.75	\$0.69	\$0.80	\$0.88	\$0.98	\$0.98	\$0.89	\$0.72	\$0.73	\$0.77	\$0.99	\$0.93	\$1.00	0.5%	\$0.06
Woodland	Triple Net	-	\$0.30	-	\$0.47	\$0.47	\$0.60	\$0.63	\$0.63	\$0.54	\$0.50	\$0.50	\$0.40	-	\$0.49	\$0.49	n/a	n/a
Power Inn	Triple Net	\$0.67	\$0.68	\$0.65	\$0.79	\$0.81	\$0.87	\$0.86	\$0.92	\$1.02	\$0.67	\$0.58	\$0.50	-	-	\$0.70	0.3%	\$0.03
Natomas/Northgate	Triple Net	\$0.40	-	-	\$0.66	\$0.65	\$0.97	\$1.05	\$1.02	\$0.95	\$0.84	\$0.75	\$0.72	\$0.58	\$0.60	\$0.68	3.8%	\$0.28
Mather	Triple Net	\$0.85	\$0.85	\$0.78	\$0.76	\$0.83	\$0.91	\$0.87	\$0.86	\$0.81	\$0.79	\$0.59	\$0.54	\$0.54	\$0.54	\$0.45	(4.4%)	(\$0.40)
Folsom/EI Dorado	Triple Net	\$0.60	-	\$1.05	\$1.09	\$1.17	\$1.24	\$1.17	\$1.19	\$0.97	\$0.77	\$0.79	\$0.84	\$0.88	\$0.92	\$0.81	2.2%	\$0.21
Sunrise	Triple Net	-	\$0.77	\$0.66	\$0.50	\$0.69	\$0.65	\$0.58	\$0.79	\$0.75	\$0.57	\$0.58	\$0.46	\$0.49	\$0.45	\$0.51	n/a	n/a
Placer County	Triple Net	\$0.99	\$1.00	\$1.00	\$1.10	\$0.90	\$0.89	\$0.90	\$0.98	\$1.22	\$0.78	\$0.76	\$0.75	\$0.72	\$0.70	\$0.71	(2.4%)	(\$0.28)
Sacramento Region	Triple Net	\$0.78	\$0.69	\$0.75	\$0.64	\$0.77	\$0.83	\$0.89	\$0.97	\$1.01	\$0.82	\$0.79	\$0.74	\$0.76	\$0.75	\$0.72	(0.5%)	(\$0.05)
SIA Percent Difference Compared to South Placer		n/a	n/a	n/a	n/a	2.1%	0.9%	0.8%	0.3%	(4.5%)	1.6%	15.5%	13.9%	n/a	n/a	n/a	-	-
South Placer Percent Difference Compared to Placer Co.		0.0%	0.0%	0.0%	0.0%	19.8%	21.8%	27.2%	17.5%	(14.0%)	26.0%	14.3%	16.7%	8.0%	(21.3%)	6.0%	-	-
Placer Co. Percent Difference Compared to Sac Region		27.8%	45.6%	32.9%	71.2%	17.2%	7.6%	0.2%	0.4%	20.7%	(4.7%)	(3.7%)	2.0%	(5.9%)	(7.1%)	(1.8%)	-	-

Source: CoStar; EPS.

r&d lease

**Table C-44
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
R&D Market Annual RBA Delivered**

R&D -- Bldg. Sq. Ft. Constructed

Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	0	0	0	73,363	0	17,957	0	0	0	0	0	0	91,320	6,088
South Placer Jurisdictions																		
Lincoln [1]		0	0	43,219	0	0	0	0	0	0	0	0	0	0	0	0	43,219	2,881
Loomis		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rocklin		42,000	0	0	0	0	0	73,363	0	17,957	0	0	0	0	0	0	133,320	8,888
Roseville		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Placer	b	42,000	0	43,219	0	0	0	73,363	0	17,957	0	0	0	0	0	0	176,539	11,769
Regional Markets																		
Highway 50 Corridor		0	0	56,000	0	28,307	0	0	0	0	0	0	0	0	0	0	84,307	5,620
McClellan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Sacramento		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Davis/Woodland		0	0	0	0	0	21,049	0	0	0	71,175	0	0	0	0	0	92,224	6,148
Woodland		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Inn		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Natomas/Northgate		0	47,430	89,170	0	23,849	26,843	105,172	0	0	0	0	0	0	0	0	292,464	19,498
Mather		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Folsom/El Dorado		11,478	0	11,520	0	0	0	11,520	35,267	58,264	0	0	0	0	0	25,242	153,291	10,219
Sunrise		0	0	56,000	0	28,307	0	0	0	0	0	0	0	0	0	0	84,307	5,620
Placer County	c	42,000	79,287	54,219	0	0	0	73,363	0	17,957	0	0	0	0	0	0	266,826	17,788
Sacramento Region	d	53,478	126,717	233,949	11,520	52,156	47,892	190,055	35,267	76,221	74,775	0	0	0	0	25,242	927,272	61,818
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	51.7%	51.7%
South Placer as a Percentage of Placer Co.	b/c	100.0%	0.0%	79.7%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	66.2%	66.2%
Placer Co. as a Percentage of Sac Region	c/d	78.5%	62.6%	23.2%	0.0%	0.0%	0.0%	38.6%	0.0%	23.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	28.8%	28.8%

Source: CoStar; EPS.

r&d deliv

[1] 2000 Q4 only.

Table C-45
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Total Flex Market Vacancy (2000-2014)

Total Flex -- Vacancy

Market	Formula	2000 Q4		2001 Q4		2002 Q4		2003 Q4		2004 Q4		2005 Q4		2006 Q4		2007 Q4	
		Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%	Sq. Ft.	%
Sunset Industrial Area (SIA)	a	6,000	5.4%	7,700	6.9%	4,200	3.8%	9,720	8.7%	5,600	5.0%	7,004	6.3%	68,698	37.1%	37,449	20.2%
South Placer	b	23,500	8.7%	17,018	6.3%	21,746	5.8%	30,433	8.1%	25,500	6.8%	21,644	5.7%	75,724	16.8%	48,428	10.2%
Placer County	c	27,500	5.1%	25,343	4.1%	31,482	4.3%	33,033	4.5%	102,600	13.9%	96,144	13.0%	281,992	34.7%	244,498	29.3%
Sacramento Region	d	203,714	3.9%	977,743	18.0%	1,222,357	21.0%	1,110,886	18.9%	1,198,029	20.2%	1,116,581	18.5%	1,295,728	20.6%	1,424,423	22.5%
SIA as a Percentage of South Placer	a/b	-	25.5%	-	45.2%	-	19.3%	-	31.9%	-	22.0%	-	32.4%	-	90.7%	-	77.3%
South Placer as a Percentage of Placer Co.	b/c	-	85.5%	-	67.2%	-	69.1%	-	92.1%	-	24.9%	-	22.5%	-	26.9%	-	19.8%
Placer Co. as a Percentage of Sac Region	c/d	-	13.5%	-	2.6%	-	2.6%	-	3.0%	-	8.6%	-	8.6%	-	21.8%	-	17.2%

Source: CoStar; EPS.

Table C-45
Sunset Industrial Area Market Analysis
Commercial and Industrial Market Analysis
Historical Total Flex Market Vacancy (2000-2014)

Total Flex -- Vacancy

Market	Formula	2008 Q4		2009 Q4		2010 Q4		2011 Q4		2012 Q4		2013 Q4		2014 Q4		Average	
		Sq. Ft.	%														
Sunset Industrial Area (SIA)	a	67,424	30.5%	73,218	33.2%	73,413	33.2%	55,409	25.1%	22,718	10.3%	22,718	10.3%	24,677	11.2%	32,397	18.8%
South Placer	b	157,352	30.9%	173,653	34.1%	172,419	33.8%	145,396	28.5%	60,318	11.8%	59,639	11.7%	68,736	13.5%	73,434	16.8%
Placer County	c	353,915	40.6%	388,313	44.6%	386,547	44.3%	359,351	41.2%	288,333	33.1%	278,346	31.9%	277,231	31.8%	211,642	26.8%
Sacramento Region	d	1,623,666	25.4%	1,596,971	24.6%	1,722,995	26.6%	1,640,825	25.4%	1,551,399	24.0%	1,541,822	23.9%	1,605,625	24.7%	1,322,184	21.5%
SIA as a Percentage of South Placer	a/b	-	42.8%	-	42.2%	-	42.6%	-	38.1%	-	37.7%	-	38.1%	-	35.9%	-	44.1%
South Placer as a Percentage of Placer Co.	b/c	-	44.5%	-	44.7%	-	44.6%	-	40.5%	-	20.9%	-	21.4%	-	24.8%	-	34.7%
Placer Co. as a Percentage of Sac Region	c/d	-	21.8%	-	24.3%	-	22.4%	-	21.9%	-	18.6%	-	18.1%	-	17.3%	-	16.0%

flex vacancy

Source: CoStar; EPS.

Table C-46
 Sunset Industrial Area Market Analysis
 Commercial and Industrial Market Analysis
 Total Flex Market Annual RBA Delivered

Total Flex -- Bldg. Sq. Ft. Constructed
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Market	Formula	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total Bldg. Sq. Ft. Constructed	Annual Average (2000-2014)
Sunset Industrial Area (SIA)	a	0	0	0	0	0	0	73,363	0	35,914	0	0	0	0	0	0	109,277	7,285
South Placer	b	42,000	0	106,034	0	0	0	73,363	22,455	35,914	0	0	0	0	0	0	279,766	18,651
Placer County	c	42,000	88,110	117,034	0	0	0	73,363	22,455	35,914	0	0	0	0	0	0	378,876	25,258
Sacramento Region	d	123,478	178,160	389,239	41,520	79,156	96,224	226,402	63,722	94,178	74,775	0	0	0	0	25,242	1,392,096	92,806
SIA as a Percentage of South Placer	a/b	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	39.1%	39.1%
South Placer as a Percentage of Placer Co.	b/c	100.0%	0.0%	90.6%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	73.8%	73.8%
Placer Co. as a Percentage of Sac Region	c/d	34.0%	49.5%	30.1%	0.0%	0.0%	0.0%	32.4%	35.2%	38.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.2%	27.2%

Source: CoStar; EPS.

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APPENDIX D: Vacant Land Data

Table D-1	Placer County Office and Industrial Vacant Acres (2 pages).....	D-2
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VACANT LAND DATA

This section provides a detailed listing of vacant acres zoned Office or Industrial in Placer County.

**Table D-1
Sunset Industrial Area Market Analysis
Placer County Office and Industrial Vacant Acres**

Jurisdiction	Business/Industrial Park or Dev. Opportunity Site Name	Address	Zoning/Primary Land Use	Land Use 2	Total Acreage	Total Vacant Acreage	Vacant Land Development Status			Key Constraints/Notes
							First-Tier: Finished Pads	Second-Tier: Backbone-Only	Third-Tier: "Zoned" Capacity	
Lincoln	Aviation Business Park	Aviation Business Park Drive	Industrial Land	Industrial	34.7	27.5	7.3		20.2	
Lincoln	Chamberlain Ranch	State Highway 65 & Chamberlain Road	Industrial	Industrial	60.0	60.0	3.0		57.0	
Lincoln	Land	see I-1 notes	Industrial	Industrial	199.0	199.0			199.0	
Lincoln	Land	see I-9 notes	Industrial	Industrial	11.9	11.9			11.9	
		Highway 65 to the east and Industrial Boulevard to the west, bisected by Twelve Bridges Drive	Business Professional, Medical Campus, General Commercial, and Light Industrial uses.	Office	278.0	33.7			33.7	
Lincoln	Lincoln 270	Aviation Blvd	Industrial Land	Industrial	89.0	81.0	0.0		81.0	
Lincoln	Lincoln Airport Business Park	Gateway Dr.	Office	Office	0.6	0.6	0.6			
Lincoln	Lincoln Gateway	Nicolaus Road	Light Industrial	Light Industrial	90.0	90.0			90.0	
Lincoln	West Side Industrial Center	Flightline Drive	Industrial	Industrial	26.0	26.0	0.0		26.0	
Lincoln	Northeast Industrial Area	Venture/Aviation	Industrial	Industrial	524.9	192.7	192.7			
Lincoln	Lincoln Air Center									
Rocklin	Highway 65 Corridor Land	North West Rocklin Annexation Area	Industrial	Light Industrial	106.1	106.1			106.1	
Rocklin	Highway 65 Corridor Land	North West Rocklin Annexation Area	Industrial	Light Industrial	22.9	22.9			22.9	
Rocklin	Highway 65 Corridor Land	North West Rocklin Annexation Area	Industrial	Light Industrial	134.3	134.3			134.3	
Rocklin	Atherton Tech Center Business	North West Rocklin Annexation Area	Light Industrial	Light Industrial	81.8	0.0				
Rocklin	Whitney Ranch	North West Rocklin Annexation Area	Business Professional	Office	4.5	4.5		4.5		
Rocklin	Dan Gamel- Camp America	Eureka Rd	Light Industrial	Light Industrial	17.1	0.0				
Rocklin	Del Mar Business Park	NW Corner of Del Mar Ave	Light Industrial	Light Industrial	50.9	19.0			19.0	
Rocklin	Del Rio Ct	Del Rio Ct	Industrial	Industrial	1.1	9.5	9.5			
Rocklin	Whitney Oaks Office Park	Live Oak Lane	Business Professional	Office	2.4	2.4	2.4			
Rocklin	Five Star Office Park	Five Star Blvd	Commercial Office	Office	9.1	0.0	0.0			
Rocklin	Five Star Office Plaza	Whitney Blvd & Five Star Blvd	Commercial Office	Office	2.3	0.0	0.0			
Rocklin	Granite Creek Business Park	Warren Dr	Flex	Light Industrial	2.2	0.0				
Rocklin	Granite Drive Technical Center	Granite Drive	Light Industrial	Light Industrial	30.0	30.0		30.0		
Rocklin	Orchard Creek Business Park	Ranch View Road	Business Park	Office	115.0	115.0				Currently being rezoned and developed
Rocklin	Old Highway 40 Business Park	Yankee Hill Rd	Flex	Light Industrial	10.0	0.0			115.0	To be developed by Fulcrum, partially for UC Davis
Rocklin	Pacific Technology Park	Pacific St	Flex	Light Industrial	4.2	4.2			4.2	
Rocklin	Placer Creek Corporate Center	Placer Corporate Dr	Office	Office	11.2	11.2			11.2	Project pending
Rocklin	Rockin Ranch Industrial Park	Alvis Ct	Industrial	Industrial	2.5	2.5			2.5	
Rocklin	Rocklin 65 Corporate Center	Lonetree Blvd	Office	Office	26.0	26.0	26.0			
Rocklin	Rocklin Ranch Business Park	Del Mar Ave	Flex	Light Industrial	2.0	2.0	2.0			
Rocklin	Rocklin Ranch Industrial Park	Del Mar Ave	Industrial	Industrial	16.5	0.0				
Rocklin	Stanford Creek Office Park	Stanford Ranch Rd	Office	Office	17.0	0.0				
Rocklin	Stanford Ranch	Stanford Ranch Rd	Business Park	Office	266.3	0.0				

**Table D-1
Sunset Industrial Area Market Analysis
Placer County Office and Industrial Vacant Acres**

Jurisdiction	Business/Industrial Park or Dev. Opportunity Site Name	Address	Zoning/Primary Land Use	Land Use 2	Total Acreage	Total Vacant Acreage	Vacant Land Development Status			Key Constraints/Notes
							First-Tier: Finished Pads	Second-Tier: Backbone-Only	Third-Tier: "Zoned" Capacity	
Roseville	Bellatierra Business Park LLC	8781 Sierra College Blvd	Business Professional	Office	10.3	10.3			10.3	
Roseville	Coastal/KMS Commerce Center	8250 Industrial Ave.	Industrial	Industrial	29.0	29.0			29.0	
Roseville	Foothills Commerce Center	8035 Foothills Blvd	Light Industrial	Light Industrial	84.0	84.0	84.0			
Roseville	Hewlett Packard Site/Campus Oaks [1]	Foothills Blvd	Light Industrial	Light Industrial	451.8	189.0		189.0		
Roseville	March Road Industrial Park	March Rd	Industrial	Industrial	21.6	21.6		21.6		
Roseville	South Placer Business Park	1380 Lead Hill Boulevard, Roseville	Flex/Commercial Office	Light Industrial	16.9	16.9		16.9		16.9 acres is planned development
Roseville	Stone Point	1478 Stone Point Drive	Office	Office	51.2	14.9		14.9		
Roseville	Douglas Corporate Center	2999 Douglas Boulevard	Office	Office	15.0	0.0				
Roseville	Olympus Corporate Center	3001 Douglas Blvd	Office	Office	4.0	0.0				
Roseville	Roseville Corporate Center	2998 Douglas Blvd	Office	Office	10.9	0.0				
Roseville	Slate Creek Corporate Centre I & II	3300 Douglas Blvd	Office	Office	2.6	0.0				
Roseville	The Summit at Dougless Ridge I & II	3721 Douglas Blvd	Office	Office	11.0	0.0				
Roseville	Capital Professional Center	2200 Douglas Blvd	Office	Office	1.5	0.0				
Roseville	Crown Point Professional	Sunrise Ave	Office	Office	2.5	0.0				
Roseville	Parkway Coporate Plaza	East Roseville Parkway	Office	Office	28.0	0.0				
Roseville	Johnson Ranch	Eurika Rd.	Office	Office	43.1	0.0				
Roseville	Lava Ridge	Lava Ridge Ct	Office	Office	15.5	0.0				
Roseville	South Placer Business Park	1380 Lead Hill Boulevard	Office	Office	26.3	5.9	5.9			2 of the 6 sites are medical offices
Roseville	Douglas Park	Douglas Blvd	Office	Office	3.6	0.0				
Roseville	Galilee Business Park	Gailee Road	Industrial	Industrial	3.8	0.0				
Roseville	The Business Center	Gailee Road	Flex	Light Industrial	8.5	0.0				
Roseville	Kenroy Industrial Park	Kenroy Lane	Industrial	Industrial	9.9	0.0				
Roseville	Washington Blvd	Washington Blvd	Industrial	Industrial	56.0	56.0			56.0	
Total					3,156.4	1,639.6	333.4	276.9	1,029.3	

vacant_acres

vacant data

Source: City of Lincoln; City of Rocklin; City of Roseville; Placer County; LoopNet; CoStar; TRI Commercial; Mark IV Capital; Hines; Voit Real Estate Services; OppSites; Meagher & Tomlinson; Headwaters Company; Coastal Partners, LLC; EPS.

Notes:

- Tier 1 - Finished Pads
- Tier 2 - Backbone Only
- Tier 3 - "Zoned" Capacity



APPENDIX E: Planned Projects

Table E-1	SACOG Region Planned Developments (3 pages)	E-2
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PLANNED PROJECTS

This section lists the planned developments in Sacramento, Sutter, and Yolo Counties that could compete directly with the SIA. Some of the projects reflect continued expansions of established areas like McClellan and Southport while others could introduce new large employment-oriented development areas like Metro Air Park, Sutter Pointe, and the Mace Ranch Innovation Center. The most competitive of these projects present advantages in terms of development and operating costs, transportation access, and locations closer to the central business district. The SIA, however, benefits from a strong labor force housed in high quality of life communities and several catalytic proximate planned projects with higher education institution presence. It is important to note that real estate brokers and economic development representatives emphasize the fact that the SIA will not only compete with sites in the Sacramento Region, but also across proximate markets like the Central Valley, East Bay, and Reno region.

**Table E-1
Sunset Industrial Area Market Analysis
Sacramento Region Planned Developments [1]**

Project	City	County	Gross Acres	Land Uses			Projected Dwelling Units	Projected Square Footage			Projected Employment At Buildout	Notes
				Residential	Commercial/Office	Industrial		Commercial	Industrial	Office		
Placer County												
Baltimore Ravine SP	Auburn	Placer	406	x	x		725	90,000	0	0	226	
Placer Vineyards	County	Placer	5,230	x	x	x	14,132	1,500,315	NA	2,052,766	7,691	Project includes 127 acres of commercial uses and 183 acres of office and power center uses.
Bickford Ranch	County	Placer	1,942	x	x		1,890	NA	0	0	312	Project includes 10 acres of commercial uses and 18-hole golf course.
Riolo Vineyards	County	Placer	526	x	x		933	NA	0	0	166	Project includes 7.5 acres of commercial uses.
Regional University	County	Placer	1,158	x	x		4,387	NA	0	NA	1,868	Project includes 22 acres of commercial uses and a 357 acre university.
Placer Ranch [2] [3]	County	Placer	1,484	x	x	x	6,740	1,315,294	NA	6,295,160	25,000	
Curry Creek Planning Area [2]	County	Placer	2,146	x	NA	NA	25,200	NA	NA	NA	3,425	
Village 1 SP [4]	Lincoln	Placer	1,832	x	x		5,639	167,000	0	0	676	
Village 2 SP	Lincoln	Placer	1,720	x	x		3,784	NA	0	NA	351	
Village 7 SP [4]	Lincoln	Placer	703	x	x		3,285	125,000	0	0	396	
Village 3 SP	Lincoln	Placer	1,040	x	x		4,841	NA	NA	NA	1,400	
Village 4 SP [2]	Lincoln	Placer	1,060	x	NA	NA	5,421	NA	NA	NA	200	
Village 5 SP	Lincoln	Placer	870	x	x		5,779	NA	NA	NA	994	
Village 6 SP [2]	Lincoln	Placer	800	x	NA	NA	5,083	NA	NA	NA	200	
SUD A [2]	Lincoln	Placer	1,450	x	NA	NA	1,899	NA	NA	NA	NA	
SUD B [2]	Lincoln	Placer	1,270	x	NA	NA	429	NA	NA	NA	10,409	
SUD C [2]	Lincoln	Placer	480		x		0	NA	NA	NA	123	
The Village at Loomis	Loomis	Placer	66	x	x		436	56,000	NA	25,000	NA	
Clover Valley SP	Rocklin	Placer	622	x	x		558	NA	0	0	128	
Brookfield/Amoruso Ranch SP [4]	Roseville	Placer	674	x	x		3,011	766,000	NA	NA	1,463	1 elementary school, 1 fire station proposed.
Sierra Vista SP	Roseville	Placer	2,081	x	x		8,679	NA	NA	NA	9,003	Project includes 259 acres of commercial uses.
Creekview SP	Roseville	Placer	501	x	x		2,011	NA	NA	NA	418	Project includes 19 acres of commercial uses. 1 elementary school proposed.
West Roseville SP [5]	Roseville	Placer	3,163	x	x	x	10,478	NA	NA	NA	3,251	Project includes 53 acres of commercial uses, 55 acres of light industrial uses, and 33 acres of industrial uses.
Subtotal Placer County			31,225				115,340	4,019,609	0	8,372,926	67,700	
Sacramento County												

**Table E-1
Sunset Industrial Area Market Analysis
Sacramento Region Planned Developments [1]**

Project	City	County	Gross Acres	Land Uses			Projected Dwelling Units	Projected Square Footage			Projected Employment At Buildout	Notes
				Residential	Commercial/Office	Industrial		Commercial	Industrial	Office		
Barrett Ranch East	County	Sacramento	128	x	x		692	NA	NA	NA	NA	Project includes 6 acres of commercial uses. Website states McClellan has entitlements to construct 6 million sq. ft. of new buildings. Recent Sac Business Journal article states McClellan plans to build up to 3 million sq. ft. of industrial space.
McClellan Business Park	County	Sacramento			x	x	0					
Jackson Township Master Plan [4]	County	Sacramento	1,391	x	x		6,143	2,000,000	NA	NA	8,044	
West Jackson Highway Master Plan	County	Sacramento	5,900	x	x	x	15,658	3,909,000	484,000	14,400,000	32,839	Project includes 14.4 million sq ft of "Employment" use - no description if that is only office, or office and flex.
New Bridge Specific Plan	County	Sacramento	1,095	x	x		3,135	320,000	0	180,000	2,556	
Northwest Special Planning Area	County	Sacramento	NA	x	x	?	25,000	NA	NA	NA	70,608	According to Sac Co Planning Dept. inclusive public stakeholder process in progress to prepare a specific/master plan.
Mather South Community Master Plan	County	Sacramento		x	x		3,545	NA	NA	NA	5,073	Project includes 47-acre mixed use area (10 acres commercial & 37 acres multifamily), 126-acre sports complex, and a 152-acre site for a university.
Cordova Hills Master Plan	County	Sacramento	2,600				8,000	1,350,000			13,556	
Easton Project												
Glenborough at Easton	County	Sacramento	1,208	x	x		3,239	244,100	0	455,400	NA	
Easton Place [4]	County	Sacramento	183	x	x		1,644	3,527,900			NA	
Westborough	Rancho Cordova	Sacramento	1,695	x	x		6,100	NA		NA	5,521	
Rio Del Oro	Rancho Cordova	Sacramento	1,482	x	x	x	11,601	1,713,000	1,182,000	4,709,000	NA	
Hillsborough	County	Sacramento		x	x	x	NA	NA	NA	NA	NA	
Subtotal Sacramento County			15,682				84,757	13,064,000	1,666,000	19,744,400	138,197	
Sutter County												
Sutter Pointe	County	Sutter	7,500	x	x	x	16,900	4,366,000	36,408,000	2,759,000	67,360	Project plans include 50-acre Sysco Corporation W&D center and a Holt Tractor manufacturing facility
Yolo County												

**Table E-1
Sunset Industrial Area Market Analysis
Sacramento Region Planned Developments [1]**

Project	City	County	Gross Acres	Land Uses			Projected Dwelling Units	Projected Square Footage			Projected Employment At Buildout	Notes
				Residential	Commercial/Office	Industrial		Commercial	Industrial	Office		
Davis Innovation Center	Davis	Yolo	207		x	x		120,000	3,680,000		NA	Project includes 200 room hotel with convention center.
Mace Ranch Innovation Center [6] [7]	Davis	Yolo	229		x	x		190,000	884,000	1,580,000	7,486	
Nishi Gateway [7]	Davis	Yolo	47	x	x	x	650	20,000	325,000	0	370	Proposed R&D facilities
Planned Port of Sacramento Industrial Development [8]	West Sacramento	Yolo	347		x	x	0	0	NA	NA	NA	Proposed industrial development consist of 258 acres zoned for water-related industrial, 73 acres for business park use, and 16 acres for light industrial uses. Site remains completely undeveloped.
Riverside Centre [9]	West Sacramento	Yolo	75		x	x	0	NA	NA	NA	NA	Business park facility designed for light industrial, flex and office space for leading edge, technology focused companies. Undeveloped parcels for business park land uses.
Southport Business Park [9]	West Sacramento	Yolo	670		x	x	0	NA	NA	NA	NA	670-acre, master planned business park. Less than 50% of the plan area is built-out. Majority of undeveloped land designated for heavy industrial uses.
Yolo County Subtotal			1,368				650	210,000	1,209,000	1,580,000	7,856	
TOTAL			55,982				217,647	21,779,609	42,963,000	32,456,326	281,113	

pipeline projects

[1] This summary excludes infill development projects planned in established communities, center and corridor communities, and projects within area sphere of influences that are not in a master plan or specific plan.
 [2] Acres provided excludes open space, parks, public facilities, infrastructure, and right of ways.
 [3] Includes development Placer Ranch community and university components.
 [4] Projected commercial building square footage includes commercial and office development.
 [5] Some of West Roseville SP is built out already.
 [6] Project includes 1,580,000 sq. ft. of research/office/RD; 884,000 sq. ft. of manufacturing/research; 40,000 sq. ft. of retail; and 150,000 sq. ft. of hotel/conference.
 [7] Projected employment uses same square feet/employee assumptions as Sutter Pointe Specific Plan of:
 Retail: 442 sq. ft./employee; Office: 256 sq. ft./employee; Industrial: 1000 sq. ft./employee.
 [8] Contact Rick Toft, Port Business Manager, for inquiries related to real estate and other Port business: 916-617-4880.
 [9] Contact West Sacramento Economic Development staff at 1-866-937-8722 for more information and broker referrals.



APPENDIX F: Land Price Comparisons

Table F-1 Commercial Office and Industrial Land For Sale (2 pages) ... F-2

LAND PRICE COMPARISONS

This section provides a detailed listing of commercial and industrial land, used as price comparatives for the analysis of vacant land in **Chapter 5**.

Table F-1
Sunset Industrial Area Market Analysis
Commercial Office and Industrial Land for Sale

Address	Outlier Property [1]	Jurisdiction	Property Type	Sale Price	Acres	Price per Acre [2] [3]	Development Status [4]
Rocklin							
Commercial Office							
5235 Pacific Street		Rocklin	Commercial Office	\$295,000	0.34	\$867,647	Tier 2
Pacific Street & Midas Avenue		Rocklin	Commercial Office	\$2,490,000	7.10	\$350,704	Tier 2
Average Commercial Office				\$1,392,500	3.72	\$374,328	
Industrial/Light Industrial							
NEC of Alvis Court & Delmar Road	X	Rocklin	Industrial	\$695,000	2.50	\$278,000	Tier 2
4080 Del Mar Avenue		Rocklin	Industrial	\$1,400,000	7.50	\$186,667	Tier 2
1149 West Sunset Boulevard		Rocklin	Industrial	\$199,500	1.21	\$164,876	Tier 2
4100 Duluth Avenue		Rocklin	Industrial	\$1,063,000	7.50	\$141,733	Tier 2
Average Industrial				\$887,500	5.40	\$164,250	
Roseville							
Commercial Office							
424 Folsom Road	X	Roseville	Commercial Office	\$320,000	0.25	\$1,280,000	Tier 1
8481 Barton Road		Roseville	Commercial Office	\$720,000	0.87	\$827,394	Tier 1
10007 Foothills Boulevard		Roseville	Commercial Office	\$399,000	1.80	\$221,667	Tier 1
5010 Foothills Boulevard		Roseville	Commercial Office	N/A	1.20	N/A	Tier 2
Sunrise Avenue near Coloma Way		Roseville	Commercial Office	\$399,000	1.60	\$249,375	Tier 2
7100 Galilee Way		Roseville	Commercial Office	\$399,000	1.90	\$210,000	Tier 2
9747 Sierra College Boulevard		Roseville	Commercial Office	N/A	7.30	N/A	Tier 3
8035 Foothills Boulevard - Parcel 2		Roseville	Commercial Office	N/A	5.70	N/A	Tier 3
8035 Foothills Boulevard - Parcel 3		Roseville	Commercial Office	N/A	6.09	N/A	Tier 3
845 Lincoln Street		Roseville	Commercial Office	\$1,890,000	2.02	\$935,644	Tier 3
8485 Barton Road		Roseville	Commercial Office	\$679,000	0.91	\$748,507	Tier 3
Average Commercial Office				\$747,667	2.94	\$493,111	
Industrial/Light Industrial							
PFE Road & March Road - Lot 2		Roseville	Industrial	\$339,768	1.20	\$283,140	Tier 2
PFE Road & March Road - Lot 10		Roseville	Industrial	\$453,024	1.60	\$283,140	Tier 2
PFE Road & March Road - Lot 3		Roseville	Industrial	\$209,524	0.74	\$283,140	Tier 2
PFE Road & March Road - Lot 6		Roseville	Industrial	\$181,210	0.64	\$283,140	Tier 2
PFE Road & March Road - Lot 7		Roseville	Industrial	\$178,378	0.63	\$283,140	Tier 2
PFE Road & March Road - Lot 8		Roseville	Industrial	\$181,210	0.64	\$283,140	Tier 2
PFE Road & March Road - Lot 11		Roseville	Industrial	\$283,140	1.00	\$283,140	Tier 2
PFE Road & March Road - Lot 14		Roseville	Industrial	\$283,140	1.00	\$283,140	Tier 2
PFE Road & March Road - Lot 16		Roseville	Industrial	\$424,710	1.50	\$283,140	Tier 2
PFE Road & March Road - Lot 4		Roseville	Industrial	\$189,704	0.67	\$283,140	Tier 2
PFE Road & March Road - Lot 15		Roseville	Industrial	\$396,396	1.40	\$283,140	Tier 2
PFE Road & March Road - Lot 13		Roseville	Industrial	\$368,082	1.30	\$283,140	Tier 2
PFE Road & March Road - Lot 1		Roseville	Industrial	\$201,029	0.71	\$283,140	Tier 2
PFE Road & March Road - Lot 5		Roseville	Industrial	\$184,041	0.65	\$283,140	Tier 2
PFE Road & March Road - Lot 9		Roseville	Industrial	\$1,067,220	4.90	\$217,800	Tier 2
PFE Road & March Road - Lot 12		Roseville	Industrial	\$653,400	3.00	\$217,800	Tier 2
10608 Industrial Avenue - Lot 6		Roseville	Industrial	N/A	1.20	N/A	Tier 3
10568 Industrial Avenue - Lot 7		Roseville	Industrial	N/A	1.40	N/A	Tier 3
10612 Industrial Avenue - Lot 8		Roseville	Industrial	N/A	1.50	N/A	Tier 3
10572 Industrial Avenue - Lot 9		Roseville	Industrial	N/A	1.90	N/A	Tier 3
Stonehouse Court & Taylor Road		Roseville	Industrial	\$950,000	2.70	\$351,852	Tier 3
10150 Foothills Boulevard		Roseville	Industrial	\$816,750	8.20	\$99,604	Tier 3
8035 Foothills Boulevard - Parcel 1		Roseville	Light Industrial	N/A	3.66	N/A	Tier 3
8035 Foothills Boulevard - Parcel 4		Roseville	Light Industrial	N/A	13.59	N/A	Tier 3
435 Fifth Street		Roseville	Light Industrial	\$249,000	0.53	\$469,811	Tier 3
Average Industrial/Light Industrial				\$400,512	2.25	\$230,528	

Table F-1
Sunset Industrial Area Market Analysis
Commercial Office and Industrial Land for Sale

Address	Outlier Property [1]	Jurisdiction	Property Type	Sale Price	Acres	Price per Acre [2] [3]	Development Status [4]
Lincoln							
Commercial Office							
Hoitt Avenue and 12th Street		Lincoln	Commercial Office	\$75,000	0.18	\$416,667	Tier 1
Twelve Bridges & East Joiner Parkways		Lincoln	Commercial Office	N/A	13.30	N/A	Tier 3
Sterling Parkway	X	Lincoln	Commercial Office	\$500,000	0.76	\$657,895	Tier 3
3rd Street & Joiner Parkway		Lincoln	Commercial Office	\$627,000	2.40	\$261,250	Tier 3
Sterling Parkway		Lincoln	Commercial Office	\$270,000	1.70	\$158,824	Tier 3
SWC Jointer Parkway & 3rd Street		Lincoln	Commercial Office	\$250,000	1.80	\$138,889	Tier 3
Average Commercial Office				\$305,500	1.52	\$200,987	
Industrial/Light Industrial							
1121 Aviation Boulevard		Lincoln	Industrial	\$522,720	1.50	\$348,480	Tier 3
300 Business Park		Lincoln	Industrial	\$518,364	1.70	\$304,920	Tier 3
200 Business Park		Lincoln	Industrial	\$609,840	2.00	\$304,920	Tier 3
100 Business Park		Lincoln	Industrial	\$457,380	1.50	\$304,920	Tier 3
1401 Aviation Boulevard		Lincoln	Industrial	\$3,080,563	10.88	\$283,140	Tier 3
400 Business Park		Lincoln	Industrial	\$736,164	2.60	\$283,140	Tier 3
Sundance Industrial Park - Athens Avenue	X	Lincoln	Industrial	\$1,600,000	33.75	\$47,407	Tier 3
Average Industrial				\$987,505	3.36	\$293,609	
Remaining County							
Commercial Office							
3264 Taylor Road		Loomis	Commercial Office	\$285,000	1.80	\$158,333	Tier 2
Sierra College Boulevard		Loomis	Commercial Office	\$6,200,000	18.00	\$344,444	Tier 3
3131 Delmar Avenue	X	Loomis	Commercial Office	\$1,600,000	24.44	\$65,466	Tier 3
3130 Penryn Road		Penryn	Commercial Office	\$2,900,000	21.40	\$135,514	Tier 3
Average Commercial Office				\$3,128,333	13.73	\$227,791	
Averages by Development Status							
Commercial Office							
Tier 1	-		Commercial Office	\$398,000	0.78	\$488,355	Tier 1
Tier 2	-		Commercial Office	\$773,600	2.32	\$303,611	Tier 2
Tier 3	-		Commercial Office	\$1,830,857	8.14	\$203,140	Tier 3
Industrial/Light Industrial							
Tier 1	-		Industrial/Light Industrial	N/A	N/A	N/A	Tier 1
Tier 2	-		Industrial/Light Industrial	\$434,551	1.99	\$218,483	Tier 2
Tier 3	-		Industrial/Light Industrial	\$882,309	3.66	\$251,211	Tier 3

land sale

Source: LoopNet; EPS.

[1] Properties marked with "X" are filtered out of the average calculations because they have outlying price per acre costs.

[2] Average price per acre is a weighted average of the sum sales price divided by the sum number of acres.

[3] Average price per acre is calculated using only properties that include a sale price.

[4] Development Status Glossary:

Tier 1: Finished Pad.

Tier 2: Backbone Only.

Tier 3: Zoned Capacity.



APPENDIX G: Fee Comparisons

Table G-1	Light Industrial Development Infrastructure Burden Comparison (2 pages).....	G-2
Table G-2	Office/Business Park Development Infrastructure Burden Comparison (2 pages).....	G-4

FEE COMPARISONS

One method of evaluating the financial feasibility of development projects is to compare backbone infrastructure and public facility costs to competitive projects in the region. Likely competitive projects for the SIA include development in Davis, West Sacramento, Roseville, Folsom, Rocklin, and Lincoln. The infrastructure burden comparison is based on applicable city and county fees, special district fees, school fees, plan area fees, and special taxes and assessments for infrastructure⁵¹ for the following land uses:

- Light Industrial Development
- Office/Business Park Development

Caution should be exercised in using these comparisons because the infrastructure items paid for by these fees may be different for the various projects. Moreover, these costs represent estimates only meant to be used for general planning and comparison purposes. Actual fees are likely to be different for specific parcels.

Overall the total infrastructure cost burden for the SIA is highly competitive compared to the analyzed projects, as shown in **Table G-1** and **Table G-2**. The SIA does not have any plan area fees or special taxes and assessments for infrastructure, which results in a comparatively low total infrastructure burden.

Light Industrial Comparison

Table G1 shows the infrastructure cost burden for light industrial development. The light industrial prototype is a 350,000 square-foot project on a 20 acre site. As shown on **Table G-1**, the infrastructure burden for light industrial development in the Study Area is comparable to other competitive projects in the region. The total infrastructure burden for the SIA is the lowest among all of the analyzed projects.

Office/Business Park Comparison

Table G-2 shows the infrastructure cost burden for office/business park development. The office/business park prototype is a 75,000 square-foot project on a 5 acre site. As shown on **Table G-2**, the infrastructure burden for office/business park development in the Study Area is comparable to other competitive projects in the region. The total infrastructure burden for the SIA is lower than all of the other competitive projects except the Folsom Broadstone Unit III project. It is important to note that the infrastructure burden for office/business park development in the SIA is lower than projects in Roseville, Rocklin, and Lincoln, all project areas that are closest to the SIA geographically.

⁵¹ Special taxes and assessments for services, such as the Sunset Fire Emergency Services CFD, are not included as they do not involve infrastructure costs.

**Table G-1
Sunset Industrial Area Market Analysis
Light Industrial Development Infrastructure Burden Comparison**

Light Industrial

Item	Placer County	Davis		West Sacramento		Folsom	Roseville	Sacramento County	Rocklin		Lincoln
	Sunset Industrial Area	South (Interland)	Mace (2nd Street)	Riverside Centre Business Park	Southport	Broadstone Unit III	Westpark (Phase 4)	McClellan Park	Stanford Ranch	Rocklin Ranch	Lincoln Airport Business Park
Assumptions											
Building Valuation	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000
Building Square Feet	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Acres	20	20	20	20	20	20	20	20	20	20	20
Floor Area Ratio	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
City/County Fees per Sq. Ft.											
Processing Fees per Sq. Ft. [1]											
Building Permit	\$0.09	\$0.41	\$0.41	\$0.30	\$0.30	\$0.33	\$0.14	\$0.73	\$0.17	\$0.17	\$0.24
Plan Check	\$0.09	\$0.27	\$0.27	\$0.24	\$0.24	\$0.33	\$0.15	\$0.29	\$0.13	\$0.13	\$0.16
Zone Check	-	-	-	-	-	-	-	\$0.04	-	-	-
Energy	\$0.01	-	-	\$0.00	\$0.00	-	-	-	\$0.01	\$0.01	\$0.02
Accessibility Compliance Review	\$0.01	-	-	-	-	-	-	-	-	-	-
Technology Surcharge	-	-	-	\$0.04	\$0.04	-	\$0.01	-	-	-	-
Seismic/Strong Motion	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
California Building Standards Commission Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fire Review Fee	-	\$0.07	\$0.07	\$0.00	\$0.00	-	-	\$0.01	\$0.00	\$0.00	\$0.00
Long Range Planning Fee	-	\$0.13	\$0.13	-	-	-	-	-	-	-	-
Construction Tax [2]	-	\$3.10	\$3.10	-	-	-	-	-	\$0.90	\$0.90	-
CAL Green Fee	-	\$0.03	\$0.03	-	-	-	-	-	-	-	-
Commercial Plan Check	-	-	-	-	-	\$0.03	-	-	-	-	-
General Plan Update Fee	-	-	-	-	-	\$0.02	-	-	-	-	-
Sacramento County IT Fee	-	-	-	-	-	-	-	\$0.02	-	-	-
Landscape Plan Fee	-	-	-	-	-	-	-	-	\$0.01	\$0.01	-
Disabled Access Plan Check	-	-	-	-	-	-	-	-	\$0.01	\$0.01	-
Total Processing Fees per Sq. Ft.	\$0.22	\$4.03	\$4.03	\$0.61	\$0.61	\$0.72	\$0.32	\$1.12	\$1.24	\$1.24	\$0.44
Development Impact Fees per Sq. Ft.											
Sewer	\$0.85	\$0.77	\$0.77	\$0.49	\$0.67	\$0.53	\$2.46	\$1.15	\$3.05	\$3.05	\$3.45
Water [3] [4]	\$2.49	\$0.85	\$0.85	\$0.72	\$0.72	\$0.52	\$0.83	\$1.37	\$2.49	\$2.49	\$4.83
Traffic/Roadways/Transportation (Local and Regional) [5]	\$4.78	\$0.41	\$0.41	\$11.27	\$15.17	\$4.77	\$4.30	\$5.44	\$6.03	\$6.03	\$4.51
Drainage	-	\$0.12	\$0.12	-	\$2.53	\$0.32	\$0.32	\$1.08	-	\$0.07	\$0.88
School	\$0.50	\$0.47	\$0.47	\$0.54	\$0.54	\$0.54	\$0.50	\$0.54	\$0.54	\$0.52	\$0.54
Parks/Open Space	-	\$0.22	\$0.22	\$0.88	\$0.88	\$0.36	-	\$0.29	-	-	\$0.16
Fire/Police	\$0.42	\$0.27	\$0.26	\$0.92	\$0.92	\$1.04	\$0.32	\$0.53	-	-	-
In-Lieu Flood Protection Fees	-	-	-	\$1.32	\$1.32	-	-	-	-	-	-
Housing Trust Fund [6]	-	-	-	-	-	\$1.35	-	\$0.82	-	-	-
Habitat/Greenbelt Preservation	-	\$0.49	\$0.49	-	-	-	-	-	-	-	-
Capital Improvements/Public Facilities [7]	\$0.44	\$0.24	\$0.23	-	-	\$0.45	\$0.42	-	-	-	-
Other General Fees/One-Time Taxes [8]	-	-	-	\$0.78	\$0.78	\$0.02	\$1.48	-	-	-	\$2.40
Countywide Fee [9]	-	\$0.40	\$0.40	-	-	-	\$0.25	-	\$0.25	\$0.25	\$0.25
Total Development Impact Fees per Sq. Ft.	\$9.48	\$4.25	\$4.23	\$16.91	\$23.52	\$9.90	\$10.88	\$11.23	\$12.36	\$12.41	\$17.02
Total City/County Fees	\$9.70	\$8.28	\$8.26	\$17.52	\$24.13	\$10.62	\$11.19	\$12.35	\$13.60	\$13.65	\$17.46

**Table G-1
Sunset Industrial Area Market Analysis
Light Industrial Development Infrastructure Burden Comparison**

Light Industrial

Item	Placer County	Davis		West Sacramento		Folsom	Roseville	Sacramento County	Rocklin		Lincoln
	Sunset Industrial Area	South (Interland)	Mace (2nd Street)	Riverside Centre Business Park	Southport	Broadstone Unit III	Westpark (Phase 4)	McClellan Park	Stanford Ranch	Rocklin Ranch	Lincoln Airport Business Park
Assumptions											
Building Valuation	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000	\$22,554,000
Building Square Feet	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Acres	20	20	20	20	20	20	20	20	20	20	20
Floor Area Ratio	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Plan Area Fees [10]	-	-	-	-	\$0.02	-	\$0.03	-	-	-	-
Annual Special Taxes and Assessments											
Infrastructure CFD [11]	-	\$0.86	\$6.75	-	\$3.58	\$2.15	\$2.68	\$5.36	\$1.39	-	\$0.90
Infrastructure Assessment District	-	-	-	\$0.16	-	-	-	-	-	-	-
School CFD	-	\$1.13	\$2.10	-	-	-	-	-	-	-	-
West Sacramento Area Flood Control	-	-	-	\$0.72	\$0.72	-	-	-	-	-	-
Total Annual Special Taxes and Assessments	\$0.00	\$1.99	\$8.84	\$0.88	\$4.30	\$2.15	\$2.68	\$5.36	\$1.39	\$0.00	\$0.90
Total Fees per Sq. Ft.	\$9.70	\$10.27	\$17.10	\$18.40	\$28.45	\$12.77	\$13.90	\$17.71	\$14.99	\$13.65	\$18.36
Fees per Acre	\$169,825	\$179,742	\$299,332	\$321,987	\$497,851	\$223,463	\$243,272	\$309,926	\$262,360	\$238,923	\$321,345

ind fees

Source: Various cities, counties, and other public agencies; EPS.

- [1] Processing fees exclude mechanical, electrical, plumbing and other similar review fees.
- [2] Rocklin: This fee is to be coordinated with the public facilities impact fee. The City will collect the greater of the two fee amounts. In this case, the construction tax is greater than the public facilities fee for industrial development.
- [3] Assumes two 4-inch water meters.
- [4] Placer County: Assumes project is located in PCWA Zone 1.
- [5] Placer County, Lincoln, and Rocklin: Fee shown uses DUE factor for light industrial uses, which is the highest DUE factor for industrial/light industrial uses. The lowest possible industrial use fee (for mini-storage facilities) is \$0.78 per square foot for Placer County, \$0.53 for Lincoln, and \$3.83 for Rocklin.
- [6] Sacramento County: Fee shown is for Research and Development, the highest among industrial/light industrial uses. Other industrial/light industrial fees include Manufacturing (\$0.61/sf) and Warehouse (\$0.26/sf).
- [7] Placer County: Fee shown is the highest possible fee for industrial/light industrial uses. The lowest possible industrial use fee (for warehouse space) is \$0.13 per square foot.
- [8] Roseville: Includes the electric installation fee and solid waste fee.
West Sacramento: Includes the corp yard, city hall, and childcare impact fees.
Folsom: Includes solid waste capital fee, school impact mitigation fee, and business license fee.
Lincoln: Includes community services fee, building occupancy fee, and incremental fee.
- [9] Roseville, Rocklin and Lincoln: Fee shown is the highest possible for industrial/light industrial uses. The lowest possible industrial use fee (for warehouse space) is \$0.07 per square foot.
- [10] Roseville: West Roseville Specific Plan air quality program fee.
Southport: Southport framework plan area fee.
- [11] Sacramento County: Infrastructure CFD rate shown for R&D uses, the highest rate for light industrial uses in CFD No. 2004-1. Warehouse use, the lowest rate for industrial uses, is \$2.68 per square foot.

Table G-2
Sunset Industrial Area Market Analysis
Office/Business Park Development Infrastructure Burden Comparison

Office/Business Park

Item	Placer	Davis		West Sacramento		Folsom	Roseville	Sacramento	Rocklin		Lincoln
	Sunset Industrial Area	South (Interland)	Mace (2nd Street)	Riverside Centre Business Park	Southport	Broadstone Unit III	North Central	McClellan Park	Stanford Ranch	Rocklin Ranch	Lincoln Airport Business Park
Assumptions											
Building Valuation	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000
Building Square Feet	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Acres	5	5	5	5	5	5	5	5	5	5	5
Floor Area Ratio	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
City/County Fees per Sq. Ft.											
Processing Fees per Sq. Ft. [1]											
Building Permit	\$0.19	\$0.83	\$0.83	\$0.59	\$0.59	\$0.63	\$0.28	\$1.46	\$0.34	\$0.34	\$0.48
Plan Check	\$0.19	\$0.54	\$0.54	\$0.49	\$0.49	\$0.63	\$0.31	\$0.58	\$0.25	\$0.25	\$0.31
Zone Check	-	-	-	-	-	-	-	\$0.08	-	-	-
Energy	\$0.01	-	-	\$0.00	\$0.00	-	-	-	\$0.02	\$0.02	\$0.05
Accessibility Compliance Review	\$0.01	-	-	-	-	-	-	-	-	-	-
Technology Surcharge	-	-	-	\$0.09	\$0.09	-	\$0.02	-	-	-	-
Seismic/Strong Motion	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
California Building Standards Commission Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fire Review Fee	-	\$0.13	\$0.13	\$0.00	\$0.00	-	-	\$0.01	\$0.01	\$0.01	\$0.00
Long Range Planning Fee	-	\$0.25	\$0.25	-	-	-	-	-	-	-	-
Construction Tax	-	\$3.10	\$3.10	-	-	-	-	-	-	-	-
CAL Green Fee	-	\$0.07	\$0.07	-	-	-	-	-	-	-	-
Commercial Plan Check	-	-	-	-	-	\$0.06	-	-	-	-	-
General Plan Update Fee	-	-	-	-	-	\$0.04	-	-	-	-	-
Sacramento County IT Fee	-	-	-	-	-	-	-	\$0.04	-	-	-
Landscape Plan Fee	-	-	-	-	-	-	-	-	\$0.03	\$0.03	-
Disabled Access Plan Check	-	-	-	-	-	-	-	-	\$0.02	\$0.02	-
Total Processing Fees per Sq. Ft.	\$0.45	\$4.96	\$4.96	\$1.21	\$1.21	\$1.41	\$0.65	\$2.21	\$0.71	\$0.71	\$0.88
Development Impact Fees per Sq. Ft.											
Sewer	\$1.71	\$1.53	\$1.53	\$1.30	\$1.66	\$1.03	\$2.46	\$1.58	\$3.05	\$3.05	\$3.45
Water [2] [3]	\$3.75	\$1.28	\$1.28	\$1.08	\$1.08	\$0.76	\$1.02	\$1.60	\$3.75	\$3.75	\$6.05
Traffic/Roadways/Transportation (Local and Regional)	\$9.41	\$4.48	\$4.38	\$10.76	\$14.49	\$5.22	\$7.51	\$9.86	\$8.58	\$8.58	\$8.88
Drainage	-	\$0.12	\$0.12	-	\$3.11	\$0.38	\$0.37	\$1.26	-	\$0.08	\$0.88
School	\$0.54	\$0.47	\$0.47	\$0.54	\$0.54	\$0.54	\$0.50	\$0.54	\$0.54	\$0.52	\$0.54
Parks/Open Space	-	\$0.86	\$0.86	\$2.04	\$2.04	\$0.36	-	\$0.69	-	-	\$0.31
Fire/Police	\$0.42	\$0.93	\$0.82	\$2.29	\$2.29	\$1.48	\$0.62	\$0.97	-	-	-
In-Lieu Flood Protection Fees	-	-	-	\$2.75	\$2.75	-	-	-	-	-	-
Housing Trust Fund	-	-	-	-	-	\$1.50	-	\$0.97	-	-	-
Habitat/Greenbelt Preservation	-	\$0.58	\$0.58	-	-	-	-	-	-	-	-
Capital Improvements/Public Facilities	\$0.88	\$0.86	\$0.82	-	-	\$0.45	\$0.83	-	\$1.49	\$1.49	-
Other General Fees/One-Time Taxes [4]	-	-	-	\$2.08	\$2.08	\$0.10	\$1.17	-	-	-	\$2.41
Countywide Fee	-	\$0.72	\$0.72	-	-	-	\$0.50	-	\$0.50	\$0.50	\$0.49
Total Development Impact Fees per Sq. Ft.	\$16.70	\$11.83	\$11.58	\$22.85	\$30.04	\$11.83	\$14.98	\$17.45	\$17.91	\$17.97	\$23.01
Total City/County Fees	\$17.15	\$16.79	\$16.54	\$24.06	\$31.25	\$13.24	\$15.63	\$19.67	\$18.61	\$18.67	\$23.89

Table G-2
Sunset Industrial Area Market Analysis
Office/Business Park Development Infrastructure Burden Comparison

Office/Business Park

Item	Placer County	Davis		West Sacramento		Folsom	Roseville	Sacramento County	Rocklin		Lincoln
	Sunset Industrial Area	South (Interland)	Mace (2nd Street)	Riverside Centre Business Park	Southport	Broadstone Unit III	North Central	McClellan Park	Stanford Ranch	Rocklin Ranch	Lincoln Airport Business Park
Assumptions											
Building Valuation	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000	\$9,282,000
Building Square Feet	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Acres	5	5	5	5	5	5	5	5	5	5	5
Floor Area Ratio	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
Plan Area Fees [5]	-	-	-	-	\$0.03	-	-	-	-	-	-
Annual Special Taxes and Assessments											
Infrastructure CFD	-	\$0.86	\$8.14	-	\$5.75	\$2.15	\$4.05	\$7.66	\$2.70	-	\$0.90
Infrastructure Assessment District	-	-	-	\$0.19	-	-	-	-	-	-	-
School CFD	-	\$1.21	\$2.18	-	-	-	-	-	-	-	-
West Sacramento Area Flood Control	-	-	-	\$0.86	\$0.86	-	-	-	-	-	-
Total Annual Special Taxes and Assessments	\$0.00	\$2.07	\$10.32	\$1.05	\$6.61	\$2.15	\$4.05	\$7.66	\$2.70	\$0.00	\$0.90
Total Fees per Sq. Ft.	\$17.15	\$18.87	\$26.86	\$25.11	\$37.89	\$15.39	\$19.68	\$27.33	\$21.31	\$18.67	\$24.80
Fees per Acre	\$257,243	\$282,976	\$402,965	\$376,591	\$568,310	\$230,826	\$295,140	\$409,970	\$319,701	\$280,111	\$371,932

of fees

Source: Various cities, counties, and other public agencies; EPS.

[1] Processing fees exclude mechanical, electrical, plumbing and other similar review fees.

[2] Assumes two 2-inch water meters.

[3] Placer County: Assumes project is located in PCWA Zone 1.

[4] Roseville: Includes the electric installation fee and solid waste fee.

West Sacramento: Includes the corp yard, city hall, and childcare impact fees.

Folsom: Includes solid waste capital fee, school impact mitigation fee, and business license fee.

Lincoln: Includes community services fee, building occupancy fee, and incremental fee.

[5] Southport: Southport framework plan area fee.



APPENDIX H: Energy Costs

Table H-1	Average Electricity Retail Price per Kilowatt Hour	H-2
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ENERGY COSTS

Electricity can be a major component of the cost of doing business for many of the types of large users that are envisioned as possible tenants for space in the SIA. Pacific Gas & Electric Company (PG&E) provides electricity for residential and nonresidential properties in Placer County. **Table H-1** shows that PG&E's average retail electricity price is higher across all categories compared to the prices of other providers in the region, the Sacramento Municipal Utility District (SMUD) and Roseville Electric. PG&E average prices also tend to be higher than other major providers in the state with the exception of San Diego Gas & Electric. At 14 cents per kilowatt-hour, PG&E's industrial prices are notably above those for the same customer class at SMUD and Roseville Electric. For some users, this electricity cost differential could put the SIA at a competitive disadvantage when suitable sites are available in other areas of the region and state. It is important to note, however, that PG&E offers economic development programs that could reduce overall electricity costs for major users. For example, for eligible projects requiring loads of at least 200 kilowatts that are considering competitive site options in other states, PG&E can provide a 12 percent reduction in electric rates for a period of 5 years through its Economic Development Rate program. For certain economically distressed communities in its service territory, including a handful of competitive areas in the region (e.g., West Sacramento, Woodland, and Lincoln), PG&E offers an Enhanced Economic Development Rate program with a 30 percent reduction. This moderates the advantage for areas like the SIA when competitive sites are available in areas offering the enhanced rate.

Table H-1
Sunset Industrial Area Market Analysis
Average Electricity Retail Price Per Kilowatt Hour

Customer Class	Pacific Gas & Electric	Roseville Electric	Sacramento Municipal Utility District	Southern California Edison	San Diego Gas & Electric	Los Angeles Department of Water & Power
Residential	0.16	0.14	0.12	0.17	0.19	0.14
Commercial	0.16	0.11	0.12	0.14	0.17	0.14
Industrial	0.14	0.10	0.11	0.13	0.15	0.12
Agricultural [1]	0.19	-	0.13	0.16	0.20	0.13
System Average	0.17	0.12	0.13	0.16	0.18	0.14

"electricity"

Source: Center for Strategic Economic Research, 2014 Placer County Profile; California Energy Commission; EPS

[1] Price for small general service user at 2000 kilowatts.



APPENDIX I: Land Use Demand Methodology

Map I-1	Regional Analysis Districts: Placer County.....	I-3
Table I-1	Summary of Forecasted Growth in Land Use Demand by Data Source—Acres	I-4
Table I-2	Summary of Forecasted Growth in Land Use Demand by Data Source—Bldg. Sq. Ft.	I-5
Table I-3	Summary of Forecasted Employment Growth by Data Source.....	I-6

LAND USE DEMAND METHODOLOGY

Methodology

Employment Projections

EPS analyzed employment estimates by industry for Placer County using SACOG, DOT, and Woods & Poole data. EPS categorized each industry sector by land use. Industries that were not anticipated to have a demand for land in the SIA were excluded from this analysis (e.g., farm, forestry, federal military, and industries categorized as "Other").

See **Map I-1** for the SACOG Regional Analysis Districts that comprise the South Placer area.

Data Adjustments

EPS adjusted for a couple key differences in the employment projection data sources. The adjustments EPS used are highlighted here:

- SACOG did not report employment projections for 2015, so EPS estimated 2015 employment using the average annual growth between SACOG's 2008 and 2020 employment estimates.
- The geographic area that corresponds with by SACOG's projections is smaller than DOT and Woods and Poole, because SACOG does not include portions of El Dorado and Placer Counties in the Tahoe Basin. Aside from the City of South Lake Tahoe, the Tahoe Basin is sparsely populated and exclusion from the SACOG projection is not anticipated to materially affect findings of the Analysis.
- SACOG does not report employment projections by industry beyond the County level. To estimate future growth by industry for the South Placer area, EPS aggregated total employment projections for each of SACOG's Regional Analysis Districts RADs that comprise the South Placer area. EPS applied Placer's industry distribution to the total employment projection to estimate future growth in employment at the industry level for South Placer. Because South Placer accounts for a majority of jobs in the County (80 percent in 2008), South Placer's industry distribution is expected to be similar to that of Placer County as a whole.
- Woods & Poole employment forecast figures were discounted to adjust for self-employed workers who have a negligible impact on demand for nonresidential building space. The discount rate was based on 20-year average of proprietors' share of total employment as reported in the Bureau of Economics Personal Income & Employment Summary dated Nov. 20, 2014. Proprietors were distributed amongst industry sectors based on the 3-year average of U.S. Census Nonemployer Statistics data from 2010-2012.

Building Space Demand

Employee densities for industrial use vary widely depending on the type of facility operation, ranging from 750 to 1,500 square feet per employee. EPS used a mid-range figure of 1,100 square feet per industrial employee. The projected increase in office space demand assumes 250 square feet per office worker, which is reflective of the 200 to 300 square feet per employee range SACOG uses for the 2035 Metropolitan Transportation Plan (MTP).

Acreage Demand

EPS converted the building space demand into land use demand using a 0.4 floor-area-ratio (FAR) for industrial and a 0.35 FAR for office space. Both industrial and office land uses were assumed to have an 80 percent net acre to gross acre ratio.

Map I-1
Regional Analysis Districts: Placer County

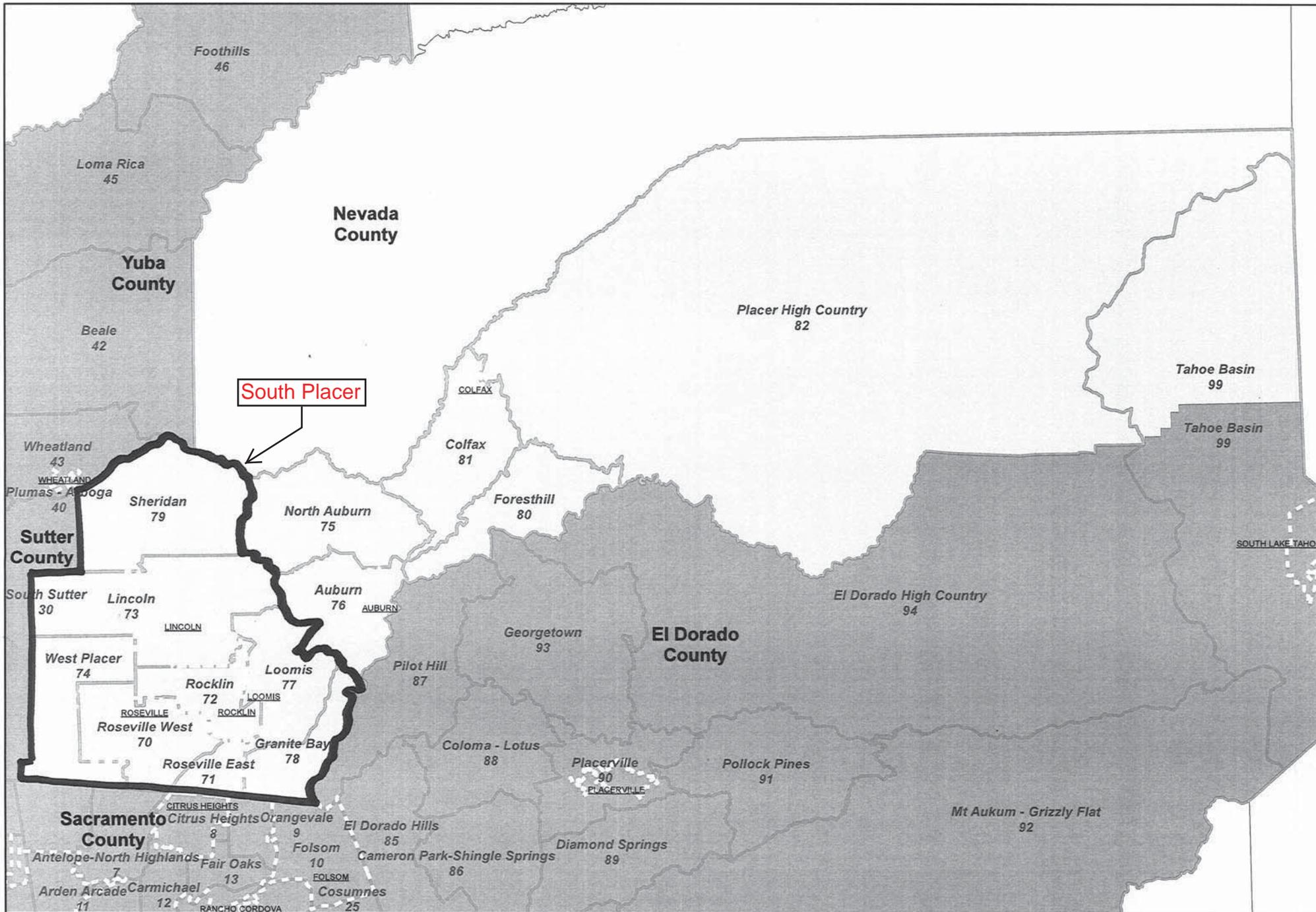


Table I-1
Sunset Industrial Area Market Analysis
Summary of Forecasted Growth in Land Use Demand 2015-2035 (Acres) by Data Source

Growth in Land Use Demand (Acres) [1]	DOT [2]			W&P [3]			SACOG [4]		
	Change 2015-2035	Annual Average		Change 2015-2035	Annual Average		Change 2015-2035	Annual Average	
		Absolute	Percent		Absolute	Percent		Absolute	Percent
Sacramento Region									
Land Use		<i>Acres</i>			<i>Acres</i>			<i>Acres</i>	
Industrial	2,096.5	104.8	0.8%	1,119.7	56.0	0.5%	1,906.4	95.3	0.9%
Office	3,200.4	160.0	1.2%	5,318.2	265.9	1.7%	4,486.0	224.3	1.4%
Retail	1,000.1	50.0	0.6%	3,911.5	195.6	1.9%	2,259.0	113.0	1.2%
Region Total	6,297.0	314.9	0.9%	10,349.3	517.5	1.4%	8,651.4	432.6	1.2%
Placer County									
Land Use		<i>Acres</i>			<i>Acres</i>			<i>Acres</i>	
Industrial	750.9	37.5	1.0%	143.0	7.1	0.4%	268.0	13.4	0.9%
Office	614.9	30.7	1.8%	963.0	48.1	2.3%	799.4	40.0	1.7%
Retail	192.2	9.6	0.9%	1,708.6	85.4	3.4%	478.3	23.9	1.3%
Placer County Total	1,558.0	77.9	1.2%	2,814.5	140.7	2.2%	1,545.7	77.3	1.4%
South Placer									
Land Use		<i>Acres</i>			<i>Acres</i>			<i>Acres</i>	
Industrial	702.7	N/A	N/A	133.8	N/A	N/A	250.8	12.5	1.0%
Office	575.5	N/A	N/A	901.2	N/A	N/A	748.2	37.4	1.9%
Retail	179.9	N/A	N/A	1,599.0	N/A	N/A	447.6	22.4	1.5%
South Placer Total	N/A	N/A	N/A	N/A	N/A	N/A	1,446.6	72.3	1.6%
Placer County's Share of Sacramento Region									
Land Use									
Industrial		35.8%			12.8%			14.1%	
Office		19.2%			18.1%			17.8%	
Retail		19.2%			43.7%			21.2%	
Total Percent Share		24.7%			27.2%			17.9%	
South Placer's Share of Placer County									
Land Use									
Industrial		93.6%			93.6%			93.6%	
Office		93.6%			93.6%			93.6%	
Retail		93.6%			93.6%			93.6%	
Total Percent Share		N/A			N/A			93.6%	

^aSummary_Acres

Source: California DOT's California County-Level Economic Forecast 2014-2040; SACOG Travel Model Projections, May 2012; Woods and Poole Economics, Inc. 2014; and EPS.

[1] Assumes an 80% net to gross ratio to estimate developable acreage.

[2] DOT employment forecast figures exclude jobs generated by the farming industry.

[3] Woods & Poole employment forecast figures are discounted to adjust for self-employed who have a negligible impact on demand for nonresidential building space. Discount rate was based on 20-year average of proprietor's share of total employment as reported in the Bureau of Economics Personal Income & Employment Summary dated Nov. 20, 2014. Proprietors were distributed amongst industry sectors based on 3-year average of U.S. Census Nonemployer Statistics data from 2010-2012. Jobs from Farm; Forestry, Fishing, Mining; Federal Military; and "Other" industries are excluded from this analysis.

[4] SACOG data does not report employment projections for 2015. EPS estimated 2015 SACOG employment projections using the average annual growth between 2008 and 2020. SACOG does not include portions of El Dorado and Placer Counties in the Tahoe Basin. SACOG is the only data source in this analysis that forecasts employment growth for South Placer.

Table I-2
Sunset Industrial Area Market Analysis
Summary of Forecasted Growth in Land Use Demand 2015-2035 (Bldg. Sq. Ft.) by Data Source

Growth in Land Use Demand (Building Sq. Ft.)	DOT [1]			W&P [2]			SACOG [3]		
	Change 2015-2035	Annual Average		Change 2015-2035	Annual Average		Change 2015-2035	Annual Average	
		Absolute	Percent		Absolute	Percent		Absolute	Percent
Sacramento Region									
Land Use	<i>Building Sq. Ft.</i>			<i>Building Sq. Ft.</i>			<i>Building Sq. Ft.</i>		
Industrial	29,223,700	1,461,185	0.8%	15,607,606	780,380	0.5%	26,573,045	1,328,652	0.9%
Office	39,035,000	1,951,750	1.2%	64,864,506	3,243,225	1.7%	54,715,451	2,735,773	1.4%
Retail	8,712,550	435,628	0.6%	34,076,882	1,703,844	1.9%	19,680,772	984,039	1.2%
Region Total	76,971,250	3,848,563	0.9%	114,548,994	5,727,450	1.3%	100,969,268	5,048,463	1.2%
Placer County									
Land Use	<i>Building Sq. Ft.</i>			<i>Building Sq. Ft.</i>			<i>Building Sq. Ft.</i>		
Industrial	10,466,500	523,325	1.0%	1,992,653	99,633	0.4%	3,736,020	186,801	0.9%
Office	7,500,000	375,000	1.8%	11,744,935	587,247	2.3%	9,750,632	487,532	1.7%
Retail	1,674,750	83,738	0.9%	14,885,207	744,260	3.4%	4,166,579	208,329	1.3%
Placer County Total	19,641,250	982,063	1.2%	28,622,795	1,431,140	1.9%	17,653,231	882,662	1.3%
South Placer									
Land Use	<i>Building Sq. Ft.</i>			<i>Building Sq. Ft.</i>			<i>Building Sq. Ft.</i>		
Industrial	N/A	N/A	N/A	N/A	N/A	N/A	3,496,326	174,816	1.0%
Office	N/A	N/A	N/A	N/A	N/A	N/A	9,125,056	456,253	1.9%
Retail	N/A	N/A	N/A	N/A	N/A	N/A	3,899,261	194,963	1.5%
South Placer Total	N/A	N/A	N/A	N/A	N/A	N/A	16,520,644	826,032	1.5%
Placer County's Share of Sacramento Region									
Land Use									
Industrial	35.8%			12.8%			14.1%		
Office	19.2%			18.1%			17.8%		
Retail	19.2%			43.7%			21.2%		
Total Percent Share	25.5%			25.0%			17.5%		
South Placer's Share of Placer County									
Land Use									
Industrial	N/A			N/A			93.6%		
Office	N/A			N/A			93.6%		
Retail	N/A			N/A			93.6%		
Total Percent Share	N/A			N/A			93.6%		

"Summary_SF"

Source: California DOT's California County-Level Economic Forecast 2014-2040; SACOG Travel Model Projections, May 2012; Woods and Poole Economics, Inc. 2014; and EPS.

[1] DOT employment forecast figures exclude jobs generated by the farming industry.

[2] Woods & Poole employment forecast figures are discounted to adjust for self-employed who have a negligible impact on demand for nonresidential building space. Discount rate was based on 20-year average of proprietor's share of total employment as reported in the Bureau of Economics Personal Income & Employment Summary dated Nov. 20, 2014. Proprietors were distributed amongst industry sectors based on 3-year average of U.S. Census Nonemployer Statistics data from 2010-2012. Jobs from Farm; Forestry, Fishing, Mining; Federal Military; and "Other" industries are excluded from this analysis.

[3] SACOG data does not report employment projections for 2015. EPS estimated 2015 SACOG employment projections using the average annual growth between 2008 and 2020. SACOG does not include portions of El Dorado and Placer Counties in the Tahoe Basin. SACOG is the only data source in this analysis that forecasts employment growth for South Placer.

Table I-3
Sunset Industrial Area Market Analysis
Summary of Forecasted Employment Growth 2015-2035 by Data Source

Employment Growth (Jobs) by Land Use	DOT [1]			W&P [2]			SACOG [3]		
	Change 2015-2035	Annual Average		Change 2015-2035	Annual Average		Change 2015-2035	Annual Average	
		Absolute	Percent		Absolute	Percent		Absolute	Percent
Sacramento Region									
Land Use		<i>Jobs</i>			<i>Jobs</i>			<i>Jobs</i>	
Industrial	26,567	1,328	0.8%	14,189	709	0.5%	24,157	1,208	0.9%
Office	156,140	7,807	1.2%	259,458	12,973	1.7%	218,862	10,943	1.4%
Retail	24,893	1,245	0.6%	97,363	4,868	1.9%	56,231	2,812	1.2%
Region Total	207,600	10,380	1.0%	371,009	18,550	1.6%	299,250	14,962	1.3%
Placer County									
Land Use		<i>Jobs</i>			<i>Jobs</i>			<i>Jobs</i>	
Industrial	9,515	476	1.0%	1,812	91	0.4%	3,396	170	0.9%
Office	30,000	1,500	1.8%	46,980	2,349	2.3%	39,003	1,950	1.7%
Retail	4,785	239	0.9%	42,529	2,126	3.4%	11,905	595	1.5%
Placer County Total	44,300	2,215	1.4%	91,320	4,566	2.4%	54,303	2,715	1.5%
South Placer									
Land Use		<i>Jobs</i>			<i>Jobs</i>			<i>Jobs</i>	
Industrial	N/A	N/A	N/A	N/A	N/A	N/A	3,178	159	1.0%
Office	N/A	N/A	N/A	N/A	N/A	N/A	36,500	1,825	1.9%
Retail	N/A	N/A	N/A	N/A	N/A	N/A	11,141	557	1.5%
South Placer Total	N/A	N/A	N/A	N/A	N/A	N/A	50,819	2,541	1.7%
Placer County's Share of Sacramento Region									
Land Use									
Industrial	35.8%			12.8%			14.1%		
Office	19.2%			18.1%			17.8%		
Retail	19.2%			43.7%			21.2%		
Total Percent Share	21.3%			24.6%			18.1%		
South Placer's Share of Placer County									
Land Use									
Industrial	N/A			N/A			93.6%		
Office	N/A			N/A			93.6%		
Retail	N/A			N/A			93.6%		
Total Percent Share	N/A			N/A			93.6%		

*Summary_Emp

Source: California DOT's California County-Level Economic Forecast 2014-2040; SACOG Travel Model Projections, May 2012; Woods and Poole Economics, Inc. 2014; and EPS.

[1] DOT employment forecast figures exclude jobs generated by the farming industry..

[2] Woods & Poole employment forecast figures are discounted to adjust for self-employed who have a negligible impact on demand for nonresidential building space. Discount rate was based on 20-year average of proprietor's share of total employment as reported in the Bureau of Economics Personal Income & Employment Summary dated Nov. 20, 2014. Proprietors were distributed amongst industry sectors based on 3-year average of U.S. Census Nonemployer Statistics data from 2010-2012. Jobs from Farm; Forestry, Fishing, Mining; Federal Military; and "Other" industries are excluded from this analysis.

[3] SACOG data does not report employment projections for 2015. EPS estimated 2015 SACOG employment projections using the average annual growth between 2008 and 2020. SACOG does not include portions of El Dorado and Placer Counties in the Tahoe Basin. Excludes employment classified as "Other."



APPENDIX J:
Stakeholder Interviews

STAKEHOLDER INTERVIEWS

EPS interviewed representatives from the following entities to inform its market analysis for the SIA. Several other stakeholders and experts were contacted multiple times for this study, but were unable or declined to participate in interviews, including some South Placer jurisdictions, developers and brokers, businesses, and economic development entities and site selectors.

- AKT Development Corporation
- California Governor's Office of Business and Economic Development
- California State University, Sacramento
- CBRE
- City of Roseville Economic Development
- Coastal Partners
- Cornish & Carey
- Cushman & Wakefield
- DTZ/Terranomics
- Energy 2001
- Golden Sierra Workforce Investment Board
- Greater Sacramento Area Economic Council (formerly Sacramento Area Commerce & Trade Organization)
- John L Sullivan
- Placer Athens Limited Partnership
- Placer County Economic Development
- Rio Brave Rocklin
- Sierra College
- United Auburn Indian Community
- Western Placer Waste Management Authority
- Westpark
- William Jessup University