

Guidelines for Conversion of Non-Residential Land Uses

August 4, 2004

Intent:

In response to pressures to convert portions of the City's non-residential land use inventory the City has developed the following guidelines for the consideration of land use changes. The intent of the guidelines is to articulate the City's expectations relating to land use change proposals. These guidelines are to be applied as performance measures in the preparation and review of any such proposals. The guidelines are not intended to be inclusive of all City development requirements, but rather supplement those requirements by identifying or emphasizing concepts particularly important or unique to potential land use changes. It is expected that the City's emphasis on certain concepts or requirements will change overtime. Therefore, the guidelines are to be a fluid document to be revisited every two years and updated to reflect the City's present need.

In consideration of the unique attributes and constraints of various areas of the City, the guidelines have been divided in two areas those guidelines that are applicable to the infill area and those that are applicable to the balance of the City. A map depicting these areas is attached.

Infill

The overarching goal to be applied to land use changes within the infill portion of the City is to encourage and emphasize reinvestment and revitalization without creating undue burdens and barriers to development while preserving neighborhood compatibility.

1. Infill properties are identified as those properties located within the City's infill planning area as designated on the City's Zoning Map.
2. Parks obligation to include payment of citywide and neighborhood park fees. Neighborhood Park fees are to be applied to infill neighborhood park improvements as identified on an infill park CIP projects list. Where the Parks Department demonstrates a park need a Parkland dedication or in-lieu park fee for land dedication may be negotiated and evaluated on a project by project basis, based on the nature of the project and the benefit to the City.
3. Encourage the use of private passive open space in-lieu of land dedication for infill projects.
4. Off site utilities (e.g. water, sewer, electric) that serve more than the specific project are not the sole responsibility of the project. Over-sizing of improvements or upgrading to City standards may be available for City reimbursement. The City may develop a CIP for off site improvements for which a project may pay an impact fee in lieu of constructing the improvement. Each project shall be reviewed on a case-by-case basis and shall be conditioned accordingly.
5. School impacts shall be mitigated through new impact agreements executed to reflect the payment of the City's existing infill school impact fees.
6. New housing development shall meet the City's 10% goal (4% affordable to very low, 4% affordable to low, and 2% affordable to middle income) except redevelopment areas shall provide 15%. (Of those 40% affordable to very low income and the balance affordable to low/middle income).
7. A land use change on the Placer County Fair Grounds shall require a master plan.

8. Encourage higher density residential mixed-use projects with consideration to the relaxing of any one guideline or multiple guidelines to promote and provide incentives for innovative higher density residential mixed-use projects.

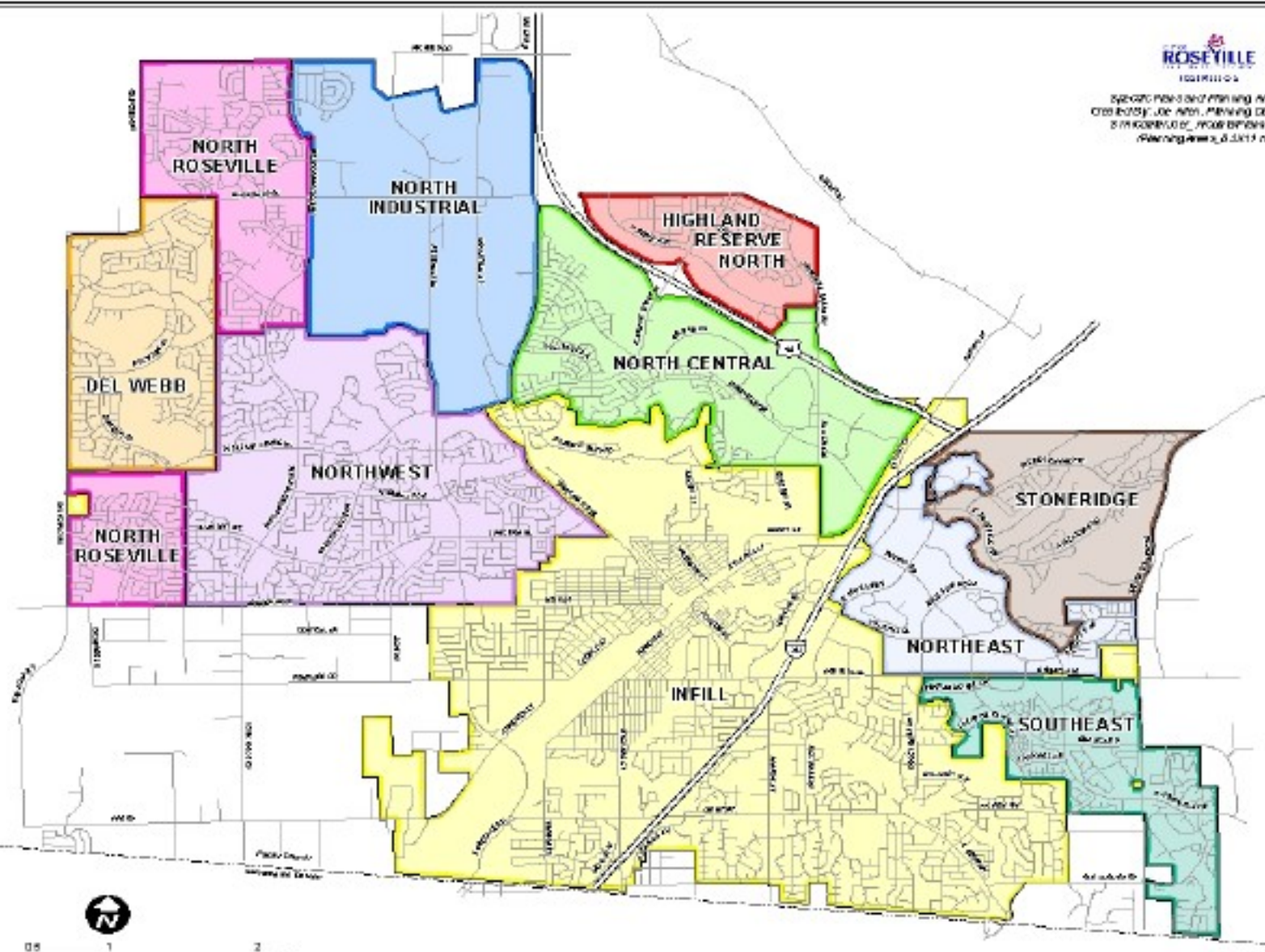
Balance of the City

The overarching goal to be applied to land use changes for the balance of the City is to maintain the City's fiscal balance and prevent the loss of jobs and existing job centers while maintaining a balanced community.

1. Balance of the City includes properties within all specific plans and the North Industrial Plan area.
2. A region wide employment and land inventory study shall be required of each project that is equal to or greater than 50 acres.
3. Land use changes will not have a negative fiscal impact to the City. Each project shall be modeled individually for citywide impacts utilizing the City's fiscal model.
4. Projects that are 50 acres or greater in size shall maintain employment options and a favorable jobs housing balance.
5. New housing development shall meet the City's 10% goal consistent with the Housing Element (4% affordable to very low, 4% affordable to low, and 2% affordable to middle income).
6. Projects shall provide a specific public benefit that may be in the form of a community benefit fee.
7. Increases in general fund service demands shall be mitigated by establishment of or annexation into a Community Facilities Mello Roos Assessment District to offset the costs of the project. The assessment may be utilized to offset the cost of the following: public safety; parks and open space maintenance; storm water management; and other costs identified by the City.
8. Parks obligation to include payment of citywide and neighborhood park fees. Active park needs shall be provided by the project. An in-lieu parkland dedication fee may be negotiated in lieu of land based on the project. For each acre of parkland dedication mitigated by an in-lieu fee a corresponding in-lieu fee shall be paid for park improvements. The in-lieu fees shall provide improvements of local benefit.
9. Place emphasis on the dedication of parklands within specific plan areas rather than acceptance of and in-lieu fee for land dedication.
10. Utilities (e.g. water, sewer, electric) shall not be impacted as to conveyance or capacity.
11. School impacts shall be mitigated through new impact agreements executed with the school districts to ensure that the projects student generation is accommodated.
12. Residential units not utilized within a specific plan area shall be reallocated within that plan area and school district. Otherwise, requests for units shall be considered as additive to the City's existing unit allocation.
13. Encourage higher density residential mixed-use projects with consideration to the relaxing of any one guideline or multiple guidelines to promote and provide incentives for innovative higher density residential mixed-use projects.



Specific Plans and Planning Areas
Created by Joe Allen, Planning Dept. 10/2003
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SPECIFIC PLANS & PLANNING AREAS

DRAFT MEMORANDUM

To: Sean Morales, Associate Planner, City of Roseville
CC: John Tallman, Partner, Westpark Communities
From: Jamie Gomes and Emilio Balingit
Subject: Sierra Vista Specific Plan Parcel WB-42 Rezone
Fiscal Impact Analysis; EPS #242083
Date: July 31, 2024

The Economics of Land Use



Introduction

Westpark SV 400, LLC (Applicant) retained Economic & Planning Systems, Inc. (EPS) to prepare the Fiscal Impact Analysis (Analysis) for the proposed rezone of the Sierra Vista Specific Plan (SVSP) Parcel WB-42 (Project)—an approximately 14.5-acre development located in the City of Roseville (City).

This Analysis examines the Project's estimated fiscal impact on the City's annual General Fund budget, based on the Fiscal Year (FY) 2023-2024 Adopted Budget. Specifically, the Analysis estimates whether projected revenues from the Project will cover the costs of delivering citywide services (e.g., police protection, fire protection, and parks and recreation) to the Project's residents and employees. The Analysis is based on the assumption that these services will be provided by the City.

At the City's request, EPS has analyzed the estimated fiscal impacts to the City for the following two land use scenarios:

- Scenario 1—Proposed Project (53 Medium-Density Residential homes and 7.0 acres of retail development)
- Scenario 2—Existing Zoning (14.5 acres of retail development)

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The following memorandum provides an overview of the Project and two scenarios. The memorandum then summarizes annual fiscal impacts of each Scenario assuming buildout of the Project area. Finally, the memorandum summarizes the methodology used to calculate the fiscal impacts and presents detailed calculations and result in the Appendices.

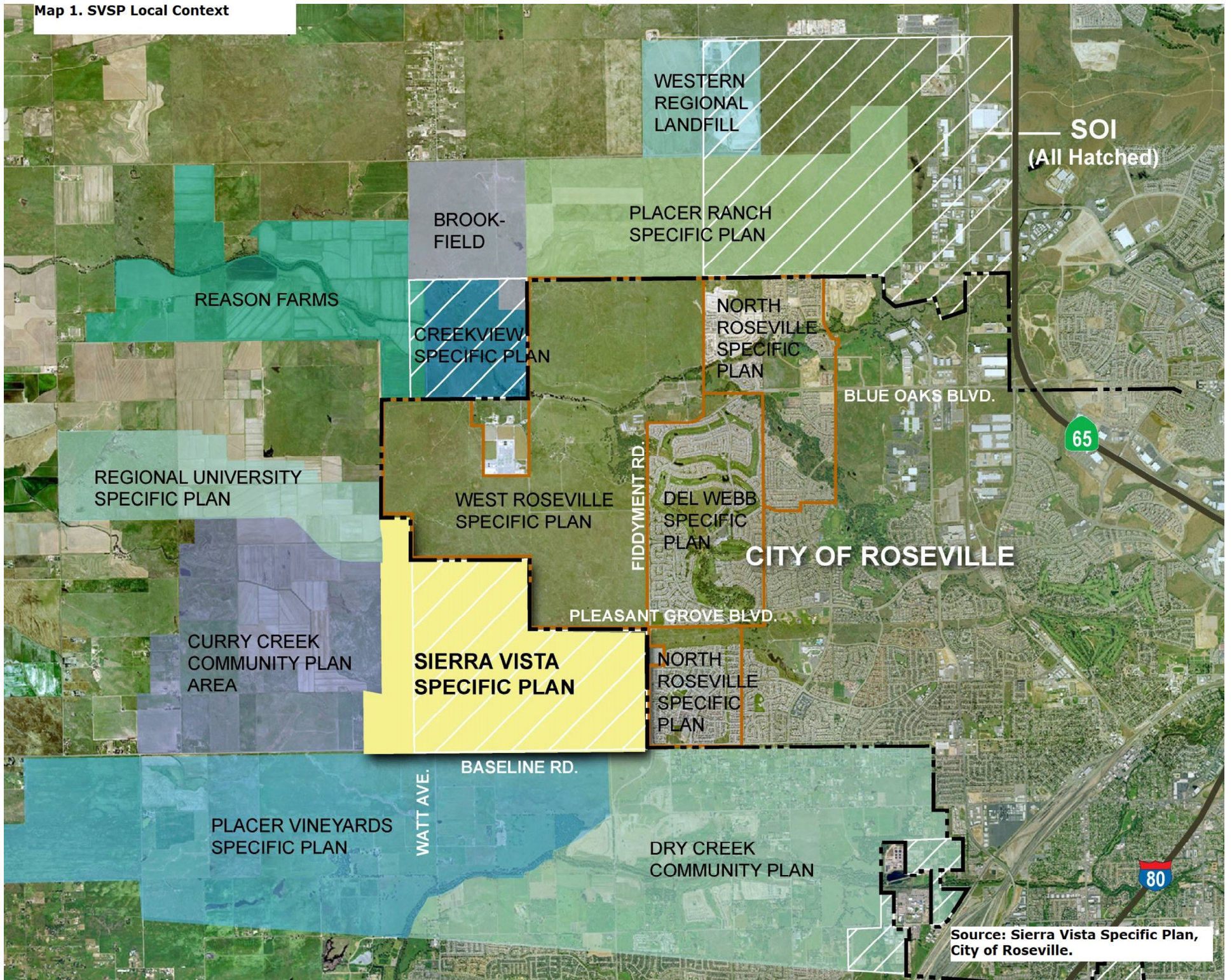
Project and Scenario Overview

The Project site is approximately 14.5 acres, located at the southwestern corner of the intersection of Pleasant Grove Boulevard and Westbrook Boulevard in the SVSP. **Map 1** shows the SVSP location in the local context of the City. The project site is bound by Pleasant Grove Boulevard to the north, Westbrook Boulevard to the east, and residential uses to the south and west. Currently, the Project site is zoned Community Commercial (CC) and is undeveloped. This analysis studies two development scenarios, described in further detail below and in **Table A-2**:

- **Scenario 1**, the proposed Project, includes subdividing Parcel WB-42 into two parcels, as shown on **Map 2**. The 7.5-acre southern parcel would be rezoned to Medium Density Residential (MDR), and further subdivided to provide lots for 53 single family homes. The 7.0-acre northern parcel would remain zoned as CC. For the purposes of this analysis, EPS assumes that the northern parcel would be developed with a floor area ratio (FAR) of 0.25, resulting in 76,230 square feet of retail uses.¹
- In **Scenario 2**, the entire parcel would remain zoned CC and would develop at 0.25 FAR, resulting in 158,341 square feet of retail uses.

¹ The 0.25 FAR assumption for CC-zoned properties is consistent with the development scenario analyzed in the Initial Study/Negative Declaration for the Westbrook amendment to the SVSP.

Map 1. SVSP Local Context



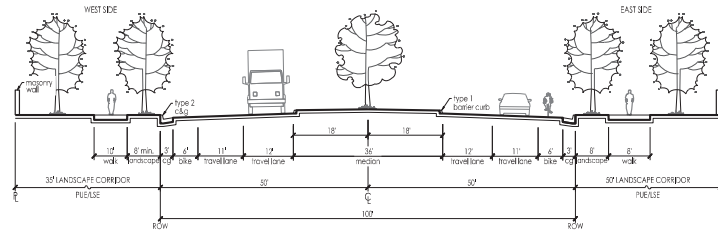
Map 2. Proposed Project

WESTPARK PHASE 3
VILLAGE 13A
CC MAPS 81

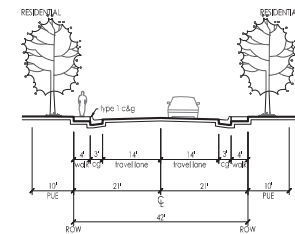
PLEASANT GROVE BLVD.

ABBREVIATION KEY

CG	Curb & Gutter
DN	Document Number
EAE	Emergency Access Esmt
EVA	Emergency Vehicle Access
ESMT	Easement
EX.	Existing
LC	Landscape Corridor
PROP.	Proposed
PUE	Public Utility Easement
ROW	Right-of-Way
STD	Standard
TB	Top of Berm

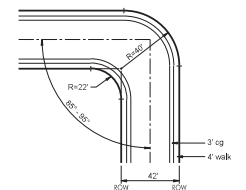


WESTBROOK BOULEVARD EXISTING ARTERIAL



MINOR RESIDENTIAL STREET

ROSEVILLE STD DETAIL ST-2
42' ROW (attached sidewalk)
n.l.s.



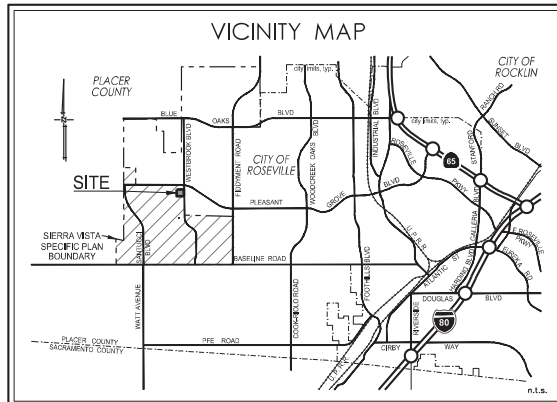
MODIFIED ELBOW

RESIDENTIAL ENTRY

MODIFIED ROSEVILLE STD DETAIL ST-25
n.l.s.

LAND USE SUMMARY

Lot No.	PVSP Designation	Land Use / Lot Size	Acres Gross	Acres Net	Dwelling Units	Density
VILLAGE	MDR	Single-Family Residential / 45' x 75'	7.54	6.76	53	7.0
LC-1	MUH	Landscape (Major Roads)		0.18		
LC-2	MDR	Landscape (Major Roads)		0.15		
LC-3	MDR	Landscape (Residential)		0.04		
LC-4	MDR	Landscape (Residential)		0.04		
LC-5	MDR	Landscape (Residential)		0.37		
Total			7.54	7.54	53	

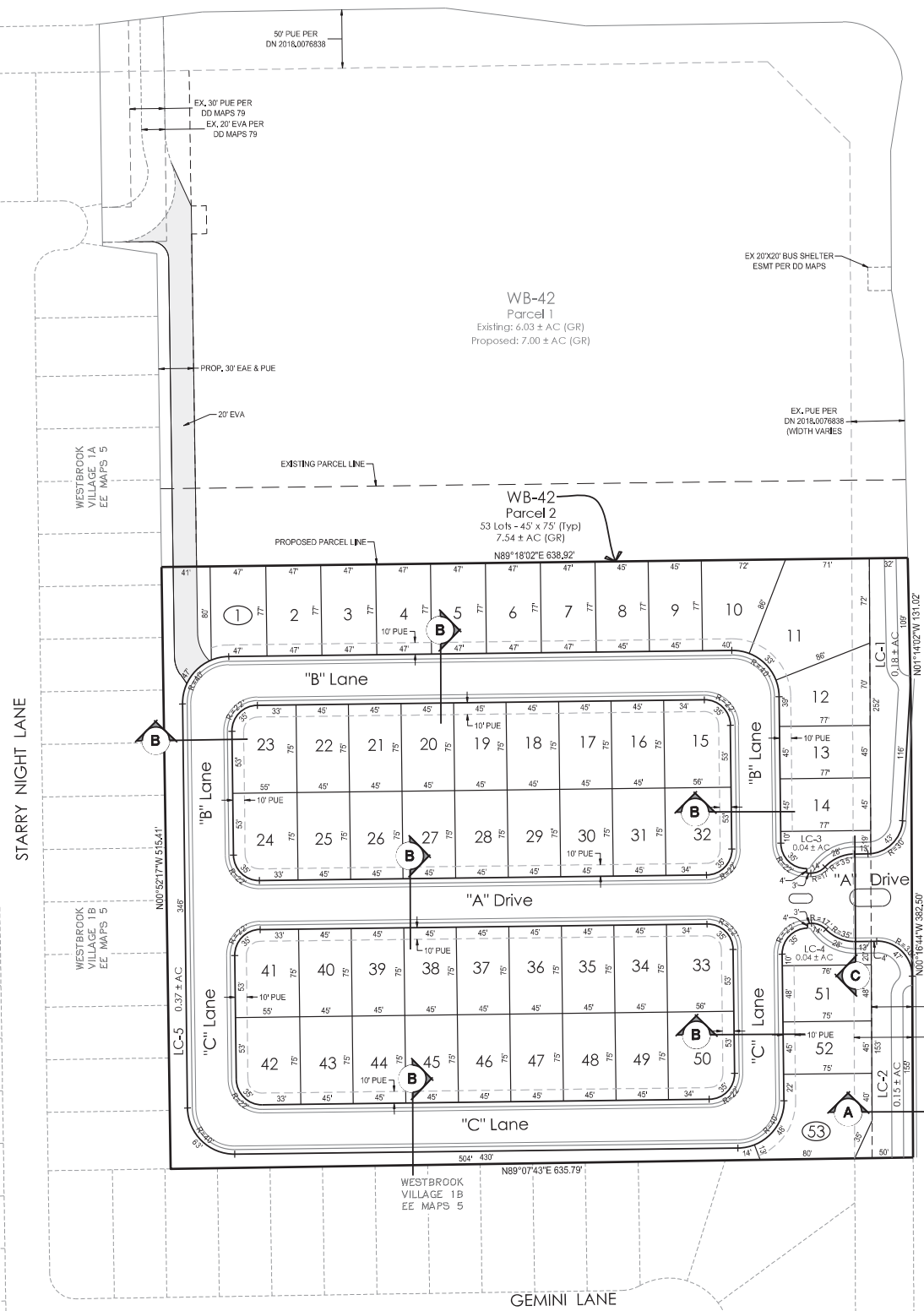


TENTATIVE MAP INFORMATION

APPLICANT:	Westpark SV 400, LLC 1420 Rocky Ridge Drive, Suite 265 Roseville, CA 95661
ENGINEER:	MACKEY & SOMPS CIVIL ENGINEERS, INC. 1025 Creekside Ridge Drive, Suite 150 Roseville, CA 95678-3575 (916) 773-1189
ASSESSORS PARCEL NO.:	496-100-099
SITE ACREAGE:	7.54 ± AC.
EXISTING LAND USE:	Community Commercial (CC)
PROPOSED LAND USE:	MDR
EXISTING ZONE:	CC
PROPOSED ZONE:	RS/DS
NUMBER OF MAPPED LOTS:	58 TOTAL MAPPED LOTS 53: MDR Small Lot Residential lots 2: Landscape Corridor lots (Major Roads) 3: Landscape Corridor lots (LC) (Residential)
SERVICE PROVIDERS:	Roseville Joint Union High School District / Roseville City School District
SCHOOL DISTRICTS:	City of Roseville
PARKS & RECREATION:	City of Roseville
POLICE & FIRE PROTECTION:	City of Roseville
SANITARY SEWER:	City of Roseville
DOMESTIC & RECYCLED WATER:	City of Roseville
ELECTRIC SERVICES:	City of Roseville
NATURAL GAS:	Pacific Gas & Electric Co. (PG&E)
TELEPHONE:	AT&T & Consolidated Communications
CABLE:	Comcast/Consolidated Communications

TENTATIVE MAP NOTES

- PROPERTY DESCRIPTION: Parcel 2 in Book 36 of Parcel Maps, Page 77, Placer County Records.
- Lot dimensions and acreages are approximate and are subject to change.
- Lot lines and lot areas may be adjusted at the time of Final Map(s) preparation provided no additional lots are created, subject to approval by the City of Roseville.
- The Final Mapping and subsequent development of parcels and streets may be phased. Project improvements are deferred to individual Small Lot Final Maps or project development plans.
- Pursuant to Government Code Section 66463.1, the subdivider may file multiple Final Maps based upon this Tentative Subdivision Map. The filing of a Final Map on a portion of this Tentative Subdivision Map shall not invalidate any part of this Tentative Subdivision Map.
- Pursuant to California Government Code Section 66499.20.2, the land shown hereon may be merged and resubdivided without reversion to acreage and may constitute abandonment of portions of the existing right of way, subject to the approval of the City of Roseville, including the following:
 - A portion of the PUE to the City of Roseville per DN 2018.0076838 (to be abandoned).
- The Final Mapping and subsequent development of parcels and streets may be phased. Phasing is to be consistent with the performance criteria in the Development Agreement and applicable infrastructure phasing matrix.
- Additional easements to accommodate new public utility improvements, access required for parcel development, rights to construct, or other similar mapping requirements needed to accomplish the final design may be added prior to each Small Lot Final Map based on this Tentative Subdivision Map.
- Street sections are per the Sierra Vista Specific Plan (Chapter 6) and the Sierra Vista Design Guidelines (Appendix B), except as modified herein.
- A minimum 10' Public Utility Public Easement (PUE) will be located adjacent to all rights-of-way unless otherwise noted.
- Landscape corridor widths may be reduced for ancillary right-turn lanes, auxiliary lanes, bus turn-outs, standard tapers, and the like per the provisions in the Sierra Vista Specific Plan.
- The following lots are to be offered to the City of Roseville with the corresponding phase at the time of each Final Map: Lots LC-1 and LC-2.
- If Parcel WB-42 remains a public subdivision, the following lots are to be offered to the City of Roseville with the corresponding phase at the time of each Final Map: Lots LC-3, LC-4, and LC-5.
- Landscape corridor lots are not to be counted as 'lots' towards any future boundary line adjustment.
- Design and placement of entry signage and masonry walls to be consistent with previous phases of the Solara project.
- Parcel WB-42 may be a gated community, to be determined at the time of Improvement Plans.
- If Parcel WB-42 is determined to be a gated community, the builder will be required to provide additional entry, gate, and fencing exhibits subject to the approval of the City of Roseville.



COVER SHEET TENTATIVE SUBDIVISION MAP PARCEL WB-42

a portion of the Sierra Vista Specific Plan
Roseville, CA
WESTPARK COMMUNITIES
MACKAY & SOMPS ENGINEERS PLANNERS SURVEYORS
April 3, 2024

Overview of Results

The Analysis comparing the fiscal impacts to the City of the existing versus proposed zoning yielded the following results:

- **For both Scenarios, annual revenues are anticipated to exceed annual expenditures for the Project before and after accounting for estimated annual taxes from Community Facilities District (CFD) No. 3 (Municipal Services).** At buildout, the Project in **Scenario 1** is estimated to generate a net annual General Fund surplus of approximately \$258,600 before special taxes and assessments, and approximately \$285,100 after CFD No. 3 revenues (approximately \$26,700 in CFD No. 3 revenues). **Scenario 2** is estimated to generate a net annual surplus of approximately \$559,600 before special taxes and assessments, and \$580,535 after CFD No. 3 revenues (approximately \$20,935 in CFD No. 3 revenues). Please see **Table 1** for a comparison of results between the two scenarios. Even though **Scenario 1** reduces potential net revenues to the City's General Fund compared to **Scenario 2**, the rezone application does not create a situation where the rezoned land uses are anticipated to create a negative on the City's General Fund.
- **Estimated annual revenues in Scenario 1 are approximately \$295,000 lower as compared to Scenario 2.** With significantly more commercial square footage possible under the existing zoning, estimated annual sales tax revenues that may accrue to the City under **Scenario 2** are greater than compared to **Scenario 1**. The difference in estimated sales tax revenues is the primary driver in the total difference in estimated revenues between the 2 scenarios.
- **Scenario 1 is estimated to slightly increase annual expenditures at Project buildout by approximately \$55,000.** The proposed increase in residential land uses in **Scenario 1** increases the demand on City services as compared to **Scenario 2**. The main departments contributing to the increased expenditures are Parks, Recreation, and Libraries (\$24,700), Police (\$14,000) and Fire (\$10,400). The higher expenditures in this scenario primarily result from this scenario having a higher number of residents as a result of the rezone.
- **Both the proposed Project and the two development timelines under the existing zoning produce positive net present values (NPV) to the City's general fund.** The NPV calculation in this analysis shows the value of the revenues and expenditures over a 30-year time period in current year dollars, assuming a 3 percent discount rate that accounts for the decreased nominal value of future dollars. Because the timing of any development under

Table 1
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Revenue and Expenditure Summary Comparison (2023\$)

Item	Scenario 1	Scenario 2	Difference	
	Proposed Project	Existing Zoning	Total	Percent
GENERAL FUND				
Annual Revenues [1]				
Property Taxes	\$95,100	\$95,100	\$0	0.0%
Property Tax In Lieu of VLF	\$27,900	\$27,900	\$0	0.0%
Real Property Transfer Tax	\$2,100	\$1,700	\$400	23.5%
Sales Tax	\$164,500	\$321,800	(\$157,300)	(48.9%)
Sales Tax - Measure B	\$93,000	\$181,800	(\$88,800)	(48.8%)
Prop. 172 Sales Tax	\$4,500	\$8,900	(\$4,400)	(49.4%)
Hotel/Motel Tax	\$7,000	\$5,200	\$1,800	34.6%
Business License Tax	\$800	\$600	\$200	33.3%
Franchise Fees (Excl. Electric)	\$2,300	\$1,700	\$600	35.3%
Electric Franchise Fees	\$7,800	\$5,800	\$2,000	34.5%
Total Annual General Fund Revenues	\$405,000	\$650,500	(\$245,500)	(37.7%)
Annual Expenditures [2]				
City Council	\$100	\$100	\$0	0.0%
City Manager	\$1,100	\$800	\$300	37.5%
Public Affairs and Communications	\$1,000	\$700	\$300	42.9%
City Attorney	\$1,600	\$1,200	\$400	33.3%
Finance	\$2,900	\$2,200	\$700	31.8%
Human Resources	\$1,500	\$1,100	\$400	36.4%
City Clerk	\$600	\$500	\$100	20.0%
Police	\$55,200	\$41,200	\$14,000	34.0%
Fire	\$41,000	\$30,600	\$10,400	34.0%
Economic Development	\$700	\$500	\$200	40.0%
Parks, Recreation & Libraries	\$24,700	\$0	\$24,700	N/A
Public Works	\$10,100	\$7,600	\$2,500	32.9%
Development Services	\$5,900	\$4,400	\$1,500	34.1%
Total Annual General Fund Expenditures	\$146,400	\$90,900	\$55,500	61.1%
Annual General Fund Surplus/(Deficit)	\$258,600	\$559,600	(\$301,000)	(53.8%)
CFD No. 3 [3]	\$26,500	\$20,935	\$5,565	21.0%
Subtotal Net Annual Surplus/(Deficit) Including CFD No. 3	\$285,100	\$580,535	(\$295,435)	(103.6%)

Source: City of Roseville FY 2023-24 Adopted Budget; EPS.

Note: Values are rounded to the nearest \$100.

[1] See Table B-1 for details on revenue estimating procedures.

[2] See Table C-1 for details on expenditure estimating procedures.

[3] See Table B-6.

the existing zoning is uncertain, **Table 2** compares the NPV of the revenues and expenditures under the Project scenario and two scenarios under the existing zoning: one scenario in which a retail project develops under the existing zoning in 15 years, and one in which the same project develops 20 years in the future. If the hypothetical commercial development under existing zoning does not occur until Year 20, then the NPV of the Proposed Project is greater than the NPV of the development under the existing zoning. If the commercial development under existing zoning develops in Year 15, then the NPV of the Proposed Project is marginally lower (approximately \$440,000) than the development scenario under existing zoning.

Memorandum Organization

Data, assumptions, and detailed calculations underlying the Analysis are provided in the following four appendices that are attached to this memorandum:

- **Appendix A** contains the land use plan and detailed valuation assumptions, including population and employment factors.
- **Appendix B** contains detailed revenue estimates and revenue-estimating assumptions.
- **Appendix C** contains detailed expenditure estimates and expenditure estimating procedures.
- **Appendix D** contains property tax allocation assumptions, including project valuation and household income assumptions.
- **Appendix E** contains a detailed cashflow comparing the net present value (NPV) of the two scenarios' impact on City revenues and expenses over 30 years.

Methodology and Assumptions

This section details the underlying methodology and assumptions used to estimate the fiscal impact of the Project on the City. It describes assumptions concerning municipal service delivery, land development, and General Fund budgeting. In addition, it details the methodology used to forecast the Project's General Fund revenues and expenditures at buildout.

Table 2
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Net Present Value of Estimated Revenues and Expenditures

Timeframe [2]	Net Present Value of Revenues by Scenario [1]				
	Existing Zoning		Scenario 1 Proposed Rezone	Difference from Existing Zoning	
	Year 15 Beg.	Year 20 Beg.		Year 15 Beg.	Year 20 Beg.
Formula	a	b	c	d = c-a	e = c-b
General Fund					
Total Net Fiscal Surplus/(Deficit) [3]					
10-Yr Timeframe (2024-2033)	\$0	\$0	\$2,565,900	\$2,565,900	\$2,565,900
15-Yr Timeframe (2024-2038)	\$0	\$0	\$3,991,400	\$3,991,400	\$3,991,400
30-Yr Timeframe (2024-2053)	\$8,708,024	\$5,805,350	\$8,267,900	(\$440,124)	\$2,462,550

Source: EPS.

[1] Net present value (NPV) is presented in 2023 dollars and is based on the following assumptions:

- Revenue Escalation 3.00%
- Discount Rate 3.00%

[2] This analysis makes the following development timing assumptions:

- Scenario 1a - Existing Zoning: revenues begin accruing to the City's General Fund in Year 15 (2038);
- Scenario 1b - Existing Zoning: revenues begin accruing to the City's General Fund in Year 20 (2043);
- Scenario 2 - Proposed Rezone, revenues begin accruing to the City's General Fund in Year 2 (2025)

[3] See Table E-1 for annual revenues and expenditures at buildout by Scenario in 2023 dollars.

Municipal Service Provision

Citywide Services

This Analysis examines the Project's ability to generate adequate revenues to cover the City's costs of providing public services to the Project. The services analyzed in this Analysis comprise General Fund services (e.g., police, fire, and general government).

The Analysis excludes any services that may be funded privately or through other specific taxes such as Westbrook CFD No. 2. This Analysis also does not address activities budgeted in other Governmental Funds or Proprietary Funds, nor does it include an evaluation of capital facilities or funding of capital facilities needed to serve new development.

General Assumptions

The Analysis is based on the City's FY 2023-2024 Adopted Budget, tax regulations, statutes, and other general assumptions discussed herein. Each revenue item is estimated based on current State of California (State) legislation and current City practices. Future changes by either State legislation or City practices can affect the revenues and expenditures estimated in this Analysis. All costs and revenues are shown in constant 2023 dollars, with the exception of the estimated assessed value for the residences proposed in the Project. Those assessed values are based on sales in the first two quarters of 2024. Additionally, the NPV analysis described above discounts the net costs and revenues to current day (2024) dollars. General fiscal and demographic assumptions are detailed in **Table A-1** in **Appendix A**.

This Analysis also uses information from the City, the Applicant, and historical and projected demographic data from the California Department of Finance (DOF), U.S. Census Bureau, and the U.S. Bureau of Labor Statistics. Other critical assumptions that may affect the results of this Analysis are actual home prices versus estimated home prices or other changes in residential assumptions (e.g., residential densities, product types, and persons-per-household factors). The land use information in this Analysis was taken from the Project's entitlement application. The results of this Analysis will vary if development plans or other assumptions change from those on which this Analysis is based.

General Fund Revenue- and Expenditure-Estimating Assumptions

This Analysis considers only discretionary General Fund revenues that will be generated by the Project. Offsetting revenues, which are General Fund revenues that are dedicated to offset the costs of specific General Fund department functions, are excluded from this Analysis. Departmental costs funded by

offsetting revenues or not affected by development also are excluded from this Analysis. Calculations used to estimate costs net of off-setting revenues are shown in **Table C-1** in **Appendix C**.

Development Assumptions

Listed below are brief summaries of the land use and other development-related assumptions:

- **Land Use:** The Cover Sheet for the Tentative Subdivision Map shown in **Map 2**, dated April 3, 2024, was used for this Analysis, which examines the fiscal impacts of the Project at buildout.
- **Residential and Employee Estimates:** Population projections are calculated using an average persons-per-household factor of 2.54 for residential units, which was referenced from the California Department of Finance population and housing unit figures for the City of Roseville. Employee estimates are based on factors of average square feet per employee for Project nonresidential land uses.
- **Residential Assessed Value:** The estimated assessed valuation of single-family residential development is based on prices of comparable residential projects in the City, based on home sales price data from The Gregory Group's New Home database as of 2024 Q2. Estimated buildout assessed values for the total Project are calculated in **Table D-2** in **Appendix D**.
- **Nonresidential Assessed Value:** EPS used nonresidential values consistent with the 2024 Philipp Road Fiscal Impact Analysis prepared by EPS for the City of Roseville in 2024.
- **Property Turnover Rates:** The Analysis assumes that a for-sale residential unit would turn over once every 7 years and nonresidential properties would turn over once every 15 years.
- **Persons-Served Methodology:** In estimating service demands of the Project and those of the existing City, EPS used a factor to approximate the service demands of an employee in Project nonresidential land uses as compared to a Project resident. EPS used a factor of 0.5 to estimate an employee's impact on services as compared to a resident's impact, which is consistent with the persons-served methodology the City has used in the past.
- **Income of Households:** The average household income of each residential land use category (e.g., low density, medium density, high density) in the Project was estimated to forecast household retail expenditures. This calculation was derived using the following assumptions and data inputs:

- Estimated home values as described in **Table D-2** in **Appendix D**.
- Assumed a 6.0 percent, 30-year, fixed-rate mortgage with a 20 percent down payment and 2 percent annual taxes and insurance and a \$150 monthly payment for a Homeowner's Association. Taxes and insurance include ad valorem taxes, as well as existing and proposed special taxes and assessments for infrastructure and services.
- For owner-occupied homes, assumed 30 percent of income dedicated to mortgage payments, taxes, and insurance.

Estimated household incomes by land use type are calculated in **Table A-4**.

Revenue-Estimating Methodology

EPS used either a marginal-revenue case-study approach or an average-revenue approach to estimate Project-related General Fund revenues.

The marginal-revenue case-study approach simulates actual revenue generation resulting from new development. The case-study approach for estimating sales and use tax revenues, for instance, forecasts market demand and taxable spending from the Project's new residents, as well as taxable sales generated by the Project's on-site retail. Case studies used in this Analysis are discussed in greater detail later in this section.

The average-revenue approach uses the City's FY 2023-20124 Adopted Budget revenue amounts on a citywide per capita or per-persons-served basis to forecast revenues derived from estimated residents of the Project.²

Revenue sources *not* expected to increase as a result of development are excluded from this Analysis. These sources of revenue are not affected by development because either they are one-time revenue sources not guaranteed to be available in the future or there is no direct relation between increased employment growth and increased revenue.

A listing of all City General Fund revenue sources and the corresponding estimating procedure used to forecast future Project revenues is shown in **Table B-1** in **Appendix B**.

² A *per capita* basis of estimating revenues assumes that only residents have a fiscal impact on City revenues. A *per-persons-served* basis of estimating revenues is used to take into account that businesses (and their employees) have a fiscal impact on many City revenues but at a lower level than residential development's impact.

Reader's Note: The discussion of revenues in this memorandum generally reflects the order of the revenues presented in the tables. In some cases, however, this order may vary for purposes of organizing the background discussion and in describing similarly estimated revenue items.

Property Tax

Estimated annual property tax revenue resulting from development in the Project is presented in **Table B-3** in **Appendix B**. To be consistent with the City's budget data, the estimated assessed values for Project land uses are assumed to remain static in 2024-dollar values—real growth in assessed value is not estimated. The share of property taxes the City is assumed to receive from the Project is derived from the total assessed value of the Project and the City's property tax allocation share of the 1 percent ad valorem property tax, as shown in **Table D-1** in **Appendix D**.

The Project is in Tax Rate Area (TRA) 005-071. As shown in Table D-1, the City is shown to receive approximately 41.5 percent of the property tax revenue before adjusting for the City's Educational Revenue Augmentation Fund (ERAF) adjustment factor. The gross property tax is adjusted by the ERAF factor to derive the post-ERAF share of property tax revenue available for tax sharing of approximately 33.3 percent. Based on the terms of the City and County property tax and sales tax sharing agreement, EPS understands the City is to remit to the County an equivalent of 18.25 percent of the post-ERAF property tax. That assumption is modeled in this analysis.

Property Tax in Lieu of Vehicle License Fees

A formula provided by the State Controller's Office was used to forecast Property Tax in Lieu of Vehicle License Fees (PTIL VLF). PTIL VLF is calculated by taking the percentage increase of the City's assessed value resulting from the Project and applying that percentage share to the City's current State allocation of PTIL VLF. This calculation is shown in **Table B-3** in **Appendix B**.

Real Property Transfer Tax

Real property transfer tax is based on the assessed value of the Project's land uses and the anticipated turnover of residential properties over time. As stated earlier, the Analysis assumes the Project's for-sale residential property will turn over 7 percent per year (or once every 14 years), and multifamily rental and nonresidential property will turn over 5 percent per year (or once every 20 years). Real property transfer tax revenue projections are identified in **Table B-4** in **Appendix B**.

Sales Tax

Sales tax revenues are based on taxable sales generated in the City. The sales tax components examined in this Analysis include the Bradley-Burns 1 percent local sales tax rate and Measure B ½-cent local sales tax sales tax. Under a tax-sharing

agreement between the City and Placer County, the City is required to transfer 11.5 percent of the Bradley-Burns sales tax revenue to Placer County. The initial agreement amount is 11.5 percent and it is set to automatically increase to 16 percent, subject to a future fiscal impact analysis. This analysis estimates the City's sales tax revenue under the current 11.5 percent tax sharing agreement, as shown in **Table B-5**.

The Analysis uses two methodologies to estimate taxable sales generated by the Project:

1. The **Market Support Method** measures taxable sales generated from new Project residents and employees.
2. The **Retail Space Method** measures taxable sales from the Project's retail land uses.

In addition to the above methodologies, the Analysis includes estimates of taxable sales revenues derived from anticipated business-to-business spending from Project commercial land uses.

Market Support Method

New Households

This Analysis estimates retail expenditures of future residents in the Project by type of retail category and the share of expenditures that will be captured in the City (e.g., generate sales in the City's retail establishments). The amounts and types of expenditures made by residents generally depend on their household income. Data for this Analysis are based on estimated Project resident incomes, household spending patterns, and retail demand and supply market conditions in the City.

Specifically, this Analysis estimates retail expenditures of future residents by:

- Estimating the total income of new households based on the projected home sales prices and monthly rent expenses. EPS assumes household income estimates are based on owner-occupied tenure, with home purchase financed by a 30-year fixed-rate mortgage.³
- Evaluating Consumer Expenditure Survey (CES) data from the U.S. Bureau of Labor Statistics, which reports the proportion of income spent on various household goods and services by income group.

³ The income estimate assumes that annual payment for the mortgage (30-year, 5.5 percent fixed interest, 20 percent down payment), property taxes, and insurance equal 30 percent of income. Property taxes and insurance are assumed at 2 percent of home value.

Based on these methods, EPS estimates future household incomes to be \$162,000 for the proposed MDR units. Typical household expenditure patterns from the Bureau of Labor Statistics' 2022 CES suggests, at these income levels, Project residents for owner-occupied homes are estimated to spend 22.1 percent and of their household income on taxable retail expenditures. These assumptions and estimates are summarized in **Table A-4**.

The Analysis also assumes that the City's retail businesses would capture roughly 80 percent of the Project's household retail demand. The estimate is based on an analysis showing that total retail sales in the City exceeds the total resident spending potential, suggesting that retail sales leakage for the City is marginal.

New Employees

The sales tax analysis accounts for taxable retail expenditures made by the new employees generated by development of nonresidential land uses in the Project. The number of employees is estimated by using the total occupied building square footage for each nonresidential land use and applying an average square foot per employee factor for each corresponding land use (see **Table A-3** in **Appendix A**). EPS estimates employees spend approximately \$10 per business day on taxable goods.⁴ The amount of taxable sales from new employees is discounted to avoid double-counting employees who also are residents.

Total sales revenues generated for the City by the Project's new households and new employees and corresponding calculations for the Market Support Method are shown in **Table B-5A** in **Appendix B**.

Retail Space Method

Annual taxable sales generated by retail uses in the Project were calculated by taking an "annual sales per square foot" factor, published in the Urban Land Institute's *Dollars and Cents of Shopping Centers: 2008*, and escalating it to 2023 dollars using the Consumer Price Index. To prevent double counting, the Project's total taxable sales estimated from the Retail Space Method are reduced by the on-site taxable sales estimated by the Market Support Method (Project residents and employees).

Total sales revenues and corresponding calculations for the Retail Space Method are shown in **Table B-5B** in **Appendix B**.

Proposition 172

Revenues from the City's share of the County's half-cent sales tax for public safety are included in the Analysis and calculated in **Table B-5** in **Appendix B**. The City's public safety sales tax share is based on estimated citywide taxable sales from the City's FY 2023-24 budget.

⁴ This Analysis is based on the assumption there are 240 business days per year.

CFD No. 3 (Municipal Services)

Project revenues from CFD No. 3 for police, fire, and library services are estimated in **Tables B-6 Appendix B**. Estimates are based on fees per unit for residential land and per acre for commercial land.

Expenditure-Estimating Methodology

Expenditure estimates are based on the City's FY 2023-24 Adopted Budget and supplemental information from City staff. All City General Fund expenditure items are listed on **Table C-1 in Appendix C**. As described herein, the Project fiscal impact analyses rely on an "average-cost" methodology to estimate all General Fund expenditure impacts of new development on the City. An average-cost methodology is a common fiscal impact analysis methodology that divides the City's net cost of service, for a given service function, by the service population to which that service is provided. In this manner, the average-cost method is based on the assumption the marginal cost of agency services to new Project residents and employees would equal the City's existing average-cost structure.

This Analysis applies adjustment factors to several General Fund department average-cost multipliers to reflect the fact that new residents and employees may not increase certain General Fund department expenditures on a 1:1 ratio. Some departments have fixed costs not anticipated to increase with new development (see **Table C-1 in Appendix C**). These adjustment factors are based on EPS's experience with similar fiscal impact analyses and account for the size and land use of the Project as compared to that of the existing City.

Expenditures affected by residents and employees are projected using a *per-person-served* average expenditure multiplier and include the department functions listed below:

General Government

- City Council
- City Manager
- City Attorney
- Finance
- Public Affairs & Communication
- Human Resources
- Information Technology
- City Clerk
- Central Services

Other

- Economic Development & Housing
- Development Services/Planning
- Public Works
- Police
- Fire

Community Grants and Parks, Recreation & Libraries costs are estimated using a *per-capita* average-cost multiplier because these departments' functions generally serve residential development primarily.

Technical Appendices

The technical calculations used in this Analysis are shown in **Appendices A** through **E** (**Tables A-1** through **E-1**) of this memorandum:

- **Appendix A** indicates the proposed land uses and general assumptions used in this Analysis.
- **Appendix B** identifies the projected revenues that will be generated by the Project for the City's General Fund.
- **Appendix C** details the estimated expenditures for the City to provide General Fund services to the Project. It also shows the offsetting revenue analysis, which allocates dedicated General Fund revenues to General Fund department functions.
- **Appendix D** shows the projected assessed value of the Project, which serves as the basis for calculating property tax revenues. In addition, this appendix provides detail on the portion of the Assembly Bill 8 allocation of property tax revenues provided to the City and includes the calculation of estimated average household income.
- **Appendix E** shows the Detailed Cashflow Analysis.



APPENDICES:

- Appendix A: General Assumptions
- Appendix B: Revenue-Estimating Tables
- Appendix C: Expenditure-Estimating Tables
- Appendix D: Supporting Tables for
Revenue Estimates
- Appendix E: Detailed Cashflow Analysis



APPENDIX A: General Assumptions

Table A-1	General Assumptions	A-1
Table A-2	Proposed Land Use Development Plan	A-2
Table A-3	Estimated Service Population	A-3
Table A-4	Land Use Assumptions	A-4

Table A-1
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
General Assumptions

Item	Assumption
General Assumptions	
Base Fiscal Year [1]	FY 2023-24
General Demographic Characteristics	
City of Roseville	
Population [2]	152,928
Employees [3]	110,000
City of Roseville Persons Served [4]	207,928

Source: California Department of Finance (DOF); California Employment Development Department (EDD); EPS.

- [1] Reflects the City of Roseville Fiscal Year 2023-24 Adopted Budget. Revenues and expenditures are in 2023 dollars. This analysis does not reflect changes in value resulting from inflation or appreciation.
- [2] DOF Table 2: E-5 City of Roseville population estimate as of 1/1/2023.
- [3] Roseville FY 2023-24 Approved Budget states California Employment Development Department (EDD) estimates Roseville to have 100,000 jobs as of May 2023. Adjusted by an additional 10% to account for self-employed workers.
- [4] Defined as total population plus half of total employees.

**Table A-2
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Proposed Land Use Development Plan**

Land Use	Proposed Rezone				Existing Zoning			
	Acreage	Average Density	Dwelling Units	Nonres. Bldg Sq. Ft.	Acreage	Average Density	Dwelling Units	Nonres. Bldg Sq. Ft.
Residential		<u>DU/Ac.</u>				<u>DU/Ac.</u>		
Medium-Density Residential	7.54	7.0	53	-	-	-	-	-
Nonresidential		<u>FAR [1]</u>				<u>FAR [1]</u>		
Retail	7.00	0.25	-	76,230	14.54	0.25	0	158,341

Source: Westpark SV 400, LLC, Site Exhibit dated April 3, 2024; Westbrook Specific Plan Amendment Initial Study, 2012; EPS.

[1] Per the Initial Study for the Westbrook Amendment to the Sierra Vista Specific Plan, all Community Commercial sites were assumed to develop as retail at 0.25 FAR.

Table A-3
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Service Population

Land Use	Scenario 1				Scenario 2			
	Proposed Project				Existing Zoning			
	Units/Bldg. Sq. Ft.	Occupied Units/Bldg. Sq. Ft.	Population/ Employees	Persons Served	Units/Bldg. Sq. Ft.	Occupied Units/Bldg. Sq. Ft.	Population/ Employees	Persons Served
Residential								
Medium-Density Residential	53	51	129	129	-	-	-	-
Total Residential	53	51	129	129	-	-	-	-
Nonresidential (Mixed Use Innovation District)								
Retail	76,230	72,419	145	72	158,341	150,424	301	150
Total Nonresidential	76,230	72,419	145	72	158,341	150,424	301	150
Persons Served [2]			274	201			301	150

Source: Westpark SV 400, LLC, Site Exhibit dated April 3, 2024; EPS.

[1] Based on occupied land uses and population and employment density assumptions in Table A-4.

[2] Persons Served defined as total project area population plus half of total project area employees.

Table A-4
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Land Use Assumptions

Land Use	Assessed Value (Rounded) [1]	Estimated Annual Income per Household [2]	Taxable HH Expenditures [3]		Annual Turnover Rate	Resident and Employee Densities [4]	Vacancy Rate [5]
			as % of HH Income	Average Annual Exp.			
Residential	<i>Per Unit</i>					<i>Persons/HH</i>	
Medium-Density Residential	\$620,000	\$162,000	22.1%	\$35,800	7.0%	2.54	4.4%
Nonresidential (Mixed Use Innovation District)	<i>Per Sq. Ft.</i>					<i>Sq. Ft./Employee</i>	
Retail	\$400	-	-	-	5.0%	500	5.0%

Source: Westpark SV 400, LLC; California Department of Finance; U.S. Census Bureau, 2022 American Community Survey 1-Year Estimates; U.S. Bureau of Labor Statistics; Gregory Group; CoStar; EPS.

[1] See Appendix D for assessed value information for residential uses. Values for nonresidential uses are consistent with the Philipp Road Fiscal Impact Analysis prepared for the City of Roseville in 2024.

[2] Market Rate household income assumptions:

Assumes that annual mortgage payments, plus property taxes and insurance are 30% of income. Mortgage payments assume a 20% down payment, 30-yr term, 6% fixed interest. Taxes and insurance are assumed to equal 2% of home value. Includes a \$150/month estimate for HOA dues.

[3] Taxable expenditures as a percentage of income derived from the 2022 BLS Consumer Expenditure Survey.

[4] Resident density assumptions derived from California Department of Finance average persons per household for the City of Roseville as of January 2023. Employee density assumptions based on typical EPS assumptions for retail land uses.

[5] Estimated Low- and Medium-Density residential vacancy rates based on data obtained from the 2022 U.S. Census for the City of Rosveille. Estimated retail vacancy rates based on 2023 data obtained from CoStar for the Roseville/Rocklin submarket.



APPENDIX B: Revenue-Estimating Tables

Table B-1	Revenue-Estimating Procedures Based on City of Roseville FY 2023-24 Budget	B-1
Table B-2	Estimated Annual Project Revenues at Buildout.....	B-2
Table B-3	Estimated Property Tax Revenues	B-3
Table B-4	Real Property Transfer Tax at Buildout.....	B-4
Table B-5	Estimated Taxable Sales and Use Tax Revenue	B-5
Table B-5A	Estimated Annual Taxable Sales, Hybrid Market Support Method	B-6
Table B-5B	Estimated Annual Taxable Sales Generated from On-Site Nonresidential.....	B-7
Table B-6	Estimated CFD No. 3 Revenues	B-8

Table B-1
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Revenue-Estimating Procedures Based on City of Roseville FY 2023-24 Budget (2023\$)

Item	Estimating Procedure	Case Study Reference	FY 2023-24 Budgeted Revenues	Service Population	Revenue Multiplier
General Fund Revenues					
Property Taxes	Case Study	Table B-3	\$56,492,000	NA	-
Property Tax In Lieu of VLF	Case Study	Table B-3	\$13,855,000	NA	-
Real Property Transfer Tax	Case Study	Table B-4	\$1,200,000	NA	-
Sales Tax	Case Study	Table B-5	\$72,688,000	NA	-
Sales Tax - Measure B	Case Study	Table B-5	\$29,775,000	NA	-
Prop. 172 Sales Tax	Case Study	Table B-5	\$1,777,000	NA	-
Highway Vehicles In Lieu Tax	[1]		\$129,000	NA	-
Hotel/Motel Tax	Persons Served Multiplier		\$7,250,000	207,928	\$34.87
Business License Tax	Persons Served Multiplier		\$866,000	207,928	\$4.16
Animal Licenses	[2]		\$215,000	NA	-
Other Licenses and Permits	[2]		\$3,644,136	NA	-
Franchise Fees (Excl. Electric)	Persons Served Multiplier		\$2,375,000	207,928	\$11.42
Electric Franchise Fees	Persons Served Multiplier		\$8,075,815	207,928	\$38.84
Charges for Services	[2]		\$12,872,492	NA	-
Grants and Contributions	[1,2]		\$131,200	NA	-
Use of Money and Property	[1,2]		\$3,059,252	NA	-
Fines and Penalties	[2]		\$183,500	NA	-
Other Revenue	[2]		\$1,225,085	NA	-
Transfers In	[1]		\$9,165,204	NA	-
Subtotal General Fund Revenues			\$224,978,684		
Less Offsetting Revenues	[3]		\$18,140,213	NA	-
Net General Fund Operating Revenues			\$206,838,471		

Source: City of Roseville FY 2023-24 Adopted Budget; EPS.

- [1] This revenues source is not expected to be affected by the Project and therefore no revenue multipliers are estimated in this analysis.
- [2] This analysis assumes that all or part of these revenues are fully dedicated to specific General Fund departmental costs (offsetting revenues). Because these revenues are budget-neutral and are not discretionary, they are not included in estimating discretionary Project revenues.
- [3] Represents the sum of offsetting revenues dedicated to General Fund department functions. These revenues are budget neutral and are netted from both total revenues and total costs (shown in Table C-1). Amounts exclude one-time grant revenues.

Table B-2
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Annual Project Revenues at Buildout (2023\$)

Item	Estimating Procedure	Source	Scenario 1 - Proposed Project		Scenario 2 - Existing Zoning	
			Amount (Rounded)	Percentage of Total	Amount (Rounded)	Percentage of Total
Annual General Fund Revenues						
Property Taxes	Case Study	Table B-3	\$95,100	23.5%	\$95,100	14.6%
Property Tax In Lieu of VLF	Case Study	Table B-3	\$27,900	6.9%	\$27,900	4.3%
Real Property Transfer Tax	Case Study	Table B-4	\$2,100	0.5%	\$1,700	0.3%
Sales Tax	Case Study	Table B-5	\$164,500	40.6%	\$321,800	49.5%
Sales Tax - Measure B	Case Study	Table B-5	\$93,000	23.0%	\$181,800	27.9%
Prop. 172 Sales Tax	Case Study	Table B-5	\$4,500	1.1%	\$8,900	1.4%
Hotel/Motel Tax	Persons Served Multiplier	Table B-1	\$7,000	1.7%	\$5,200	0.8%
Business License Tax	Persons Served Multiplier	Table B-1	\$800	0.2%	\$600	0.1%
Franchise Fees (Excl. Electric)	Persons Served Multiplier	Table B-1	\$2,300	0.6%	\$1,700	0.3%
Electric Franchise Fees	Persons Served Multiplier	Table B-1	\$7,800	1.9%	\$5,800	0.9%
Annual General Fund Revenues			\$405,000	100.0%	\$650,500	100.0%

Source: City of Roseville FY 2023-24 Adopted Budget; EPS.

Note: Values are rounded to the nearest \$100.

Table B-3
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Property Tax Revenues (2023\$)

Item	Assumptions	Formula	Scenario 1 Proposed Project	Scenario 2 Existing Zoning
1% Property Tax				
Total Assessed Value of Project [1]		a	\$63,352,000	\$63,336,240
Property Tax Revenue (1% of Assessed Value)	1.00%	$b = a * 1.00\%$	\$633,520	\$633,362
Estimated Property Tax Allocation [2]				
City of Roseville	15.01%	$c = b * 15.01\%$	\$95,100	\$95,077
Placer County	18.25%	$d = b * 18.25\%$	\$115,617	\$115,589
Other Agencies	66.74%	$e = b * 66.74\%$	\$422,802	\$422,697
Property Tax In Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF)				
Total Citywide Assessed Value [3]		f	\$31,413,840,756	\$31,413,840,756
Total Assessed Value of Project		$g = a$	\$63,352,000	\$63,336,240
Total Assessed Value		$h = g + f$	\$31,477,192,756	\$31,477,176,996
Percentage Change in AV		$i = g / f$	0.20%	0.20%
Property Tax In Lieu of VLF [4]	\$13,855,000	$j = i * \$13,855,000$	\$27,941	\$27,934

Source: City of Roseville FY 2023-24 Budget; Placer County Auditor-Controller; EPS

[1] For assumptions and calculation of assessed value, refer to Table D-2.

[2] Based on an existing tax sharing agreement between the City and the County, the City receives 45.1 percent and the County receives 54.1 percent of the City's post-ERAF property tax percentage in the tax rate area (TRA) in which the project is located. For assumptions and calculation of the estimated property tax allocation, refer to Table D-1.

[3] Year 2023-24 Placer County Assessment Roll Values for City of Roseville. Includes citywide secured, unsecured, and homeowner exemption

[4] Property tax in lieu of VLF amount derived from the City of Roseville FY 2023-24 Adopted Budget. See Table B-1.

**Table B-4
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Real Property Transfer Tax at Buildout (2023\$)**

Description	Source/ Assumption	Scenario 1 Proposed Project	Scenario 2 Existing Zoning
Assumptions			
Rate per \$1,000 of AV [1]	\$0.55		
Turnover Rate			
Owner-Occupied Homes	7.0%		
Nonresidential Sq. Ft.	5.0%		
Assessed Value [2]			
Residential		\$32,860,000	\$0
Nonresidential		\$30,492,000	\$63,336,240
Total Assessed Value		\$63,352,000	\$63,336,240
Annual Transfer Tax Revenue			
Residential		\$1,265	\$0
Nonresidential		\$839	\$1,742
Total Annual Transfer Tax Revenue		\$2,104	\$1,742

Source: City of Roseville; EPS.

[1] Based on California Revenue and Taxation Code, §§ 11911-11929, which authorizes cities and counties to levy a real estate transfer tax at a rate of \$0.55 per \$1,000 value.

[2] Assessed Values (AV) derived in Table D-2 note that assessed values are expressed in 2023\$ and include no real AV growth.

Table B-5
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Taxable Sales and Use Tax Revenue (2023\$)

Item	Assumptions	Formula	Scenario 1 Proposed Project	Scenario 2 Existing Zoning
Estimated Annual Taxable Sales (Rounded)				
Annual Taxable Sales from New Market Support	Table B-5A		\$1,616,000	\$343,000
Net Annual Taxable Sales from Onsite Nonresidential Uses	Table B-5B		\$16,976,000	\$36,016,000
Total Annual Taxable Sales		<i>a</i>	\$18,592,000	\$36,359,000
Annual Sales Tax Revenue				
Bradley Burns Local Sales Tax Rate	1.0000%	<i>b = 1.0000% * a</i>	\$185,920	\$363,590
Less County Share [1]	(11.5000%)	<i>c = -11.5000% * b</i>	(\$21,381)	(\$41,813)
Total Sales Tax Revenue		<i>d = b + c</i>	\$164,539	\$321,777
Measure B Sales Tax [2]	0.50000%	<i>e = 0.5000% * a</i>	\$92,960	\$181,795
City of Roseville Prop. 172 Public Sales Tax Revenue [3]	0.02445%	<i>c = 0.0244% * a</i>	\$4,545	\$8,889

Source: California State Board of Equalization; City of Roseville EPS.

- [1] County share of sales tax revenue based on the revenue sharing agreement in place between the City and County ensuring the County will receive no less than 11.5 percent of sales tax revenues generated across all Sierra Vista, Creekview, and Reason Farms developments as detailed in the Roseville - West Placer Annexations document submitted by the County Executive Officer to the County Board of Supervisors, dated September 13, 2011. At the beginning of the 15th year after annexation, the County's share could be increased as high as 16 percent of sales tax revenue generated based on a fiscal impact analysis to be completed at the time.
- [2] Approved in November 2018, Measure B is a citywide one-half cent sales tax to be used for essential City services.
- [3] State Board of Equalization collects one-half cent sales tax revenue under Proposition 172. Based on estimated citywide taxable sales, the City receives approximately 0.02445% of the Prop 172 sales tax revenues (City FY 2023-24 Adopted Budget).

Table B-5A
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Annual Taxable Sales, Hybrid Market Support Method (2023\$)

Item Description	Source/ Assumption	Scenario 1 Proposed Project	Scenario 2 Existing Zoning
Annual Taxable Sales from New Occupied Households			
Occupied Residential Units	<i>Table A-3</i>		
Medium-Density Residential		51	-
Residential Subtotal		51	-
Taxable Retail Expenditures [1]	<i>Table A-4</i>		
Medium-Density Residential	<i>\$35,800</i>	\$1,813,310	-
Residential Subtotal		\$1,813,310	-
Taxable Sales from New Households			
Estimated Retail Capture in City of Roseville [2]	80%	\$1,450,648	-
Annual Taxable Sales from New Employees			
New Employees	<i>Table A-3</i>		
New Employees		145	301
Average Daily Taxable Sales per New Employee	<i>\$10</i>		
Work Days per Year	<i>240</i>		
Total City Taxable Sales from New Employees [3]	<i>50%</i>	\$173,804	\$361,017
Taxable Sales from New Employees			
Estimated Retail Capture in City of Roseville [2]	95%	\$165,114	\$342,966
Total Annual City Taxable Sales from Market Support			
Taxable City Sales inside Project Area [4]	25%	\$403,941	\$85,741
Taxable City Sales outside Project Area [4]	75%	\$1,211,822	\$257,224

Source: BLS; Consumer Expenditure Survey; and EPS.

- [1] See Table A-4. Rounded to the nearest \$1,000.
- [2] Total retail sales in the City exceeds resident's retail spending potential, indicating no sales leakage for Roseville, so this analysis assumes marginal leakage for the Project household and employee retail spending.
- [3] Discounted by 50% to avoid double-counting employees who are also residents and to account for taxable sales from new employees that occur outside the City.
- [4] EPS's estimate of resident/employee spending split between retail stores in the Project and stores outside the Project.

Table B-5B
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Annual Taxable Sales Generated from On-Site Nonresidential (2023\$)

Onsite Commercial Development	Annual Taxable Sales per Sq. Ft. [1]	Scenario 1 - Proposed Project		Scenario 2 - Existing Zoning	
		Occupied Bldg Sq. Ft.	Total Annual Taxable Sales	Occupied Bldg Sq. Ft.	Total Annual Taxable Sales
Annual Taxable Sales from Onsite Nonresidential Development					
Nonresidential					
Retail	\$240	72,419	\$17,380,440	150,424	\$36,101,657
Total Nonresidential		72,419	\$17,380,440	150,424	\$36,101,657
Less Total Annual Taxable Sales From Onsite Market Support (within the Project) [2]			\$403,941		\$85,741
Subtotal Annual Taxable Sales from Onsite Nonres. Dev less Market Support			\$16,976,499		\$36,015,915
Less Shift of Sales from Existing Retail Stores to the Project [3]			\$0		\$0
Annual Taxable Sales Less Market Support			\$16,976,499		\$36,015,915

Source: BizMiner 2016; ULI Dollars & Cents 2008; Bureau of Labor Statistics, "CPI-All Urban Consumers (Current Series) - West Urban"; RetailSails http://retailsails.files.wordpress.com/2011/09/rs_spsf.pdf; eMarketer pulled February 2019; respective annual SEC 10-K reports; EPS.

[1] See Table D-4 for details on taxable retail sales.

[2] Derived in Table B-5A.

[3] Based on the planned size and location of retail uses and number of new dwelling units and employees in the project, this analysis estimates that there would be a negligible shift in taxable sales from other retail outlets in the City.

Table B-6
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated CFD No. 3 Revenues

Land Use	Est. CFD 3 Municipal Services FY 23/24 Rate [1]	Scenario 1 Proposed Project	Scenario 2 Existing Zoning
Residential Land Uses			
Owner-Occupied	<i>per unit</i>		
Medium-Density Residential	\$309	\$16,376	\$0
Subtotal Residential		\$16,376	\$0
Nonresidential Land Uses [2]			
	<i>per acre</i>		
Community Commercial (CC)	\$1,440	\$10,079	\$20,935
Subtotal Nonresidential		\$10,079	\$20,935
Total Developable Land Uses		\$26,454	\$20,935

Source: City of Roseville; and EPS.

[1] Analysis based on the assumption new uses will be subject to CFD No. 3 assessments once developed.



APPENDIX C: Expenditure-Estimating Tables

Table C-1	Expenditure-Estimating Procedures Based on City of Roseville FY 2023-24 Budget	C-1
Table C-2	Estimated Annual Project Expenditures at Buildout	C-2

Table C-1
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Expenditure-Estimating Procedures Based on City of Roseville FY 2023-24 Budget (2023\$)

Item	Estimating Procedure	FY 2023-24 Subtotal Expenditures	Less Offsetting Revenue [1]	FY 2023-24 Net City Expenditures	Population or Persons Served	Net Expenditure Multiplier	Adjustment Factor [2]	Adjusted Expenditure Multiplier
General Fund Expenditures								
City Council	Persons Served Multiplier	\$163,892	\$0	\$163,892	207,928	\$0.79	75%	\$0.59
City Manager	Persons Served Multiplier	\$1,526,308	\$0	\$1,526,308	207,928	\$7.34	75%	\$5.51
Public Affairs and Communications	Persons Served Multiplier	\$1,351,540	\$0	\$1,351,540	207,928	\$6.50	75%	\$4.88
City Attorney	Persons Served Multiplier	\$2,151,149	\$10,700	\$2,140,449	207,928	\$10.29	75%	\$7.72
Finance	Persons Served Multiplier	\$5,232,210	\$1,246,281	\$3,985,929	207,928	\$19.17	75%	\$14.38
Human Resources	Persons Served Multiplier	\$2,118,415	\$0	\$2,118,415	207,928	\$10.19	75%	\$7.64
City Clerk	Persons Served Multiplier	\$1,413,837	\$565,000	\$848,837	207,928	\$4.08	75%	\$3.06
Police	Persons Served Multiplier	\$58,809,842	\$1,830,521	\$56,979,321	207,928	\$274.03	100%	\$274.03
Fire	Persons Served Multiplier	\$45,195,561	\$2,885,196	\$42,310,365	207,928	\$203.49	100%	\$203.49
Economic Development	Persons Served Multiplier	\$913,153	\$0	\$913,153	207,928	\$4.39	75%	\$3.29
Parks, Recreation & Libraries	Per Capita Multiplier	\$35,000,441	\$5,704,839	\$29,295,602	152,928	\$191.56	100%	\$191.56
Public Works	Persons Served Multiplier	\$10,507,798	\$56,840	\$10,450,958	207,928	\$50.26	100%	\$50.26
Development Services	Persons Served Multiplier	\$11,935,083	\$5,840,836	\$6,094,247	207,928	\$29.31	100%	\$29.31
Other Expenditures/Expenses	[3]	\$27,553,992	\$0	\$27,553,992	NA	NA	NA	NA
Transfers Out - Operating	[3]	\$9,727,919	\$0	\$9,727,919	NA	NA	NA	NA
Total Annual General Fund Expenditures		\$213,601,140	\$18,140,213	\$195,460,927		\$811.41		\$795.72

Source: City of Roseville FY 2023-24 Adopted Budget; EPS.

[1] Represents departmental revenues identified for specific General Fund department functions in the City's fiscal budget.

[2] Adjustment factor recognizes some department costs are fixed.

[3] Not expected to be affected by the Project and is not evaluated in this analysis.

Table C-2
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Annual Project Expenditures at Buildout (2023\$)

Expenditures	Estimating Procedure	Source	Scenario 1 - Proposed Project		Scenario 2 - Existing Zoning	
			Amount (Rounded)	Percentage of Total	Amount (Rounded)	Percentage of Total
General Fund						
City Council	Persons Served Multiplier	Table C-1	\$100	0.1%	\$100	0.1%
City Manager	Persons Served Multiplier	Table C-1	\$1,100	0.8%	\$800	0.9%
Public Affairs and Communications	Persons Served Multiplier	Table C-1	\$1,000	0.7%	\$700	0.8%
City Attorney	Persons Served Multiplier	Table C-1	\$1,600	1.1%	\$1,200	1.3%
Finance	Persons Served Multiplier	Table C-1	\$2,900	2.0%	\$2,200	2.4%
Human Resources	Persons Served Multiplier	Table C-1	\$1,500	1.0%	\$1,100	1.2%
City Clerk	Persons Served Multiplier	Table C-1	\$600	0.4%	\$500	0.6%
Police	Persons Served Multiplier	Table C-1	\$55,200	37.7%	\$41,200	45.3%
Fire	Persons Served Multiplier	Table C-1	\$41,000	28.0%	\$30,600	33.7%
Economic Development	Persons Served Multiplier	Table C-1	\$700	0.5%	\$500	0.6%
Parks, Recreation & Libraries	Per Capita Multiplier	Table C-1	\$24,700	16.9%	\$0	0.0%
Public Works	Persons Served Multiplier	Table C-1	\$10,100	6.9%	\$7,600	8.4%
Development Services	Persons Served Multiplier	Table C-1	\$5,900	4.0%	\$4,400	4.8%
Annual General Fund Expenditures			\$146,400	100.0%	\$90,900	100.0%

Source: City of Roseville FY 2023-24 Adopted Budget; EPS.

Note: Values are rounded to the nearest \$100.



APPENDIX D:

Supporting Tables for Revenue Estimates

Table D-1	Preliminary Property Tax Allocations.....	D-1
Table D-2	Estimated Assessed Valuation at Buildout	D-2
Table D-3	Medium-Density Residential Comparable Sales	D-3
Table D-4	Total and Taxable Retail Sales per Square Feet	D-4

**Table D-1
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Preliminary Property Tax Allocations**

Fund/Agency	Pre-ERAF Distribution of Tax Increment [1]	% of Factor Shift to ERAF	Post-ERAF Distribution of Tax Increment [1]	Property Tax Allocation [2]	
				City 45.1%	County 54.9%
Taxing Entities Subject to Tax Sharing					
City of Roseville	41.5534%	19.9550%	33.2614%	15.0114%	18.2500%
County General Fund	0.0000%	32.3925%	0.0000%	-	-
Subtotal	41.5534%		33.2614%	15.0114%	18.2500%
Other Taxing Entities					
Roseville Cemetery	0.9715%	10.8426%	0.8662%		
Placer County Resource Conserv	0.0720%	10.5522%	0.0644%		
Roseville City Elem M&O	23.4198%	-	23.4198%		
Roseville High M&O	21.9476%	-	21.9476%		
Sierra College M&O	7.8985%	-	7.8985%		
Superintendent of Schools	3.9018%	-	3.9018%		
Placer Co Water Agency M&O	0.2354%	38.4435%	0.1449%		
Subtotal	58.4466%		58.2432%		
Total	100.0000%		91.5046%		
Educational Revenue Relief Fund (ERAF)			8.4954%		
Total Gross Property Tax	100.0000%		100.0000%		

Source: Placer County; EPS.

[1] Represents the percentage allocation of the 1% ad valorem property tax for Tax Rate Area (TRA) 005-071 in which the project is located

[2] Tax increment split based on the revenue sharing agreement in place between the City and County ensuring the County the equivalent of 18.25 percent of the 1 percent ad valorem property tax across all Sierra Vista, Creekview, and Reason Farms developments (net of ERAF) as detailed in the Roseville - West Placer Annexations document submitted by the County Executive Officer to the County Board of Supervisors, dated September 12, 2011.

Table D-2
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Assessed Valuation at Buildout (2023\$)

Item	Assessed Value per Unit/Bldg Sq. Ft.	Scenario 1	Scenario 2	Difference	
		Proposed Project	Existing Zoning	Amount	Percentage
<i>Formula</i>		<i>A</i>	<i>B</i>	<i>C = A-B</i>	<i>C/A</i>
Residential	<u>Per Unit</u>				
Medium-Density Residential	\$620,000	\$32,860,000	-	\$32,860,000	100.0%
Total Residential		\$32,860,000	-	\$32,860,000	100.0%
Nonresidential (Retail)	<u>Per Sq. Ft.</u>				
Retail	\$400	\$30,492,000	\$63,336,240	(\$32,844,240)	(107.7%)
Total Nonresidential		\$30,492,000	\$63,336,240	(\$32,844,240)	(107.7%)
Total Assessed Value		\$63,352,000	\$63,336,240	\$15,760	0.0%

Source: Gregory Group; CoStar; EPS.

[1] Note that assessed values (AV)s are expressed in 2023\$ and include no real AV growth.

**Table D-3
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Medium-Density Residential Comparable Sales**

Project Name	Developer	Density	City	Average Lot Size (Square Feet)	Average Home Size (Square Feet)	Average Base Price	Average Price per Square Foot	Units Sold (2024)	Units Planned
Medium-Density Residential (MDR) [1]									
Vibrance	Tri Pointe Homes	14.5	Roseville	3,000	2,212	\$637,530	\$288	22	88
Windham	Lennar Homes	12.4	Roseville	3,500	1,981	\$615,240	\$311	35	173
Palisade Village	JMC Homes	12.1	Roseville	3,600	1,541	\$558,990	\$363	4	306
Firefly	K. Hovnanian Homes	12.1	Roseville	3,600	2,128	\$633,240	\$298	15	122
Inspiration Village	JMC Homes	12.1	Roseville	3,600	1,683	\$589,990	\$351	45	103
Breckenridge	Lennar Homes	11.3	Roseville	3,850	2,571	\$644,990	\$251	49	281
Weighted Average/Total [2]		12.2		3,574	2,105	\$620,280	\$295	170	1,073

Source: The Gregory Group; EPS.

[1] Comparable project data obtained for year 2024 through Q2 from The Gregory Group. Data retrieved in July 2024.

[2] Averages weighted based on number of units sold in 2024.

Table D-4
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Total and Taxable Retail Sales per Square Feet (2023\$)

Item	Original Data [see Note]	Escalated Data (2023\$) [1]	Retail Sales by Shopping Center Type							
			Neighborhood		Community		Highway Commercial		Regional	
			% [2]	Value	% [2]	Value	% [2]	Value	% [2]	Value
Total Retail Sales per Square Foot										
Motor Vehicle and Parts Dealers [3]	\$250	\$327	3%	\$10	2%	\$7	5%	\$16	1%	\$3
Home Furnishings and Appliance Stores	\$525	\$687	0%	\$0	7%	\$48	0%	\$0	10%	\$69
Bldg. Matr. and Garden Equip. and Supplies	\$356	\$466	0%	\$0	15%	\$70	0%	\$0	1%	\$5
Food and Beverage Stores [4]	\$598	\$736	55%	\$405	24%	\$177	5%	\$37	3%	\$22
Gasoline Stations [5]	\$1,321	\$1,948	1%	\$19	2%	\$39	10%	\$195	1%	\$19
Clothing and Clothing Accessories Stores	\$370	\$484	2%	\$10	5%	\$24	0%	\$0	20%	\$97
General Merchandise Stores	\$360	\$471	5%	\$24	24%	\$113	0%	\$0	20%	\$94
Food Services and Drinking Places	\$492	\$644	8%	\$51	10%	\$64	60%	\$386	20%	\$129
Other Retail	\$209	\$273	12%	\$33	6%	\$16	20%	\$55	18%	\$49
Nonretail [6]	NA	NA	14%	NA	5%	NA	0%	NA	6%	NA
Total Retail Sales Per Square Foot			100%	\$550	100%	\$560	100%	\$690	100%	\$490
Taxable Retail Sales per Square Foot by Retail Center Type										
Percent Taxable by Shopping Center Type [7]				44%		54%		60%		98%
Taxable Sales per Square Foot (Rounded)				\$240		\$300		\$410		\$480

Note: Original data is based on an average of multiple sources and is presented in 2016\$ unless noted otherwise in footnotes.

Source: BizMiner 2016; ULI Dollars & Cents 2008; State of California Board of Equalization (BOE) Publication 61; Bureau of Labor Statistics, "CPI-All Urban Consumers (Current Series) - West Urban"; RetailSails http://retailsails.files.wordpress.com/2011/09/rs_spsf.pdf; eMarketer pulled February 2019; respective annual 10-K reports; EPS.

[1] Sales per square foot are estimated based on data from BizMiner, RetailSails, eMarketer, and annual SEC 10-K reports. Some reported figures are from previous calendar or fiscal years and have been escalated to 2023\$, except when noted otherwise.

Year	CPI	Adjustment to 2023\$
2008	219.65	47.4%
2016	247.71	30.7%
2018	263.26	23.0%
2023	323.83	-

[2] Reflects percentage of total square footage by retail category by retail center type, estimated based on ULI's Dollars & Cents 2008.

[3] Reflects motor vehicle parts only; excludes total retail sales per square foot for dealerships.

[4] Sales per square foot for Food and Beverage stores estimated based on the averages from BizMiner, RetailSales, eMarketer, and annual 10-K reports from 2018 (2018\$), escalated to 2023\$.

[5] Estimated using ULI's Dollars & Cents, 2008 (2008\$), escalated to 2023\$.

[6] Included to account for non-taxable retail space occupants, such as services.

[7] Based on BOE Publication 61, March 2018.



APPENDIX E: Detailed Cashflow Analysis

Table E-1	Estimated Revenue and Expenditure Cashflow Detail (3 pages)	E-1
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Table E-1
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Revenue and Expenditure Cashflow Detail

Land Use	Source/ Assumption	Total (2024-2053)	2024 1	2025 2	2026 3	2027 4	2028 5	2029 6	2030 7	2031 8	2032 9	2033 10
Revenue Escalation [2]	3.00%		1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305
Scenario 1 - Proposed Rezone												
30-Year Net Surplus/(Deficit)	Table 2											
General Fund		\$12,044,403	\$0	\$266,358	\$274,349	\$282,579	\$291,057	\$299,788	\$308,782	\$318,045	\$327,587	\$337,414
Special Taxes and Assessments		\$1,234,249	\$0	\$27,295	\$28,114	\$28,957	\$29,826	\$30,721	\$31,642	\$32,592	\$33,569	\$34,576
Total Including Taxes and Assessments		\$13,278,651	\$0	\$293,653	\$302,463	\$311,536	\$320,883	\$330,509	\$340,424	\$350,637	\$361,156	\$371,991
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$7,499,400										
Special Taxes and Assessments		\$768,500										
Total Including Taxes and Assessments		\$8,267,900										
Scenario 2a - Existing Zoning (Year 15 start)												
30-Year Net Surplus/(Deficit)	Table 2											
General Fund		\$16,215,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Taxes and Assessments		\$606,622	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Including Taxes and Assessments		\$16,821,872	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$8,394,000										
Special Taxes and Assessments		\$314,024										
Total Including Taxes and Assessments		\$8,708,024										
Scenario 2b - Existing Zoning (Year 20 start)												
30-Year Net Surplus/(Deficit)												
General Fund		\$11,586,541	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Taxes and Assessments		\$433,459	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Including Taxes and Assessments		\$12,020,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$5,596,000										
Special Taxes and Assessments		\$209,350										
Total Including Taxes and Assessments		\$5,805,350										

Source: EPS.

Table E-1
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Revenue and Expenditure Cashflow Detail

Land Use	Source/ Assumption	Total (2024-2053)	2034 11	2035 12	2036 13	2037 14	2038 15	2039 16	2040 17	2041 18	2042 19	2043 20
Revenue Escalation [2]	3.00%		1.344	1.384	1.426	1.469	1.513	1.558	1.605	1.653	1.702	1.754
Scenario 1 - Proposed Rezone												
30-Year Net Surplus/(Deficit)	Table 2											
General Fund		\$12,044,403	\$347,537	\$357,963	\$368,702	\$379,763	\$391,156	\$402,890	\$414,977	\$427,426	\$440,249	\$453,457
Special Taxes and Assessments		\$1,234,249	\$35,614	\$36,682	\$37,783	\$38,916	\$40,084	\$41,286	\$42,525	\$43,800	\$45,114	\$46,468
Total Including Taxes and Assessments		\$13,278,651	\$383,151	\$394,645	\$406,484	\$418,679	\$431,239	\$444,177	\$457,502	\$471,227	\$485,364	\$499,925
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$7,499,400										
Special Taxes and Assessments		\$768,500										
Total Including Taxes and Assessments		\$8,267,900										
Scenario 2a - Existing Zoning (Year 15 start)												
30-Year Net Surplus/(Deficit)	Table 2											
General Fund		\$16,215,250	\$0	\$0	\$0	\$0	\$0	\$871,839	\$897,994	\$924,934	\$952,682	\$981,262
Special Taxes and Assessments		\$606,622	\$0	\$0	\$0	\$0	\$0	\$32,616	\$33,594	\$34,602	\$35,640	\$36,710
Total Including Taxes and Assessments		\$16,821,872	\$0	\$0	\$0	\$0	\$0	\$904,455	\$931,588	\$959,536	\$988,322	\$1,017,972
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$8,394,000										
Special Taxes and Assessments		\$314,024										
Total Including Taxes and Assessments		\$8,708,024										
Scenario 2b - Existing Zoning (Year 20 start)												
30-Year Net Surplus/(Deficit)												
General Fund		\$11,586,541	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Taxes and Assessments		\$433,459	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Including Taxes and Assessments		\$12,020,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$5,596,000										
Special Taxes and Assessments		\$209,350										
Total Including Taxes and Assessments		\$5,805,350										

Source: EPS.

Table E-1
Roseville SVSP Parcel WB-42
Fiscal Impact Analysis
Estimated Revenue and Expenditure Cashflow Detail

Land Use	Source/ Assumption	Total (2024-2053)	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
			21	22	23	24	25	26	27	28	29	30
Revenue Escalation [2]	3.00%		1.806	1.860	1.916	1.974	2.033	2.094	2.157	2.221	2.288	2.357
Scenario 1 - Proposed Rezone												
30-Year Net Surplus/(Deficit)	Table 2											
General Fund		\$12,044,403	\$467,060	\$481,072	\$495,504	\$510,369	\$525,681	\$541,451	\$557,695	\$574,425	\$591,658	\$609,408
Special Taxes and Assessments		\$1,234,249	\$47,862	\$49,298	\$50,777	\$52,300	\$53,869	\$55,485	\$57,150	\$58,864	\$60,630	\$62,449
Total Including Taxes and Assessments		\$13,278,651	\$514,922	\$530,370	\$546,281	\$562,670	\$579,550	\$596,936	\$614,844	\$633,289	\$652,288	\$671,857
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$7,499,400										
Special Taxes and Assessments		\$768,500										
Total Including Taxes and Assessments		\$8,267,900										
Scenario 2a - Existing Zoning (Year 15 start)												
30-Year Net Surplus/(Deficit)	Table 2											
General Fund		\$16,215,250	\$1,010,700	\$1,041,021	\$1,072,251	\$1,104,419	\$1,137,552	\$1,171,678	\$1,206,828	\$1,243,033	\$1,280,324	\$1,318,734
Special Taxes and Assessments		\$606,622	\$37,811	\$38,945	\$40,114	\$41,317	\$42,556	\$43,833	\$45,148	\$46,503	\$47,898	\$49,335
Total Including Taxes and Assessments		\$16,821,872	\$1,048,511	\$1,079,966	\$1,112,365	\$1,145,736	\$1,180,108	\$1,215,511	\$1,251,977	\$1,289,536	\$1,328,222	\$1,368,069
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$8,394,000										
Special Taxes and Assessments		\$314,024										
Total Including Taxes and Assessments		\$8,708,024										
Scenario 2b - Existing Zoning (Year 20 start)												
30-Year Net Surplus/(Deficit)												
General Fund		\$11,586,541	\$1,010,700	\$1,041,021	\$1,072,251	\$1,104,419	\$1,137,552	\$1,171,678	\$1,206,828	\$1,243,033	\$1,280,324	\$1,318,734
Special Taxes and Assessments		\$433,459	\$37,811	\$38,945	\$40,114	\$41,317	\$42,556	\$43,833	\$45,148	\$46,503	\$47,898	\$49,335
Total Including Taxes and Assessments		\$12,020,000	\$1,048,511	\$1,079,966	\$1,112,365	\$1,145,736	\$1,180,108	\$1,215,511	\$1,251,977	\$1,289,536	\$1,328,222	\$1,368,069
30-Year Net Present Value (2023\$)	3.00%											
General Fund		\$5,596,000										
Special Taxes and Assessments		\$209,350										
Total Including Taxes and Assessments		\$5,805,350										

Source: EPS.



March 22, 2024

Mr. Scott I. Canel
Manager
FD34 Development, LLC
C/o The Canel Companies
445 Central Avenue
Highland Park, IL 60035

Re: Acceptance of Obligation for Five Low Income Affordable Units from Parcel WB-42
to Parcel FD-34

Dear Scott:

Thank you for your time this past Monday, and for your willingness to provide, for consideration, that five (5) units affordable to low income households earning no more than 60% of Area Median Income (AMI) that will reside on Parcel FD-34 in the Sierra Vista Specific Plan as part of your proposed density bonus on Parcel FD-34 will be a result of the receipt of an obligation from Parcel WB-42 to provide five (5) units affordable to lower income households that the City is requiring residential development on a portion of WB-42 to provide. Please confirm below your acceptance that the affordable units on Parcel FD-34 affordable to low income households earning no more than 60% AMI will include the five (5) units on Parcel WB-42 that would be affordable to lower income households.

Thank you again for your accommodation and your willingness to assist us.

Sincerely,

A handwritten signature in red ink, appearing to read 'JJ Jones', is written over a horizontal line.

Jeff Jones

ACKNOWLEDGED AND ACCEPTED:

FD 34 DEVELOPMENT, LLC
a California Limited Liability Company

By: _____

A handwritten signature in black ink, appearing to read 'Scott I. Canel', is written over a horizontal line.

Scott I. Canel
Manager

Roseville WB-42 Site Retail Analysis

Prepared for

Westpark SV 400, LLC

September 2024



Table of Contents

Roseville WB-42 Site

Retail Analysis

Section 1 – Community-Scaled Retail Development Trends	05
Section 2 – Site Context	08
Section 3 – Retail Market Analysis	15
Section 4 – Retail Opportunity Summary	39

Preface

MXD Development Strategists Ltd. ('MXD') of Richmond, British Columbia, were commissioned by Westpark SV 400, LLC in August 2024 to prepare a Retail Analysis for site WB-42 in Roseville, California.

The primary objective of the overall assignment is to determine the optimal retail development program for WB-42 including size in square footage and acreage.

The analysis explores various retail demand perspectives, including local and regional consumer spending patterns, demographic trends, competitive positioning within the broader retail market, and emerging retail formats. It also examines the retail needs of the immediate catchment area, assesses potential gaps in the existing retail supply, and identifies opportunities for a strategic retail mix that would maximize the site's potential. The study aims to guide the development of a retail program that aligns with market demand and supports long-term viability.

The recommendations of this report, as highlighted in the final section, will inform the optimal Retail Tenant Mix for lease optimization and development of site WB-42.

The figures presented in the report are based on an evaluation of the current general level of the economy in the local and regional market, and neither take into account, nor make provisions for, the effect of any sharp rise or decline in local or general economic conditions.

MXD Development Strategies Ltd. do not warrant that any estimates contained within the study will be achieved, but that they have been prepared conscientiously on the basis of information obtained during the course of this market analysis.

Reference materials used for this report were derived from the project team, as well as from public and private sectors and government publications. This information was supplemented by MXD's experience in urban planning and real estate development.

Executive Summary

Sacramento's retail market remains healthy, supported by an influx of new residents and a diversifying economy. However, new construction has been limited due to uncertainties in the retail sector and rising construction costs. Most of the recent development is infill, with projects generally under 10,000 square feet. Vacancy rates in the city have declined to historic lows in recent years.

The Roseville/Rocklin area stands out as the region's largest and best-performing retail submarket, though it faces challenges from an oversupply of Neighborhood Centers and Strip Centers, a result of over-development in past decades. Despite this, competition for Neighborhood Centers remains strong, and several new retail nodes are planned.

Continued population growth and rising incomes are expected in the submarket, but the growth of convenience retail, which typically anchors Neighborhood Centers, may be hindered by high vacancy rates for this particular format and a number of competing developments in the pipeline, including a major Costco-anchored development on Baseline Road.

A potential retail development at WB-42, while positioned in a leading submarket, faces significant challenges. The site is located on the edge of the built-up area and suffers from limited traffic counts, which are marginal for the scale of retail typically found in Neighborhood Centers. Furthermore, the completion of Santucci Blvd, a key infrastructure development, is not expected for at least 15 years.

Westbrook Blvd between Earl Rush Dr and Nicole Gee Dr has recently completed and will connect to Baseline Rd. This will increase pass by traffic, however, competing sites at Westbrook and Blue Oaks may be better suited to capture retail demand.

A trade area analysis suggests that WB-42 could support 63,400 square feet of shopping, dining, and entertainment space over the next five years, requiring approximately 6-7 acres of land based on standard floor-area ratios (FARs). Over a five-year period, warranted floorspace could increase to 71,300 square feet, necessitating an estimated 7.3 acres (cumulative).

Due to smaller format neighborhood centers becoming more prevalent in North America, it is recommended that site WB-42 be built-out in one phase over an approximately 6 to 7 acres. This retail will aim to serve local residents within a 10-minute drive and offer fresh grocery, pharmacy, food & beverage, and daily services.

1

Community-Scaled Retail Development Trends

Community-Scaled Retail Development Trends

Community-Scaled Retail Development Trends

Community-scaled retailing refers to smaller shopping centers, typically anchored by a grocery or drug store, that serve their local neighborhood. They differ from regional-scaled retailing in their size, anchor stores and smaller ancillary retail tenant mix. Over the past decade, community-scaled retailing has undergone a significant transformation, driven by changing consumer preferences and technological advancements. Key trends include:

- **Community-scaled retailing is getting smaller.** This trend is referred to as **“right-sizing”** and is the result of many of the trends listed below.
- Many retailers are gradually **reducing the size of their stores**, leading to an overall decline in demand for retail space. Drug stores are one example of this trend in that despite strong sales over recent years, smaller store formats have become increasingly favored by consumers, landlords, and tenants.
- For several decades there has been a pronounced shift to **unique, personalized shopping experiences** over the generic offerings of large format retail. This type of shift is now occurring in the **grocery sector**, as customers are shopping at both large discounters but also increasingly at smaller, specialized food retailers, thereby eschewing mid-sized grocery stores.
- **Coffee shops** are also adopting this trend; for example, Starbucks is reducing its store size to around 900 square feet. These smaller locations have shown strong results, drawing approximately 15% more visitors per square foot than the larger 2,500 square foot stores. Dunkin' stores are also downsizing to under 1,000 square feet, and Dutch Bros. coffee shops, known for their compact design, average 950 square feet.
- Incorporation of **strong culinary and food & beverage experiences** within community-scaled retail developments such as restaurant clusters and craft breweries. The intent is to attract and retain customers from the surrounding neighborhood and **create strong ‘Third Spaces’, outside of home or work life**. Restaurant clusters can replace large format stores as anchors in many community-scaled retail developments. These clusters typically have lower land requirements than traditional anchor stores.



Trends in Community-Scaled Retail Development

- A **blending of online and offline experiences with omnichannel retailing** that integrate physical stores with online platforms and mobile apps, increasing convenience and individuating products and services. The growth of online food/grocery ordering and delivering services is blurring the line between bricks and mortar stores and food service, allowing **retailers to operate in smaller, more flexible spaces.**
- There is a shift towards **greater tenant diversity** in community-scaled retail centers, focusing on creating community hubs rather than just retail spaces. This includes medical facilities, residential development and office space in higher density mixed-use formats that require less land per building area.

This downsizing trend reflects a retail industry in transition, adapting to changing consumer preferences, economic pressures, and technological advancements. The future of retail will likely involve a more balanced approach between physical and digital presence, with a focus on creating unique, personalized experiences for consumers in potentially smaller, more efficient spaces.

Table 1.1 summarizes a list of newer community-scaled developments that reflect many of the identified trends. These trends are highly applicable to the WB-42 site. **The project should incorporate these trends by incorporating a mixture of right-sized retail and community spaces that are highly integrated with the public realm.**

Table 1.1
Recently Completed and Under Construction Community-Scale Retail

Name of Project	Location	Date Built	Building Area (SF)	Acres	Anchor
The Plaza at Blue Oaks	Roseville, CA	2022	81,000	13.8	Raley's Market
The Davis Collection	Davis, CA	2025 (U/C)	90,000	8	Trader Joe's
Pavilion Plaza West	Garden Grove, CA	2022	48,036	5	Sprouts Farm Market
The Vineyard Freeway Center	Murrieta, CA	2025 (U/C)	50,239	2	Aldi
Market Park North Village	San Jose, CA	2024	101,000	9.5	Safeway
River Street Marketplace	San Juan Capistrano, CA	2024	60,000	5.5	N/A
San Gorgonio Village	Beaumont, CA	2020	46,070	4	Grocery Outlet
The Merge	Eastvale, CA	2020	70,000	9.5	Sprouts
Pine 43	Boise, ID	2022	48,275	2	Multi-Tenant

2

Site Context

Site Context

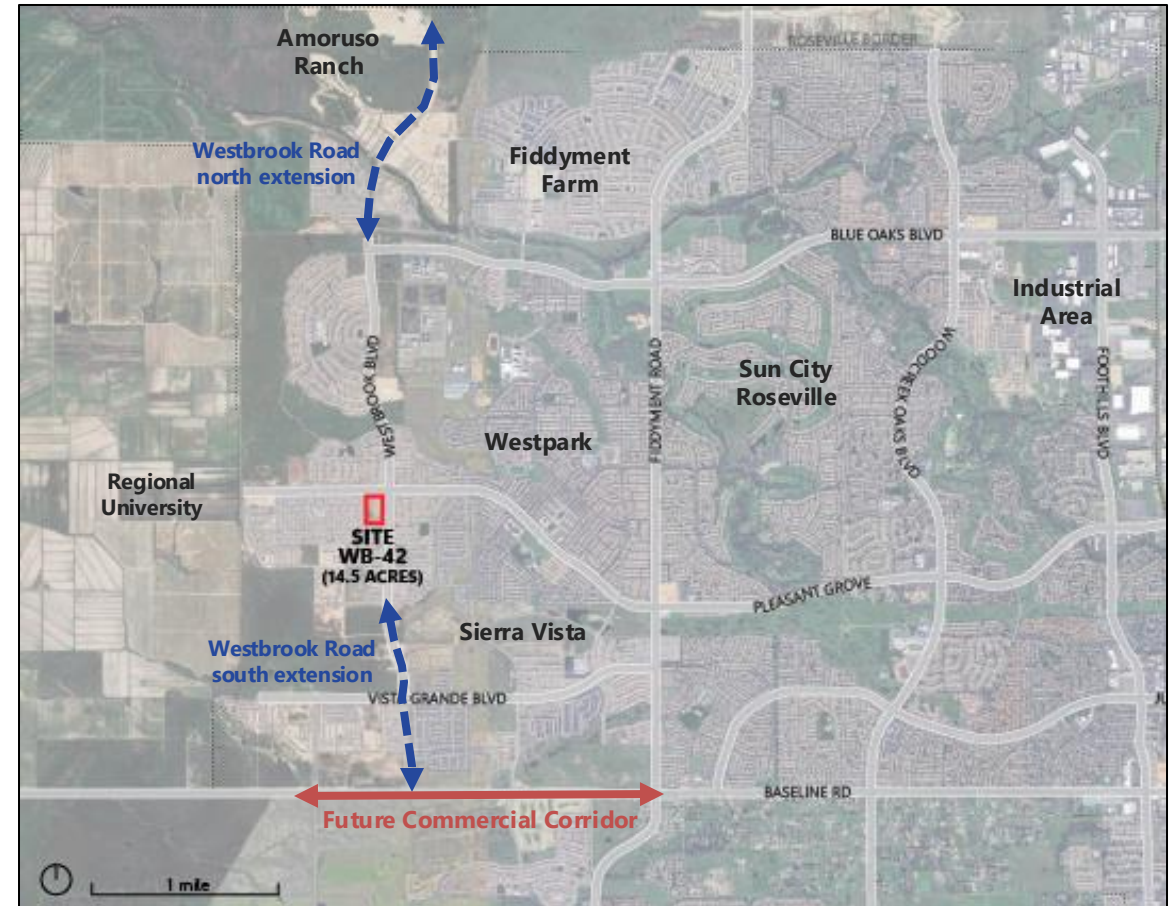
Site Context

The site under study is considered Site WB-42 by the City of Roseville. It is located towards the western boundary of Roseville, at the southwest corner of Westbrook Boulevard and Pleasant Grove Boulevard (**Figure 2.1**). The immediately surrounding area is predominantly low to medium residential with supporting amenities including the Sol Centre Gym private HOA facility to the west and Westbrook Elementary School to the southwest.

Westbrook Blvd is currently under construction and will act as an important north-south connector, extending from Amoruso Ranch in the north to Baseline Road in the south, a future major commercial corridor. The segment from Earl Rush Drive to Nicola Gee Drive, south of the subject site is currently under construction.

Baseline Road is a major east-west commuter corridor with several large commercial and residential developments that are detailed in the following pages. Land to the west of the site in Placer County has been planned for development under the Regional University Specific Plan and Curry Creek Future Planning Area for further expansion of residential development with supportive commercial development on the eastern boundary on Pleasant Grove, also detailed on the following pages.

Figure 2.1: Existing Site Context



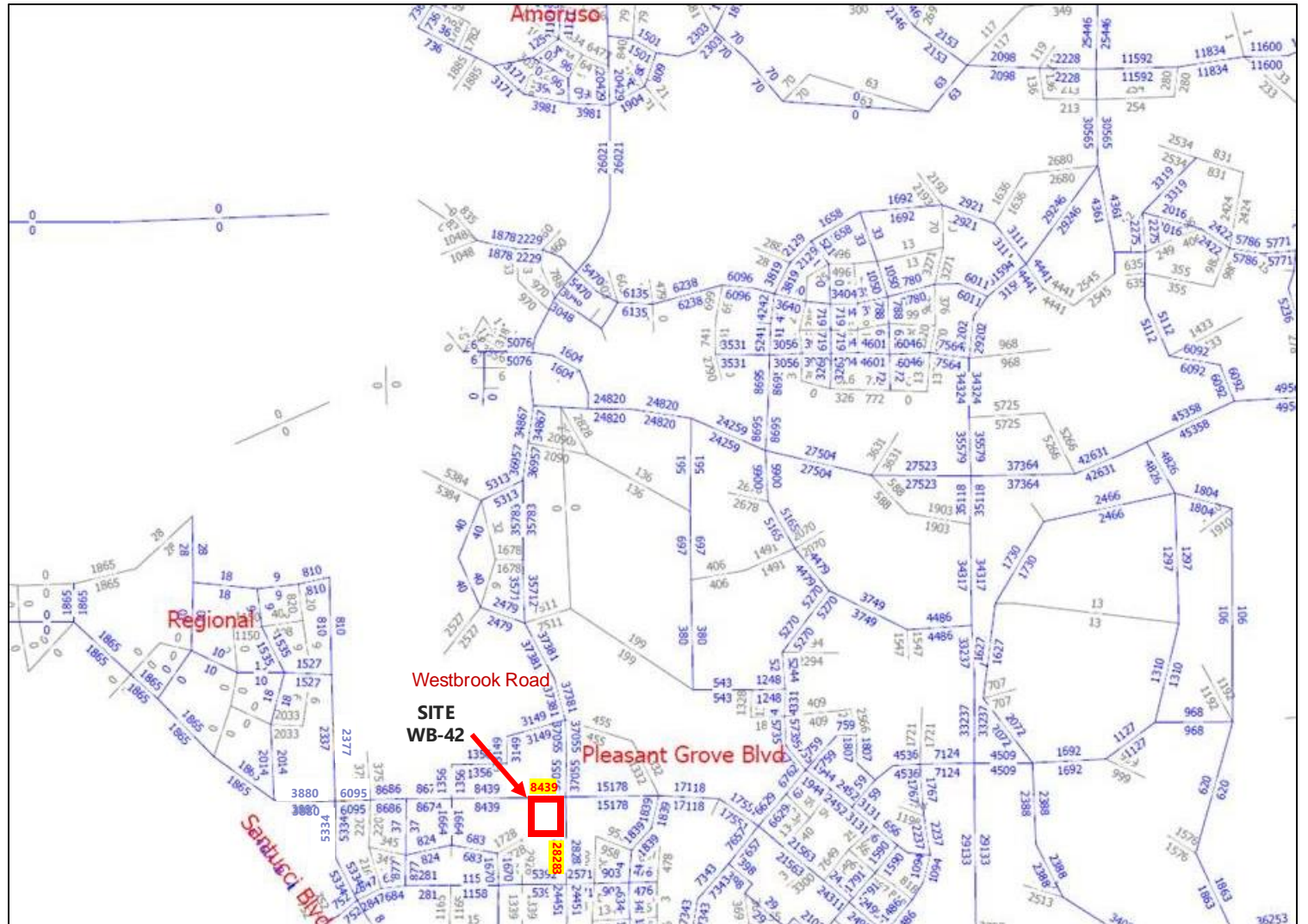
Site Context

Transportation Context

Transportation experts Fehr & Peers conducted a transportation analysis of future traffic counts using assumptions of future development patterns and potential timing of new transportation projects. This analysis was run for another Westpark Communities project, focusing on potential future extensions of Santucci Blvd. However, the results also indicate the likely future volume of automobile traffic passing alongside the WB-42 site.

Figure 2.2 illustrates projected traffic counts in 2035, with the full extension of Westbrook Road completed. This estimates around 28,000 north/south vehicle movements per day on Westbrook Road at the WB-42 site. East/west traffic along Pleasant Grove Blvd is estimated at around 8,400 vehicle movements per day. Traffic counts are considered a primary site selection factor for end-user retail tenants when selecting a leased retail space. **Many retail developers and grocery chains look for average daily traffic (ADT) counts of at least 25,000-30,000 vehicles per day along at least one adjacent roadway for a grocery-anchored center to be considered viable.**

Figure 2.2 Adjusted 2035 Traffic Model for City of Roseville (2035)



Source: Fehr & Peers

Site Context

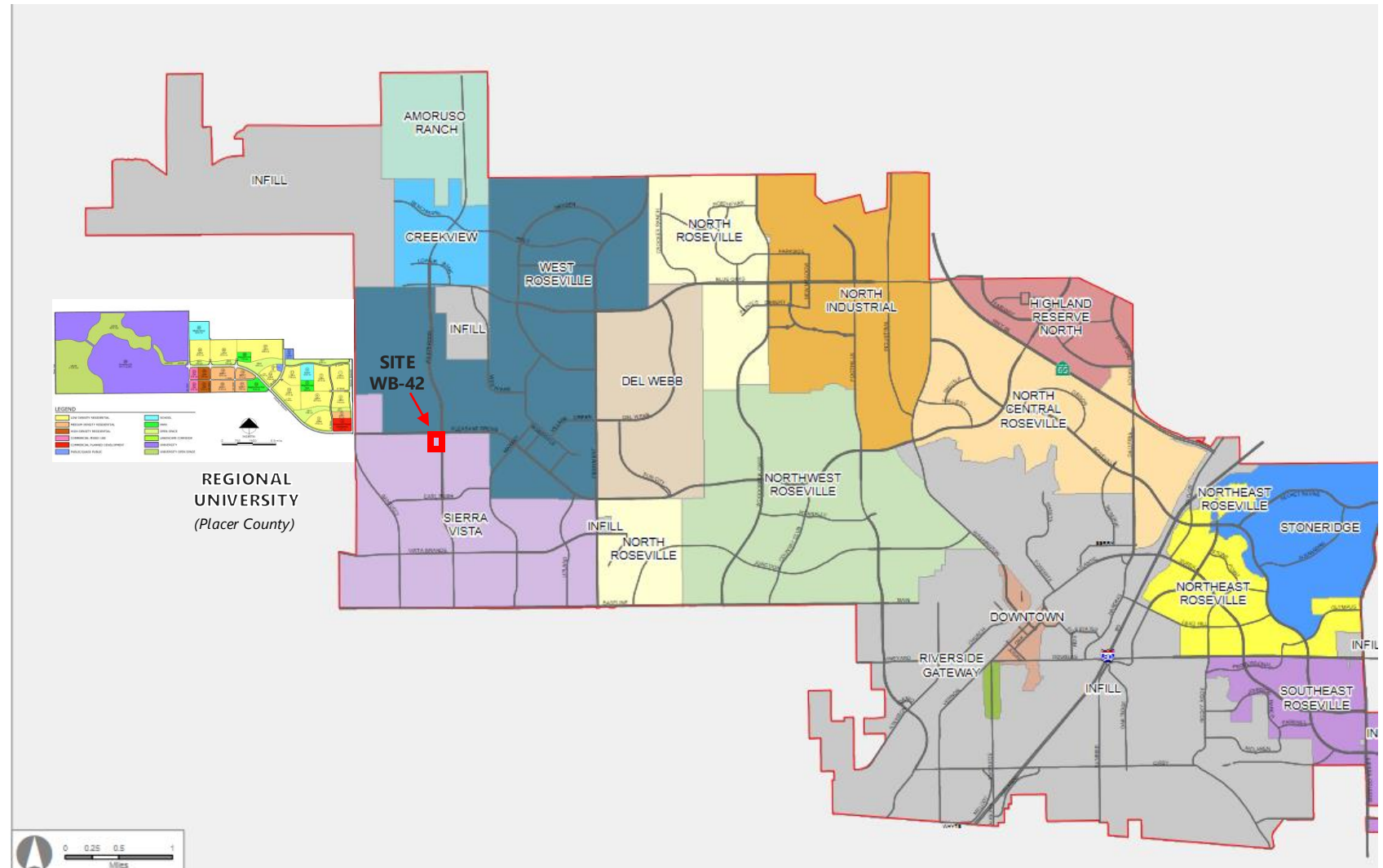
Planning Context

As illustrated in **Figure 2.3**, there are five Specific Plan Areas that have direct influence on Site WB-42 including:

- Sierra Vista
- West Roseville
- Creekview
- Amoruso Ranch
- Regional University (Placer County)

The site is located within the Sierra Vista Specific Plan, as detailed on the following page.

Figure 2.3 City of Roseville Specific Plan Areas



Site Context

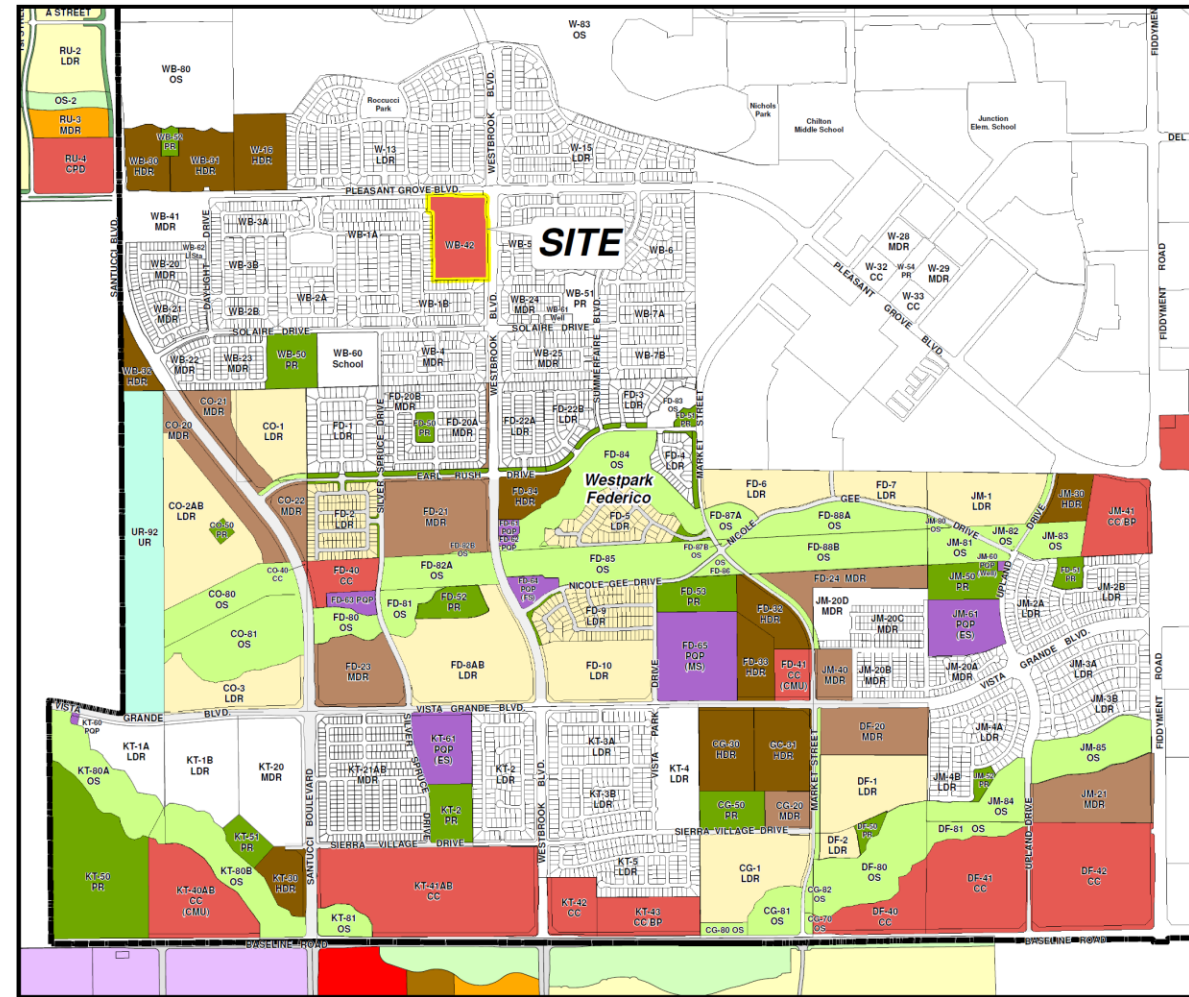
The site is approximately 14.5 acres in size and currently entirely zoned as “Community Commercial” within the City’s zoning designations and the ‘Sierra Vista Specific Plan” (**Figure 2.4**).

Westpark Communities currently have an active rezoning application to change the zoning designation of the southern portion of the parcel from Community Commercial to Small Lot Residential/Development Standards and a Specific Plan Amendment to Medium Density Residential (MDR), resulting in an approximate seven-acre Community Commercial site.

The Sierra Vista Specific Plan is the guiding planning document for the site and planned as a major growth area for the City of Roseville. The surrounding area has experienced significant construction in recent years with expansion of suburban residential developments in low to medium density configurations and typical suburban street patterns. Residential is supported by small commercial nodes, parks and schools.

A total of **232 acres of Community Commercial** is planned within the Sierra Vista Specific Plan. This is generally concentrated along Baseline Road as a major commercial commuter corridor, with four smaller scale neighbourhood residential corner sites planned throughout the residential area, including the subject site.

Figure 2.4 Sierra Vista Specific Plan Land Use & Zoning Context



Site Context

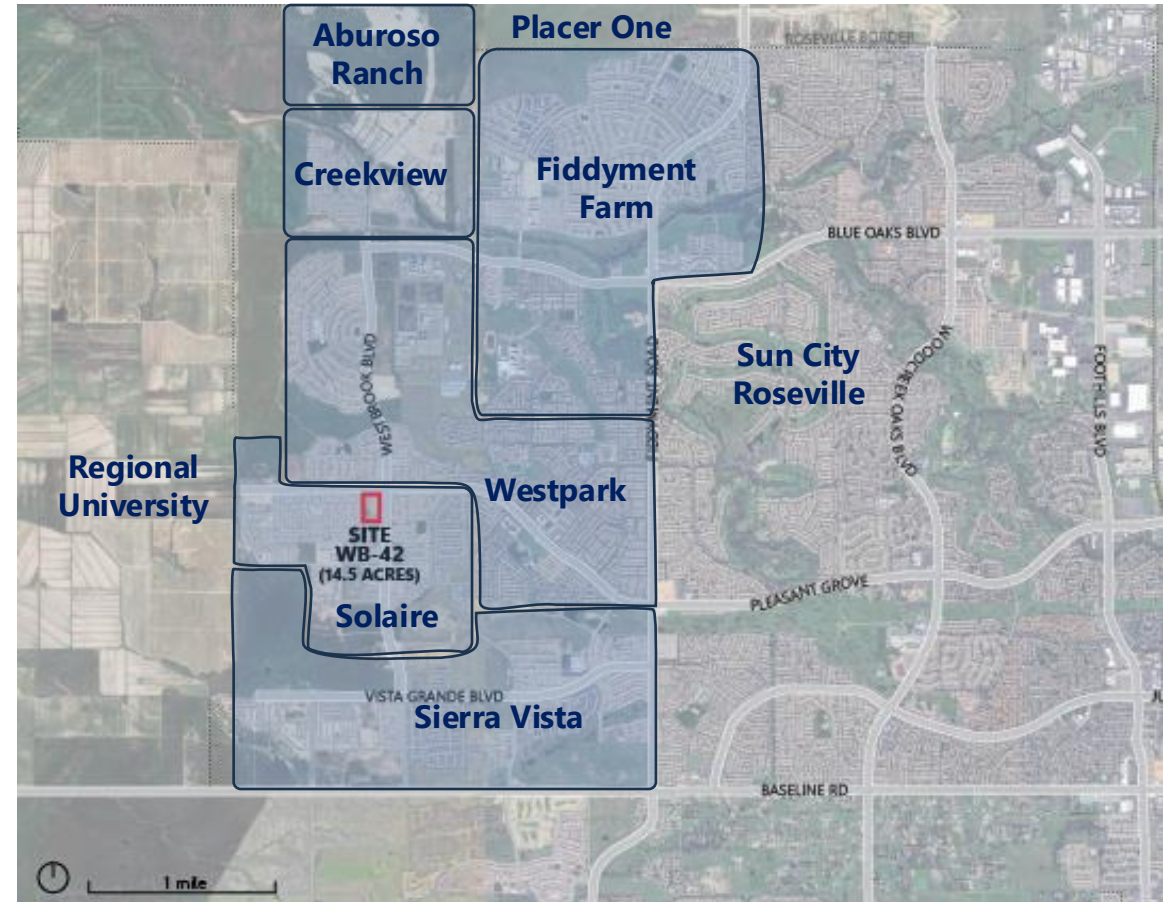
Development Context

The City of Roseville Specific Plan areas are further delineated by Westpark Communities into the following eight development areas, as illustrated in **Figure 2.5** (boundaries of development areas are approximate and for general illustrative purposes only). **Table 2.1** below details the residential units, current build-out status and total planned commercial areas within each of these specific plan areas.

Table 2.1 City of Roseville Specific Plan Areas & Development Status

Specific Plan Area	Development Area	Residential Units	Residential Build-Out	Planned Commercial
Sierra Vista	Sierra Vista	5,821	43%	232 acres
	Solaire	2,951	72%	
West Roseville	Westpark	4,627	95%	55.5 acres
	Fiddyment Farm	5,698	Over 90%	
Creekview	Creekview	2,011	50%	9.2 acres
Amoruso Ranch	Amoruso Ranch	5,821	18% under construction	50 acres
Regional University <i>(Placer County)</i>	Regional University	2,000 (Phase 1 – 900 Homes)	Phase 1 construction begins 2025	24.5 acres

Figure 2.5 City of Roseville Specific Plan Areas



Site Context

Strengths

- Located in fast growing Sierra Vista Specific Plan area.
- Limited retail offerings in proximity.
- Strong demographics and retail spending profile in local trade area.
- Flat rectangular site is ideal for development.
- Easy vehicle and pedestrian access to the site off Westbrook Blvd and Pleasant Grove Blvd.
- Planned north/south extensions of Westbrook Blvd.
- High traffic counts along both Westbrook Blvd.

Opportunities

- Smaller retail center providing daily staples such as drug store and grocery to the local area.
- Food & Beverage cluster including full-service and limited-service restaurants, which are underrepresented in the vicinity.

Weaknesses

- Located on near edge of Roseville boundary.
- Significant amount of optimally located Community Commercial sites that are currently vacant and ripe for development, particularly at Pleasant Grove/Fiddymont and Baseline Road.
- Major tenants confirmed within short drive of site including Costco and Safeway.
- Westbrook Blvd will connect to Baseline Rd increasing pass by traffic, however, competing sites at Westbrook and Blue Oaks may be better suited to capture retail demand.
- Site is located between two trade areas, not conducive for large-scale retail.

Threats

- New neighborhood retail centers in Sierra Vista and West Roseville Specific Plan areas have better locations than WB-42.
- Baseline Marketplace and Placer Vineyards developments create destination retail appeal for shoppers.
- Demand for new retail stays relatively flat due to changing consumer patterns and rise of e-commerce.
- Completion of Regional University Specific Plan may take longer than expected, reducing potential catchment population.
- Regional University Specific Plan has planned gateway commercial site for 100,000 SF+ in proximity to WB-42.

3

Retail Market Analysis

Retail Market Analysis

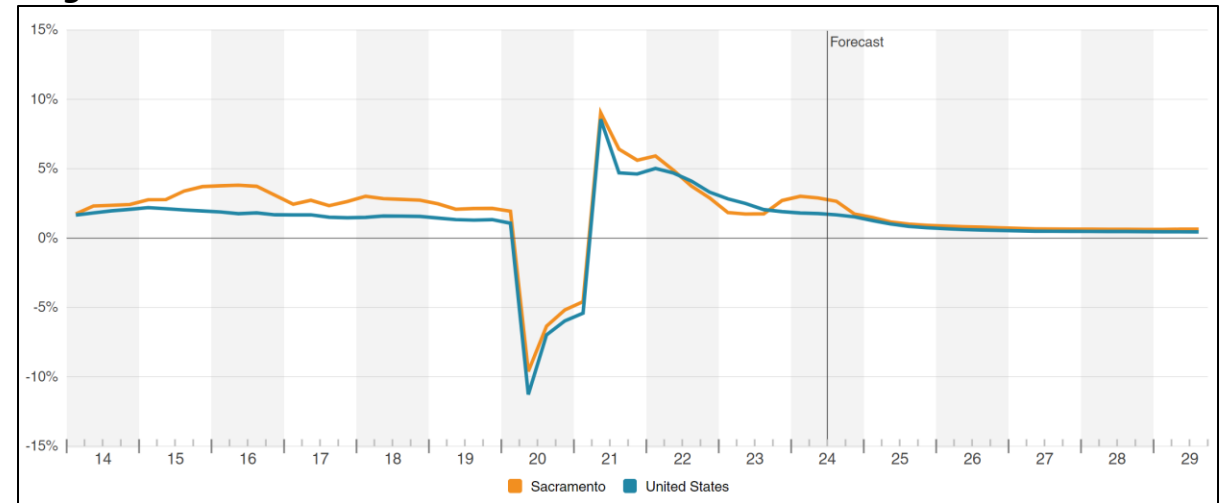
Regional Economic Overview

The retail sector is entirely driven by growth in employment and population. The Sacramento region saw significant employment growth over the past year, expanding by 2.9% (**Figure 3.1**). Total jobs reached 1.1 million and the unemployment rate fell to 4.4% at this time of this analysis. Initially, this growth was driven by the construction sector and the return of workers in the various leisure-related sectors. But the region's efforts to diversify its economy are paying off, with several major enterprises expanding their operations locally.

Robert Bosch Semiconductor is investing \$1.5 billion in the former TSI site in Roseville. The facility will begin production of 200-millimeter wafers in 2026. Other developments include the Aggie Square project, will bring Cytvia and the Alice Waters Institute to the Sacramento area. This could be the first wave of companies attracted by the expertise at UC Davis. Additionally, Penumbra expanded its Roseville campus by 95,000 square feet at the end of 2021, and the biotech sector saw similar activity. JOINN Biologics purchased a 20,000 square foot office building in North Natomas in late 2021, and Thermogenesis followed in mid-2022 by acquiring 35,000 square feet in Rancho Cordova. Both companies plan to use these facilities for manufacturing.

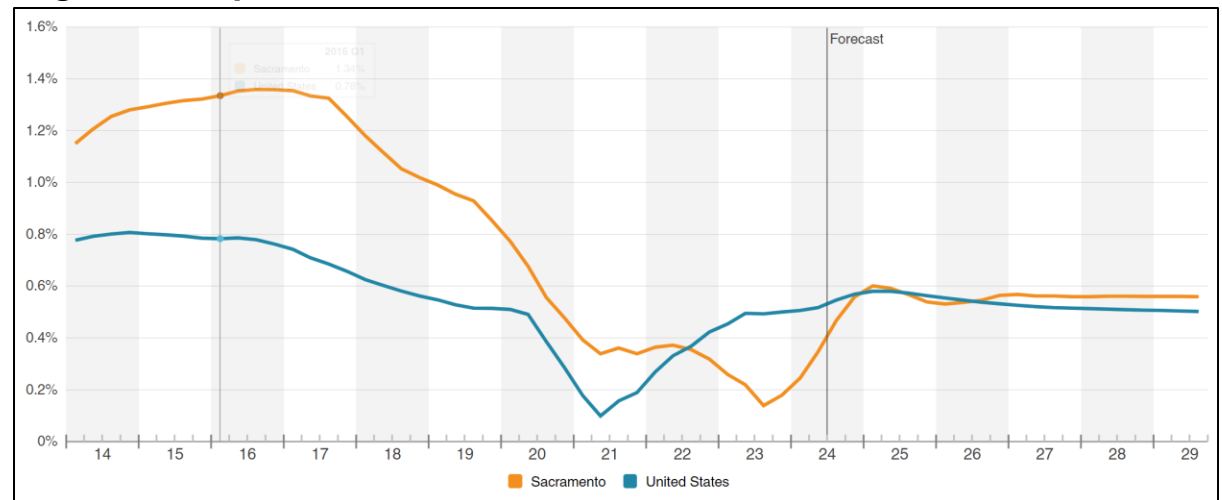
Population growth has been fueled by Sacramento's relative affordability. Residents from the Bay Area and Southern California continue to move to the region to escape high housing costs in coastal areas, a trend that accelerated during the pandemic. Relocations have since slowed in the past two years, but the influx is forecast by Oxford Economics to continue at a steady pace over the next several years (**Figure 3.2**).

Figure 3.1 Job Growth



Source: Oxford Economics

Figure 3.2 Population Growth Rate



Source: Oxford Economics

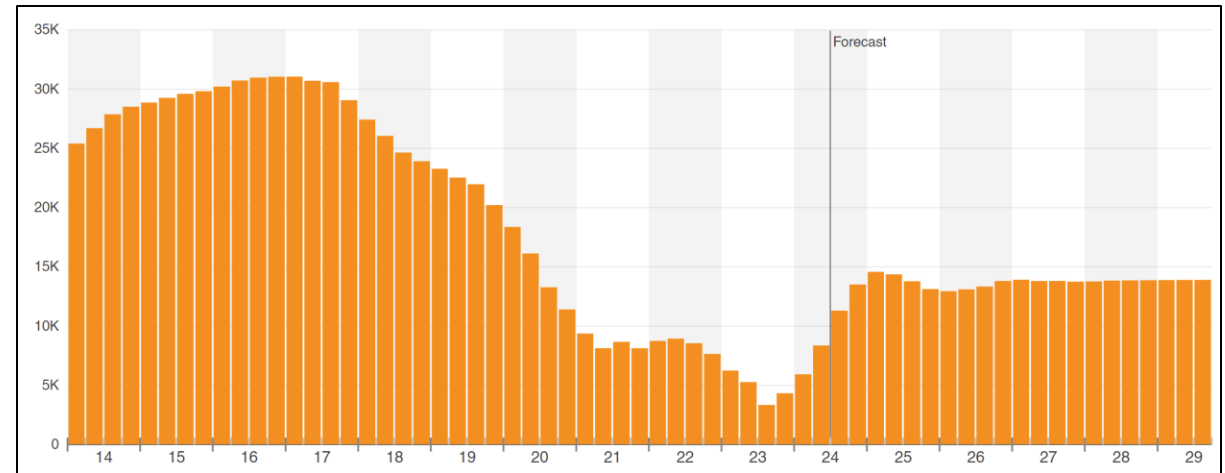
Retail Market Analysis

Based on the Oxford Economics forecast, the Sacramento region's population is expected to grow at an average of 14,000 people a year over the next five years (**Figure 3.3**). Based on current retail inventory, this population growth should support an additional 660,000 square feet of new redevelopment annually over the next five years.

The influx of new residents is changing the skill base of Sacramento's labor force. Historically, tech companies from San Francisco and the Bay Area were hesitant to relocate to Sacramento, preferring to stay close to venture capital, engineering schools, and the region's innovative culture. However, a growing number of indicators suggest this trend may be shifting. Decentralized workforces are pushing employers toward hub-and-spoke models, allowing them to maintain connections with their talent pools. As a result, remote workers in tech-related industries are forecast to continue to move to the area, increasing the median household income in the Sacramento region (**Figure 3.4**).

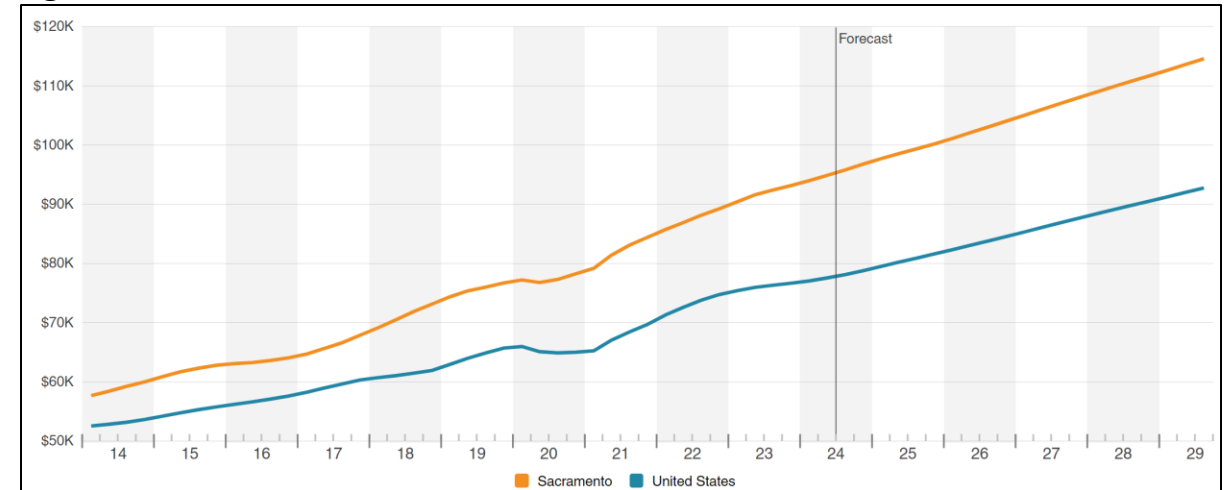
Office employment is also on the rise, with a 2.1% year-over-year increase, bringing the total number of office-using jobs to 190,000. While government remains the largest office employer in the metro area, it has seen only modest growth of 0.2% during the same period. Nearly all recent growth in office jobs has come from the private sector, particularly in professional services, information services, and education/health services, which saw increases of 3.5%, 6%, and 2%, respectively. This rise in office sector employment is a positive sign for Sacramento's economy, which has long been a hub for back-office operations.

Figure 3.3 Net Population Change (YOY)



Source: Oxford Economics

Figure 3.4 Median Household Income



Source: Oxford Economics

Retail Market Analysis

Regional Retail Absorption

The Sacramento retail market has been one of the greatest benefactors of the previously-described recent influx of California residents moving into the city. Over the past 12 months, net absorption has reached 450,000 square feet and has remained positive in nine of the last 13 quarters (**Figure 3.5**). This growth is largely driven by strong demand from discount retailers and experiential businesses, both of which have rebounded significantly in recent years.

Large retailers continue to favor the suburbs, which account for 95% of the market's inventory. Fitness centers and grocers are also increasingly occupying big-box spaces, particularly in suburban submarkets experiencing the greatest the fastest population growth.

Overall, the retail landscape in Sacramento has improved. The vacancy rate bottomed out at 5.8% in the third quarter of 2022, 30 basis points below the previous record from before the global financial crisis. Although vacancy has since risen slightly to 6.5%, it remains below the five-year average of 6.6%. The recent uptick in vacancy is linked to a recent decline in retail sales in the region and several corporate closures. Over the past two years, three companies—Bed Bath & Beyond, David's Bridal, and The 99 Cents Only Store—have declared bankruptcy, returning multiple spaces to the market.

Retail is notably lowest for General Retail which is defined as streetfront and standalone retail that is unaffiliated with a shopping center (**Figure 3.6**). Netting out Mall space (much of which is obsolete) would reduce the region's overall retail vacancy to below 6%.

Figure 3.5 Sacramento Region Net Deliveries, Absorption & Vacancy Rate

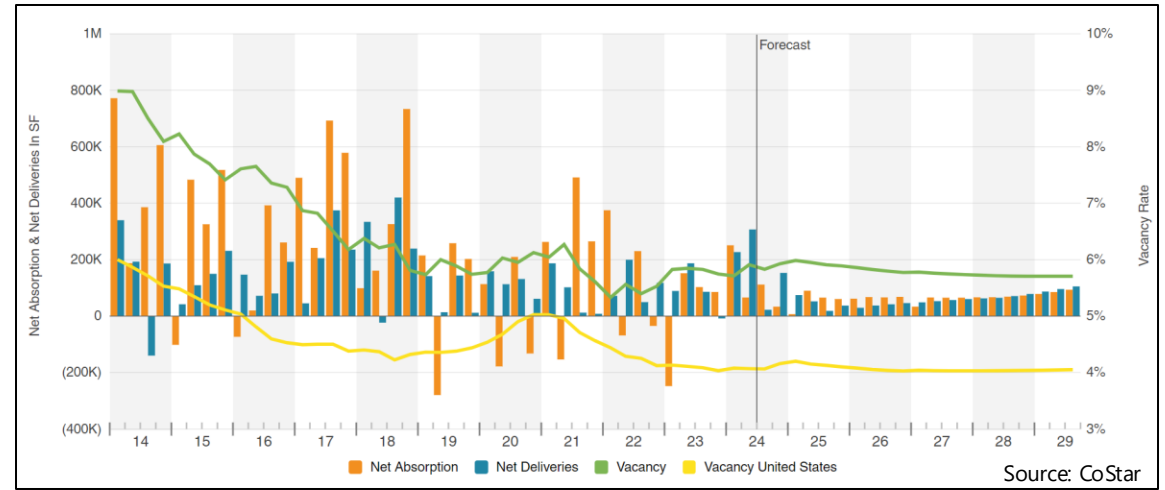
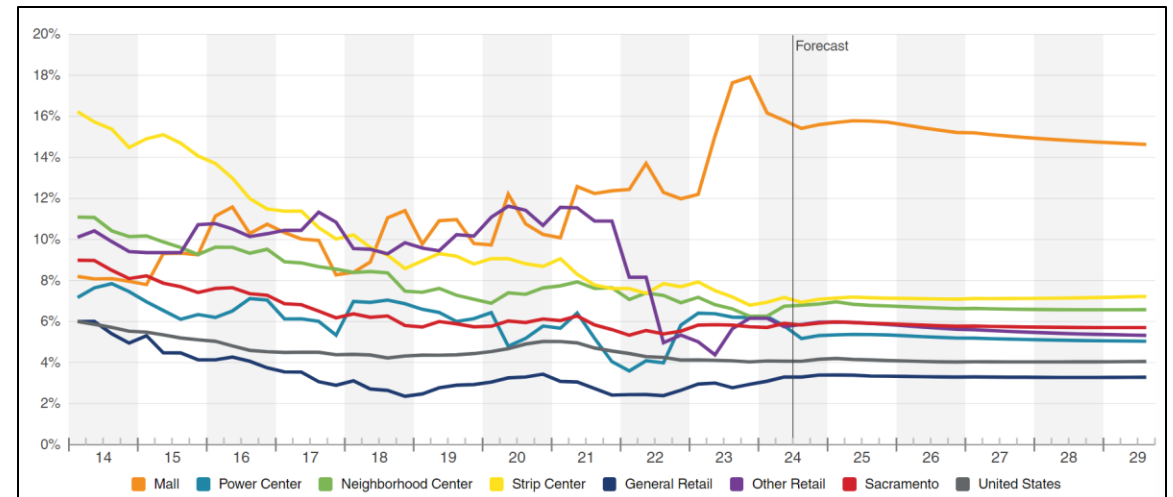


Figure 3.6 Sacramento Region Vacancy Rate



Source: CoStar

Retail Market Analysis

Retail vacancy varies considerably throughout the Sacramento region. Affluent submarkets like Roseville/Rocklin, Elk Grove and Folsom boast stronger demand figures, higher rent levels, and lower vacancy rates, despite having the largest inventory bases in the region. In contrast, some of Sacramento's older neighborhoods, such as Citrus Heights, Carmichael, and Highway 50, report vacancy rates of 10% or more as they struggle to fill space.

Leasing activity in 2023 was strong, surpassing 2.3 million square feet, although it fell just short of the 2022 total. Leasing activity in 2024 has so far been below average but is trending positively (**Figure 3.7**). Leasing continues to be driven by demand for smaller spaces, particularly those of 5,000 square feet or less. This demand, making up nearly half of the leasing activity for the year, has come primarily from food and beverage, fitness, and personal service users. However, the 450,000 square feet of net absorption over the past year was largely driven by larger tenants like Costco and Target. Discount retailers, grocers, and fitness users have been the most active in early 2024.

Years of minimal development (**Figure 3.8**) have reduced the amount of institutional-quality space on the market, and many of Sacramento's premier retail destinations are nearing full occupancy. While a few construction projects currently underway are set to be completed over the next year, their impact on the vacancy rate is expected to be minimal. Most of this construction involves the expansion of existing high-end retail centers, such as Crocker Village in South Sacramento, which will add 59,000 square feet to the shopping center by late 2023, with 23,000 square feet available for lease.

Figure 3.7 Sacramento Region Leasing Activity

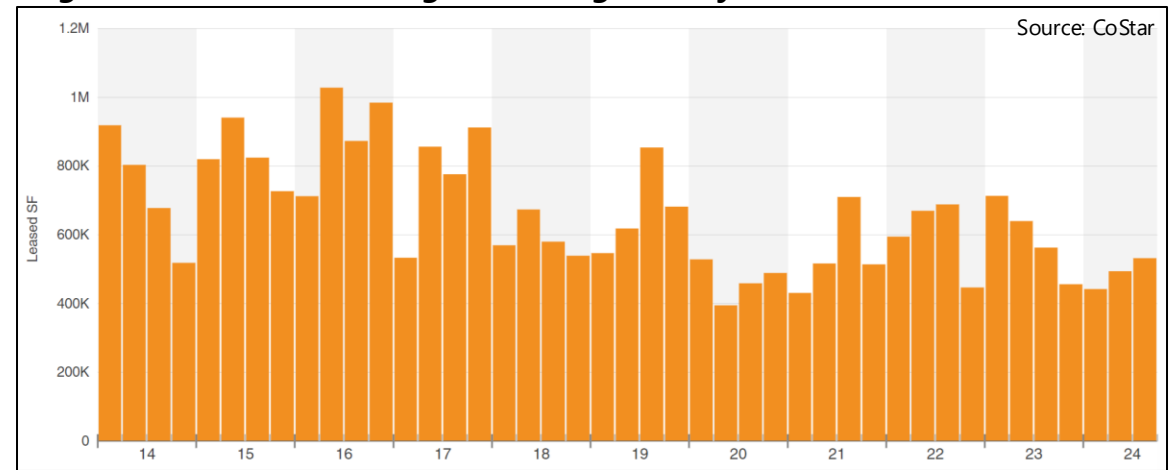
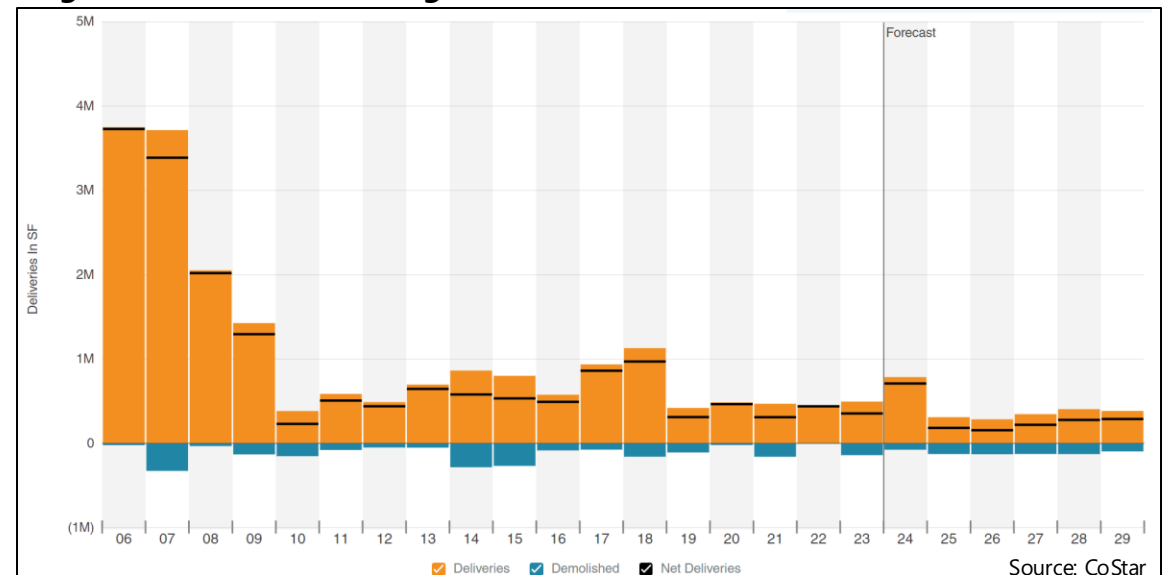


Figure 3.8 Sacramento Region Demolitions & Deliveries



Retail Market Analysis

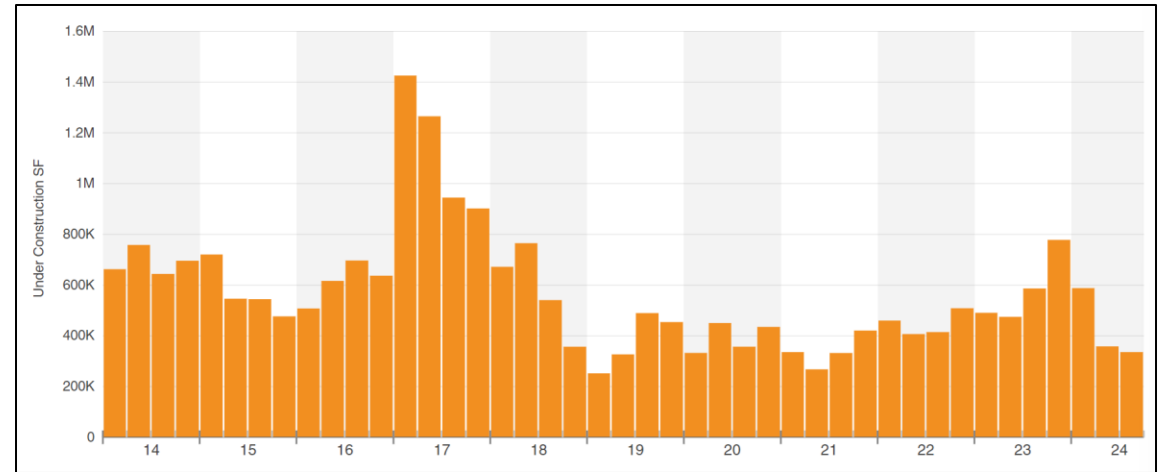
In recent years, Sacramento has mirrored national trends with limited projects currently under construction (**Figure 3.9**), which has remained well below the average levels seen before the Global Financial Crisis (GFC). Currently, only 350,000 square feet of new space is under construction, representing just 0.3% of the total market inventory.

Demand for new construction is expected to remain strong, as vacancy in Sacramento's 4- and 5-star properties is just 3.5%. The threat of rising supply levels due to new construction is minimal, as construction starts have been minimal in recent quarters (**Figure 3.10**) and development is concentrated in the market's most sought-after locations and expanding high-end shopping centers. While there is some risk from declining retail sales and additional tenant closures, the overall impact of new construction on supply levels is expected to be limited.

A recent uptick in construction starts is not expected to continue. Much of this recent activity stems from two Costco build-to-suit projects in the latter half of 2023. This shortage of available space leaves large retailers with few expansion options in Sacramento, making new construction increasingly the best option.

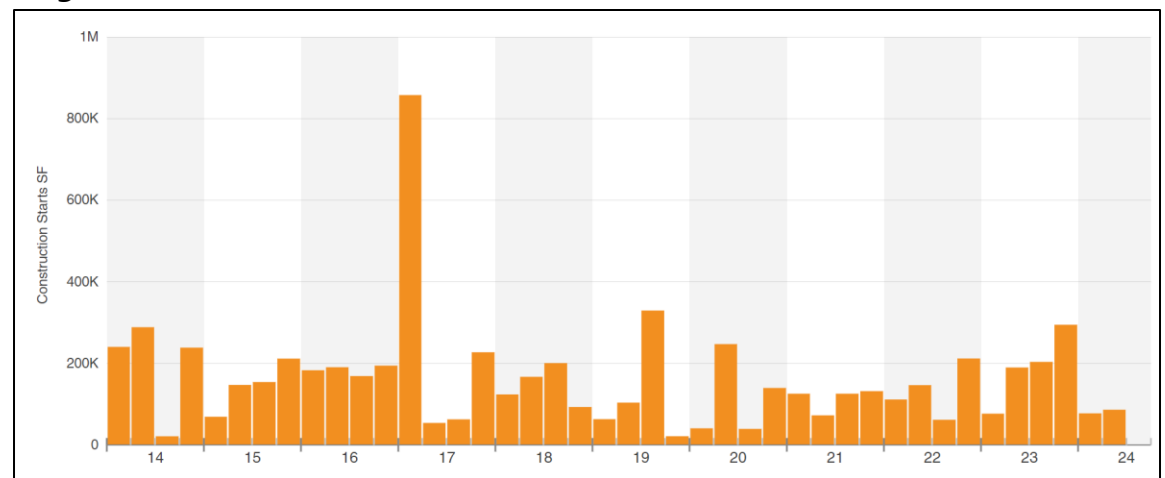
Recent development has primarily been build-to-suit, with only 10% of the newly delivered space available for lease. As a result, the impact on market fundamentals has been minimal. **Most new developments are small, typically under 10,000 square feet, and are located on out-parcels within existing shopping centers. High financing and construction costs have made new projects cost-prohibitive in many cases, which has significantly limited the overall volume of new construction.**

Figure 3.9 Under Construction



Source: CoStar

Figure 3.10 Construction Starts



Source: CoStar

Retail Market Analysis

Regional Retail Rents

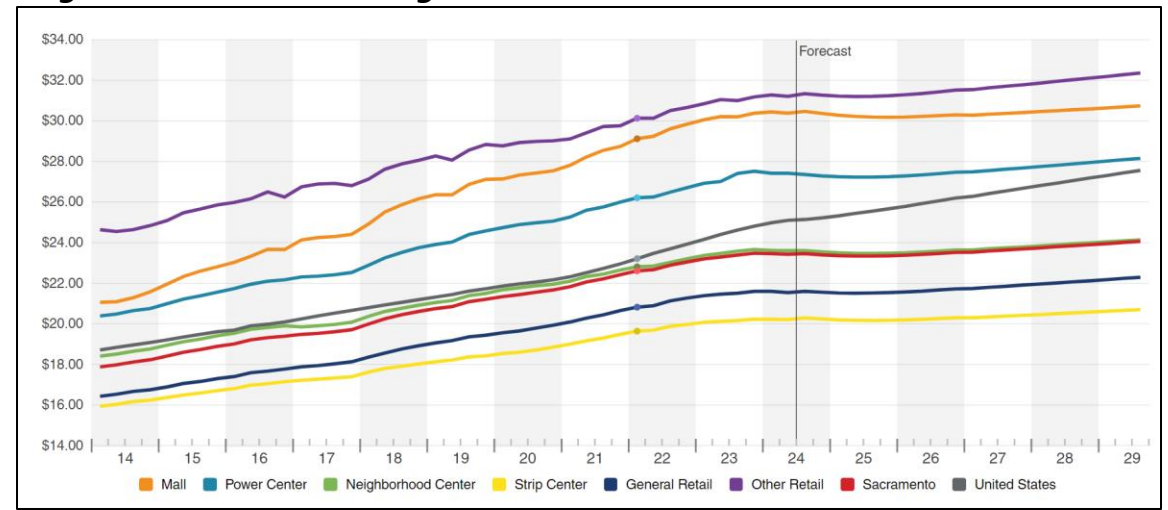
Retail rents in Sacramento have stabilized at \$23.00/SF, showing no change over the past 12 months. By comparison, asking rents grew nationally by an average of 2.4% during the same period, down slightly from their five-year average of 2.5%.

The lack of growth in Sacramento's rents is largely due to declines in general retail, strip centers, and neighborhood centers, which offset gains seen in other retail segments (**Figure 3.11** and **Figure 3.12**). Power Centers were the best performing retail format, with a modest rent increase of 0.5% over the past year.

Rent levels generally track construction activity and are concentrated in areas with strong demographics, as retailers seek out the region's more affluent locations. In Sacramento, these areas include Roseville/Rocklin, Folsom, Elk Grove and Davis. All these submarkets report retail lease rates at or above the market average, and each has seen rent increases exceeding 2% year-over-year.

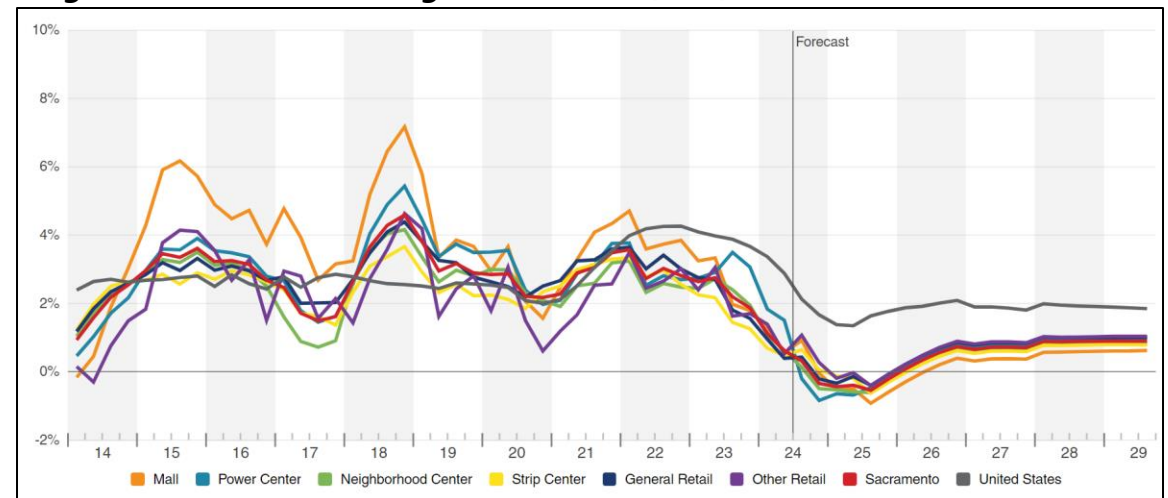
Looking ahead, **the combination of low market availability and strong leasing activity is expected to drive modest rent increases in the short term, in line with the current low growth rates.**

Figure 3.11 Market Asking Rent



Source: CoStar

Figure 3.12 Market Asking Rent Growth (YOY)



Source: CoStar

Retail Market Analysis

Regional Retail Property Sales

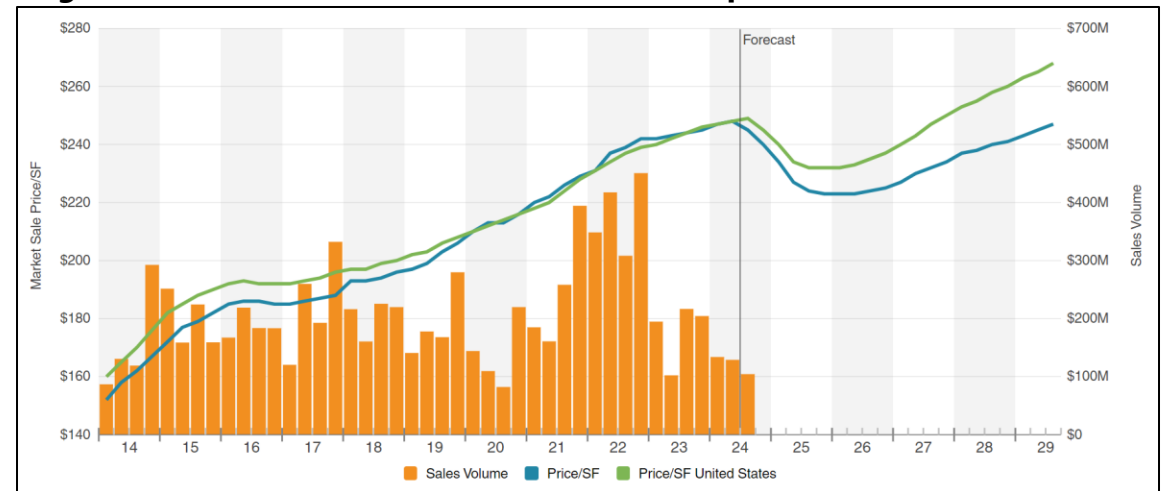
In recent years, investors have been attracted to the aforementioned shift in Sacramento's retail market driven by in-migration and increased income levels. While rent growth has slowed, demand for high-end inventory persists, driving strong capital markets activity despite declining sales volumes across most commercial sectors.

Sales volume for the past 12 months has reached \$550 million, representing a 50% decline compared to 2022 (**Figure 3.13**). Since the start of 2021, private buyers have dominated the market, accounting for 70% of acquisitions and dispositions. Conversely, institutional investors have been reducing their holdings in the region, representing nearly 20% of sales but only 5% of acquisitions during this period. End users and REITs have stepped in to fill the gap, seeking opportunities to capitalize on reduced property values.

A shift to end users and REITs suggests the market has matured, offering more stable, long-term returns rather than speculative gains. REITs and end users are usually more focused on income-producing properties and operational efficiency, which align with a stable, predictable market.

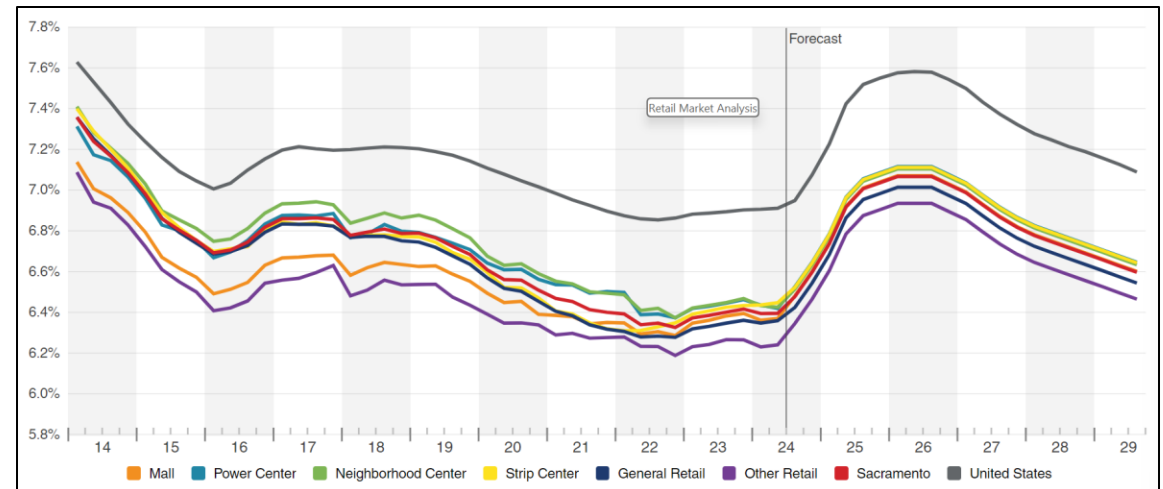
Lower valuations are reflected in cap rates, which for recently closed deals have fallen in the 6.5% to 7.0% range (**Figure 3.14**). Until recently, market participants expected cap rate increases throughout the year, driven by persistently high interest rates. However, at the time of this reporting, there is widespread anticipation of a major rate cut as suggested by the Fed in recent announcements, with a likely commensurate compression in cap rates.

Figure 3.13 Sales Volume & Market Sale Price per SF



Source: CoStar

Figure 3.14 Market Cap Rate



Source: CoStar

Retail Market Analysis

Roseville/Rocklin Retail Submarket Overview

Roseville/Rocklin (**Figure 3.15**) is Sacramento's largest retail submarket by inventory and is home to some of the premier shopping centers, such as Westfield Galleria at Roseville, Rocklin Commons and Rocklin Crossing. The submarket is also one of the most affluent, with employers like Oracle, United Natural Foods, Rabobank, and Kaiser Permanente.

The high concentration of Health Care workers employed in Roseville (**Figure 3.16**) elevates average household incomes in the area, along with strong representation in other high wage sectors. High wages have translated into strong buying power and abundant retail inventory.

Figure 3.16 Roseville Employment Profile

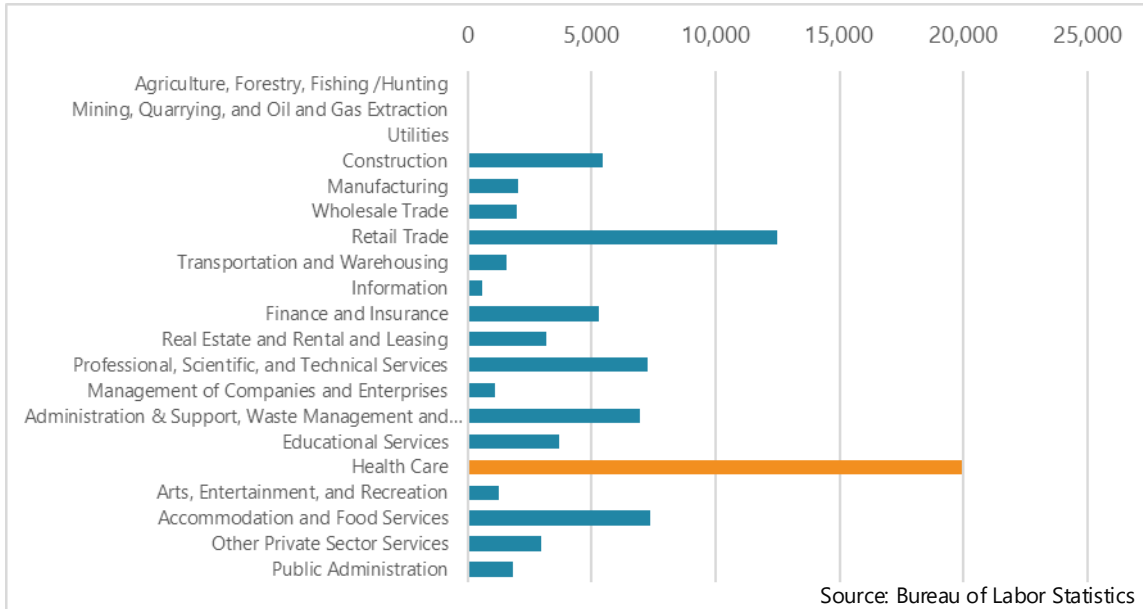
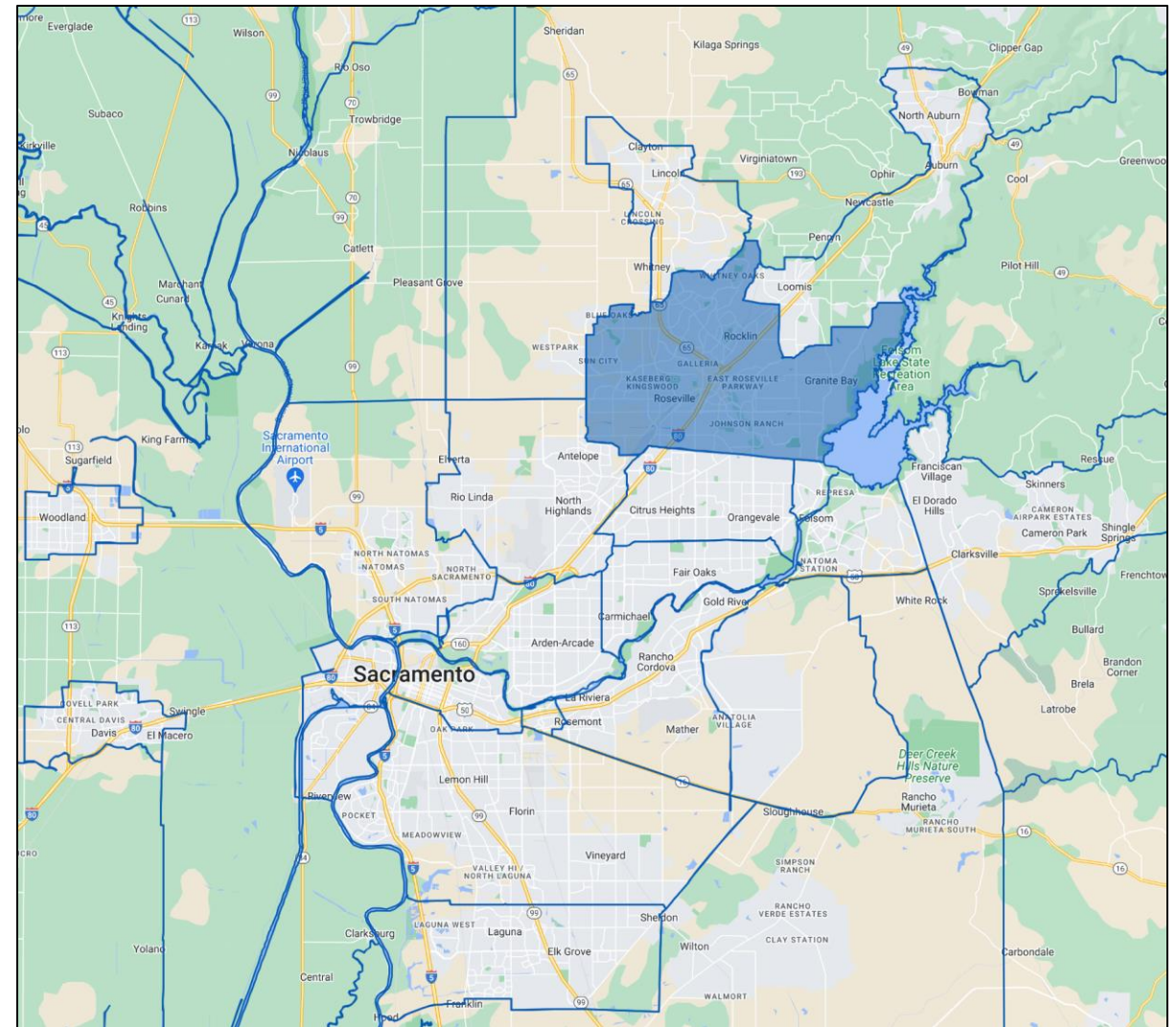


Figure 3.15 Roseville/Rocklin Submarket



Source: CoStar

Retail Market Analysis

Over the past decade, the Roseville/Rocklin retail submarket has shared a similar pattern to the wider Sacramento market, with absorption consistently exceeding net deliveries. This imbalance has resulted in a declining vacancy rate which currently sits at just 4.7% (**Figure 3.17**). **In contrast to the wider Sacramento area, however, Mall space is at a 1% vacancy while Neighborhood Centers (typically grocery-anchored or drug store-anchored centers of less than 150,000 square feet) are at 8.3% vacancy and Strip Centers (small, unanchored centers) are at 7.7%** (**Figure 3.18**). An over-development of these smaller centers in the Roseville area in previous decades underlies these higher vacancy rates.

Overall vacancy for all retail formats has remained stable over the past six months. Significant moveouts during the first half of 2024 have contributed to a trailing 12-month net absorption of -65,000 square feet. This negative figure is largely due to a few major moveouts, most notably Walmart closing its 45,000-square-foot store at 4080-4090 Douglas Blvd in Granite Bay and Rite Aid closing a 31,000-square-foot location at 4004 Foothills Blvd. **Both these locations are Neighborhood Centers.**

Although local leasing brokers highlight the shortage of Anchor and Junior Anchor space in the Sacramento market, it should be noted that **no new move-ins to Roseville/Rocklin in recent quarters have exceeded 10,000 square feet.** The market is forecast to remain in a balanced state between supply and demand, with vacancy rates remaining near to their current levels for each retail format over the next five years. **For Neighborhood Centers and Strip Centers this will limit local landlords' ability to raise rents.**

Figure 3.17 Roseville/Rocklin Net Absorption, Deliveries & Vacancy

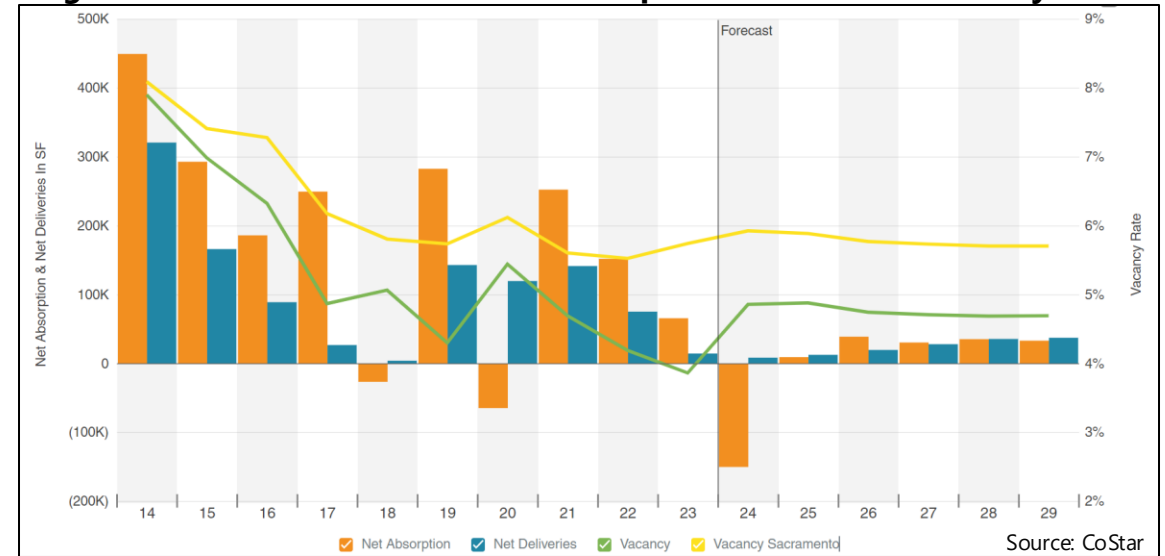
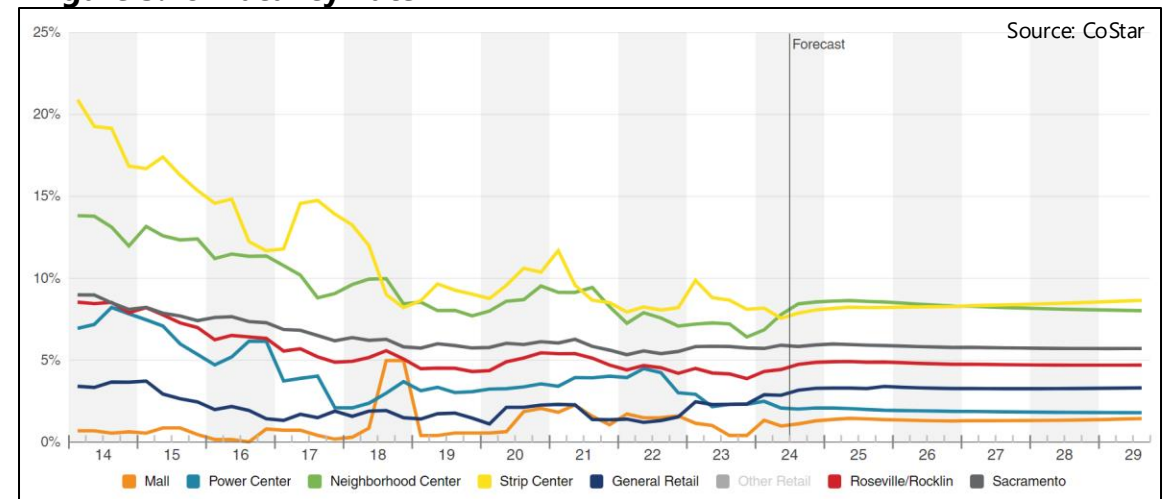


Figure 3.18 Vacancy Rate



Retail Market Analysis

A comparison of the wider Sacramento market with the local submarket provides additional insights to current and future retail market dynamics (**Table 3.1**). Vacancy sits at 4.7% in the submarket, significantly below the 5.8% of the wider market. The Roseville/Rocklin submarket commands a rent premium due to its affluent population base and the strong performance of its retail locations. Rental growth, cap rates and sales prices show a slight premium to the wider market as well.

Notably, although Roseville/Rocklin has absorbed retail space at an above average pace over the past 12 months, the amount of new inventory currently under construction is minimal. In fact retail development has been minimal over the past 15 years, with construction surpassing 200,000 square feet only once, in 2013.

Table 3.1 Metro Sacramento & Roseville/Rocklin Submarket - Retail Market Performance

Indicator	Metro Sacramento	Roseville/Rocklin Submarket	Comments
Inventory	113M SF	15.9M SF	Roseville/Rocklin contains 14.1% of Metro Sacramento's retail inventory.
Vacancy Rate	5.8%	4.7%	Retail markets with less than 5% vacancy can be supportive of new development. Roseville/Rocklin has a healthy vacancy rate.
Asking Rent Range (NNN \$/SF/YR)	\$23.46	\$27.09	Higher rent than the Metro average.
Rental Growth (YOY)	2.2%	2.3%	Moderate rental growth contrasts with low vacancy. Forecast is for continued slow growth rates.
Cap Rates	6.4%	6.3%	Roseville/Rocklin cap rates tracking lower than the Metro average, likely due to extremely low vacancy rates and above average household incomes. Higher values equate to lower valuations.
Annual Absorption (10-Year Average)	858K SF	164K SF	The Roseville/Rocklin submarket contains 14.1% of total metro inventory but has garnered 18.6% of absorption over the past 12 months. Indicates positive momentum in the local area.
Under Construction	336K SF (0.3% of inventory)	13K SF (0.08% of inventory)	Current construction is minimal in the submarket (3.9% of Metro Sacramento total), despite low vacancy and rapid absorption.
Sale Price per SF	\$247	\$271	Sales prices are less than the cost of new construction, although based on a number of older properties.

Source: CoStar

Retail Market Analysis

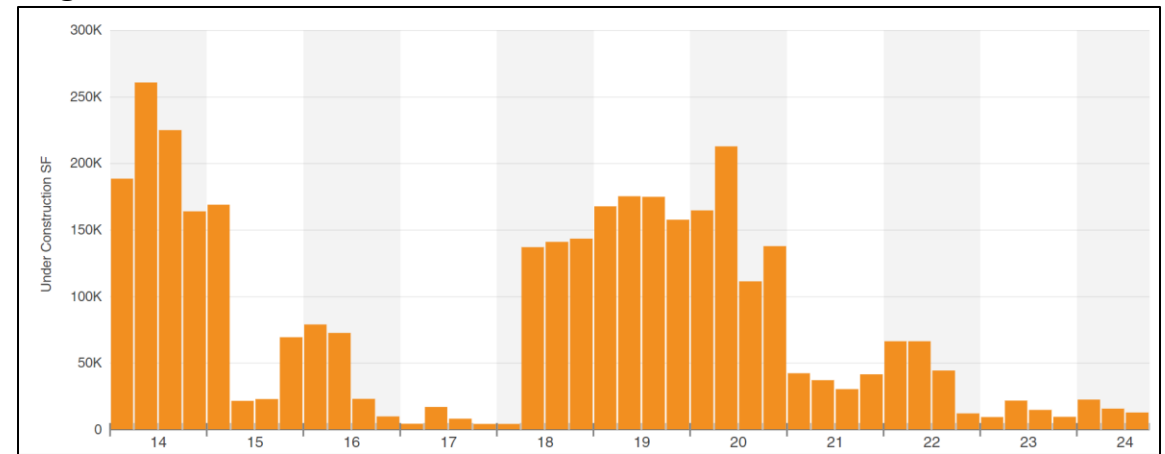
Market observers frequently point to the oversupply of retail space from 2006 and 2007 as a reason for the lack of new construction during the subsequent economic expansion. Since early 2020, no groundbreakings have exceeded 50,000 square feet (**Figure 3.19**), and no new projects are expected to start over the next 12 to 18 months.

The area's average rent is nearly 20% higher than the metro average. It has always been one of the most expensive areas in Sacramento, commanding a premium for access to the more affluent population base and some of the best-performing retail locations in the market. However, over the five-year forecast horizon, rental rates are anticipated to remain near flat, with only modest gains by 2030 (**Figure 3.20**). **The combination of flat rental rates and significantly inflated construction costs will likely keep new retail construction to a minimum over the forecast horizon.**

Roseville/Rocklin is still one of the most popular locations for retailers. Leasing agents are optimistic about the submarket's longer-term prospects and believe it will be one of the first areas to see development once construction begins to make financial sense again.

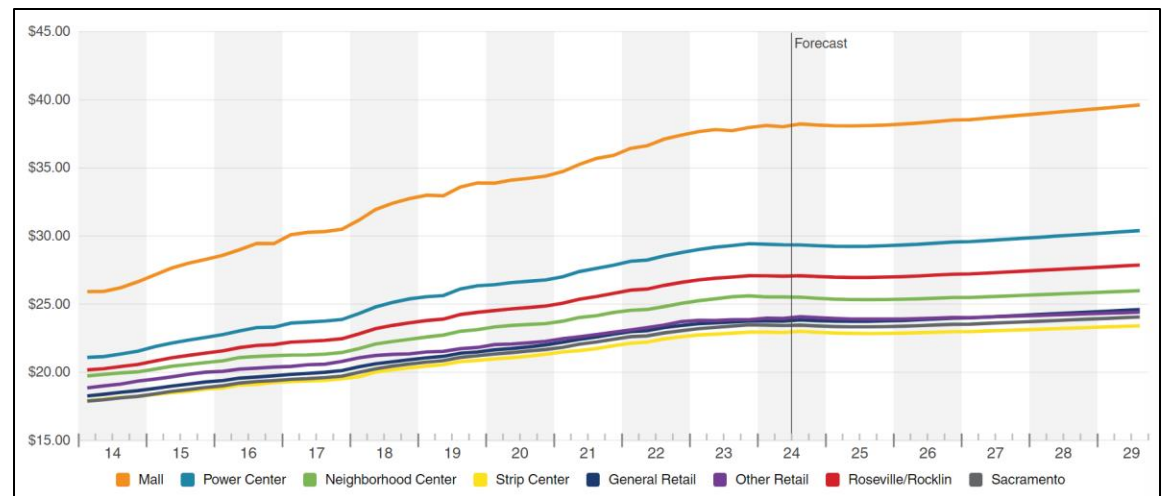
This sentiment is supported by a comparison of the market performance metrics with its 10-year historic average as illustrated in **Figure 3.21**. Vacancy and cap rates are currently tracking near to 10-year lows while asking rent, sales prices and sales volumes sit well above the historic average. This sets the stage for substantial retail development once costs and revenues begin to realign over the longer term.

Figure 3.19 Under Construction



Source: CoStar

Figure 3.20 Market Asking Rent



Source: CoStar

Retail Market Analysis

Figure 3.21 Roseville/Rocklin Submarket – Key Performance Indicators



Source: CoStar

Retail Market Analysis

Retail Property Sales

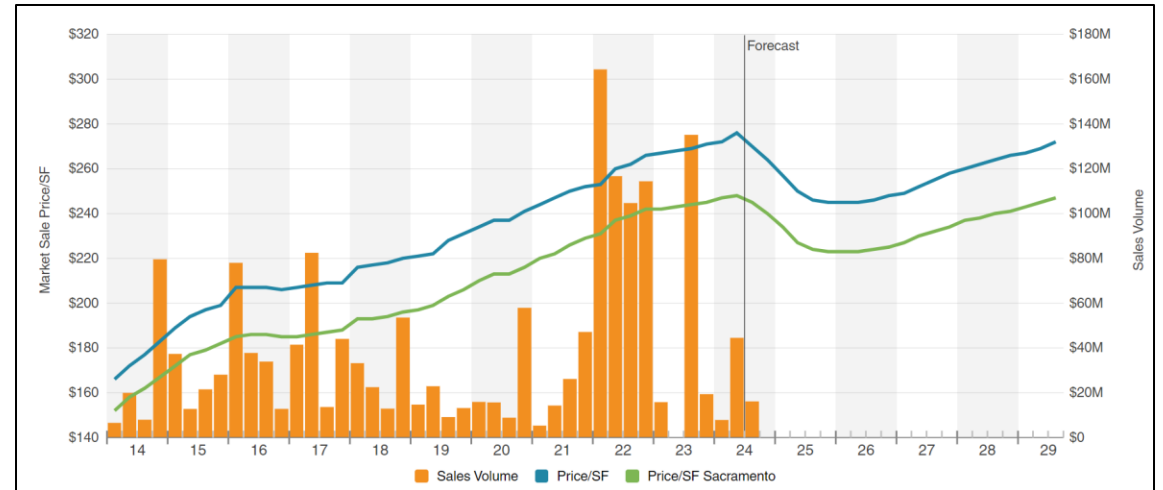
Sales activity in the past 12 months has been strong, with a total of \$127 million from 28 transactions. Investor interest in the area has nearly returned to the five-year average of \$184 million (**Figure 3.22**).

Private buyers have dominated this submarket for years, making up 75% of acquisitions over the past five years. This share has increased to 90% in the current lending environment, as private buyers have taken over from some institutional players, who have been responsible for 60% of dispositions.

A prime example is Cane Companies' acquisition of Creekside Town Center from AEW Capital Management. Cane paid \$125.5 million (\$366 per square foot) for the Power Center, representing a 6.05% cap rate. The center, located at the intersection of Roseville Parkway and Galleria Boulevard, is one of the area's premier locations and is anchored by Best Buy, Barnes & Noble, and Burlington.

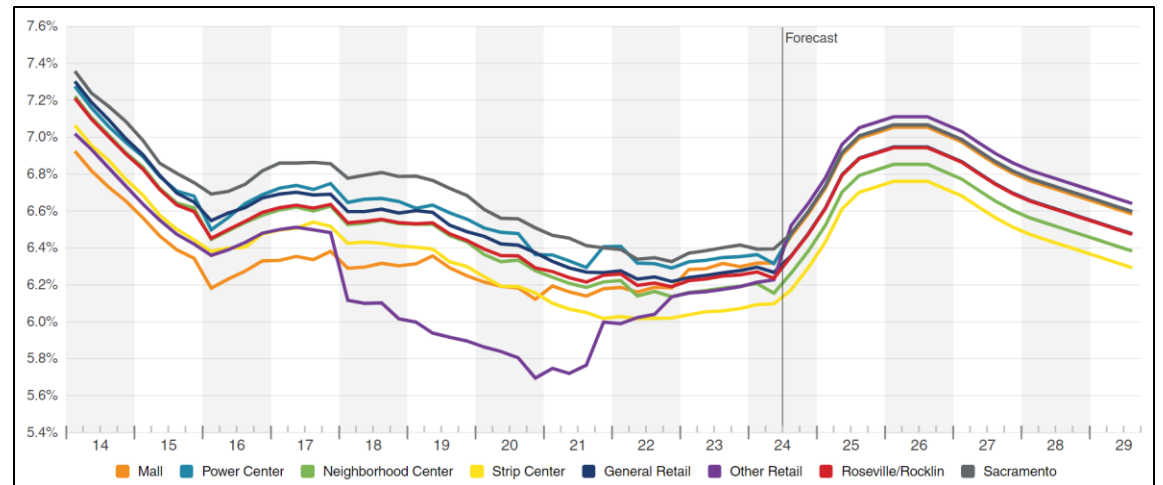
Local brokerages cite a reserve pool of investors waiting for prices to drop, as seen in the Creekside Town Center deal. There is still demand for well-performing properties, and this is reflected in current cap rates which range in the mid-6% range (**Figure 3.23**). Roseville/Rocklin has several similar assets, positioning the area to achieve higher transaction levels more quickly than other submarkets within Sacramento.

Figure 3.22 Sales Volume & Market Sale Price per SF



Source: CoStar

Figure 3.23 Market Cap Rate



Source: CoStar

Retail Market Analysis

Competitive Analysis

The retail development at WB-42 will compete with numerous competitive nodes in Roseville. For community-scale retail developments, comparable centers located within a 10-minute drive-time zone present the most substantial competition, as most consumers will drive up to 10 minutes to shop for daily staple items such as grocery, drug store, alcohol, fitness and services. As shown in **Table 3.2** and **Figure 3.24**, there are a total of five competitive retail nodes within a 10-minute drive from the WB-42, and an additional eight clustered along Foothills Blvd, just over 10 minutes drive.

Table 3.2 Competitive Retail Developments

#	Name	Address	Site Size	Retail Type	Retail SF	Anchor Tenant (s)
1	Westpark Village Centre	2320 Pleasant Grove Blvd	3.5	Neighborhood Centre	24,700	Kitchen 747
2	Plaza at Blue Oaks	5351 Fiddymment Road	13.3	Power Centre	49,950	Rayleys O-N-E
3	Fiddymment Plaza	4701 Fiddymment Road	1.4	Strip Centre	8,802	Chevron Gas Station
4	Woodcreek Village Shopping Centre	4001-4051 Woodcreek Oaks Blvd	10	Neighbourhood Centre	81,861	Rayleys, Wells Fargo, Starbucks
5	CVS	1771 Pleasant Grove Blvd	2.8	Strip Centre	30,000	CVS
Outside of 10-Minute Drive Time Area						
6	Woodcreek Oaks	1261-1271 Pleasant Grove Blvd, 7452 & 7480 Foothills Blvd		Strip Centre	52,950	Arco, Medical Office and Individual Retailers
7	Arbor View Village	1241-1259 Pleasant Grove Blvd, 7441-7451 Foothills Blvd		Neighbourhood Centre	83,646	Medical Offices and Individual F&B
8	Foothill Village Oaks	5100-5180 Foothills Blvd		Neighbourhood Centre	83,438	Dollar Tree, Kiddie Academy of Roseville, F&B
9	Foothill Junction Shopping Center	5003-5181 Foothills Blvd		Neighbourhood Centre	109,903	Savemart, CVS, F&B
10	Foothills Junction	5010-5098 Foothills Blvd		Neighbourhood Centre	111,050	InShape Family Fitness, Kindercare
11	Brickyard Shopping Centre	4000 Foothills Blvd		Neighbourhood Centre	129,382	Bel Air, Starbucks, Bank of America
12	Elk Hills Plaza	1225 Baseline Road, 3992 & 3994 Foothills Blvd		Strip Centre	N/A	McDonalds, East West Foods, Individual F&B
13	Walgreens Shopping Centre	3981 - 3999 Foothills Blvd		Power Centre	N/A	Walgreens
14	Crocker Ranch – Safeway	SWC Blue Oaks Boulevard & Woodcreek Oaks Boulevard		Neighbourhood Centre	81,000	Safeway
15	Campus Oaks	SEC Blue Oaks Boulevard & Woodcreek Oaks Boulevard		Neighbourhood Centre	115,300	Nugget Markets

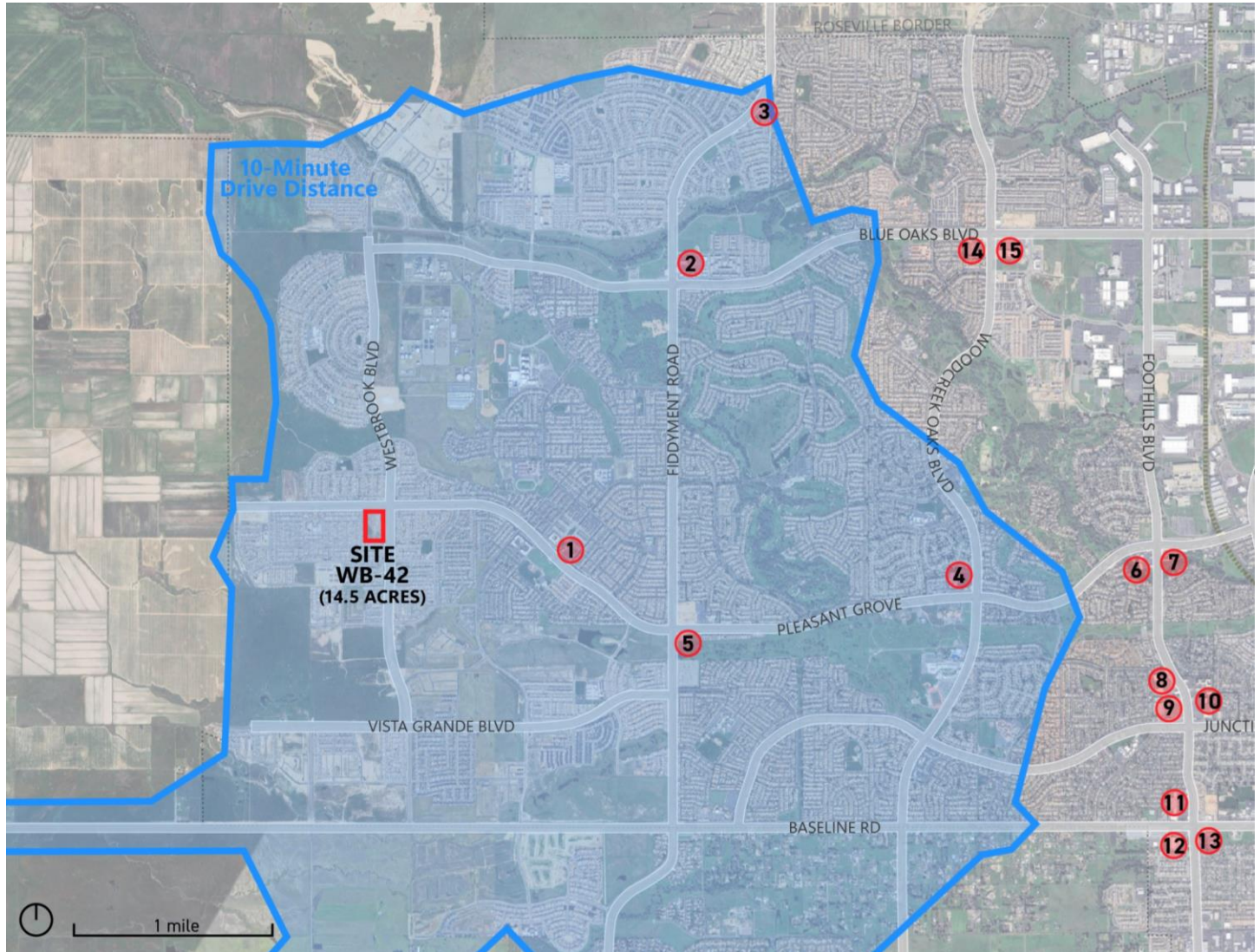
Retail Market Analysis

WB-42 would be the current westernmost location for retailing in the area. Competition in the immediate area is minimal, creating a captive market in the site's vicinity. However, WB-42 is somewhat of a "180-degree" retail site as opposed to the optimal "360-degree" sites that can draw patronage from all directions. Future residential development to the west is expected to commence over the next several years, but developers typically "follow rooftops" and require a financial break-even point within seven years of development. **As such, the appropriate size for retail development at WB-42 is likely less than its 14.5 acres could accommodate**, which is the subject of further evaluation in the Trade Area Analysis section of this report.

Under Construction & Pipeline Retail

In addition to existing retail areas, a number of large retail developments that are either planned or under construction (**Table 3.3** and **Figure 3.25**). The major developments are clustered along Baseline Road, which is envisioned to become a core retail and commercial corridor in this area of Roseville. Based on this analysis, **between 1.7 million to 2 million SF of retail is planned or under construction within the surrounding area.**

Figure 3.24 Competitive Retail Developments



Retail Market Analysis

A Safeway-anchored Neighborhood Centre has also been approved just to the east of the site at Pleasant Grove/Fiddymment Road, with plans for additional community commercial at the SE and SW corners of this key intersection. Of note, a large, Costco-anchored Power Center (Baseline Marketplace) is planned on the corner of Baseline Road and Fiddymment Road, proposed for 750,000SF of retail and F&B space including two additional major anchors. The average Costco markup is only about 11% compared to 20-25% for traditional supermarkets, making them highly competitive and impactful on the local areas they locate in. Large format discounters already take up 47% market share of the grocery business, making it a challenge for mid-sized grocery stores.

As a result, many grocery chains have adopted smaller format stores with an increased focus on fresh foods and prepared meals to differentiate from the bulk packaged goods offered by discounters. Specialized stores with curated selections are better able to compete on convenience, freshness, and service rather than price. **With smaller, more specialized stores, land requirements for many new grocery outlets have shrunk substantially, along with the amount of ancillary retail they support. While 15-acre sites were the industry norm for new grocery-anchored centers in previous decades, these centers are now typically built in on 5- to 8-acre parcels.**



Anchor



Shops 1



Pad B

West Roseville Marketplace - Safeway
1730 Pleasant Grove Blvd



Baseline Marketplace - Costco
5000 Baseline Road



Plaza at Blue Oaks – Rayley's (recently constructed)
5351 Fiddymment Road

Retail Market Analysis

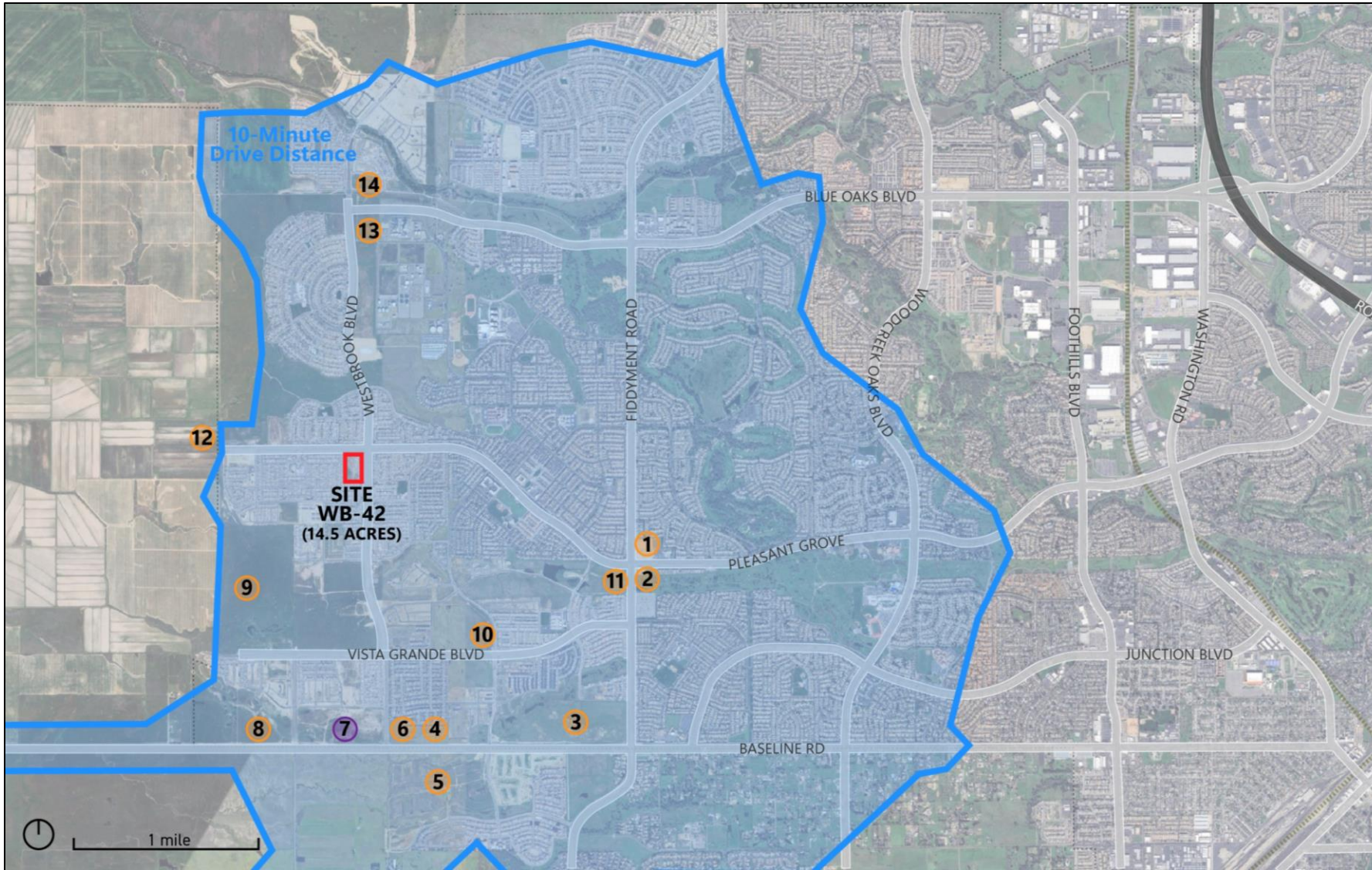
Table 3.3 Planned & Under Construction Retail Developments

#	Name	Address	Site Size (Acres)*	Retail Type	Retail SF	Anchor Tenant (s)	Status
1	West Roseville Market Place	1798 Pleasant Grove Blvd	8.7	Power Center	75,042	Safeway	Approved
2	Grocery Outlet	1751 Pleasant Grove Blvd	3.1	Strip Centre	20,600	Grocery Outlet	Approved
3	Baseline Marketplace	5200 Baseline Road (DF-40, DF-41, DF-42)	80	Power Center	160,529 Costco Approved Total of ~750,000 planned	Costco	Costco Phase Approved
4	KT-42	Sierra Vista Specific Plan	8.45	Commercial	~73,616	N/A	Planned (vacant)
5	KT-43	Sierra Vista Specific Plan	11.91	Commercial/Business Professional	~103,760	N/A	Planned (Vacant)
6	Placer Vineyards	Baseline Road & Watt Ave	5,230	Neighborhood Centre	342,250	N/A	Approved
7	Erickson Seniors Living	6000 Baseline Road	59	Seniors Living Community	0	N/A	Approved
8	KT-40A/B/C	Sierra Vista Specific Plan	23.42	Commercial Mixed-Use	~204,035	N/A	Planned (vacant)
9	FD-40	Sierra Vista Specific Plan	7.55	Commercial	~10,000 Only 1 acre of this site is developable due to powerlines		Planned (vacant)
10	FD-41	Sierra Vista Specific Plan	5.71	Commercial Mixed Use	~49,746		Planned (vacant)
11	JM-41	Sierra Vista Specific Plan	13.5	Commercial/Business Professional	~117,612		Planned (vacant)
12	Regional University Community Commercial	Placer County	12	N/A	~104,544	N/A	Planned (vacant)
13	Blue Oaks & Westbrook Blvd (SE Corner)	5480-5484 Philip Road	13	Commercial Centre (adjacent Soccer Complex)	~113,256	Restaurants, Hotel, Sporting Goods, Neighborhood Retail	Planned (vacant)
14	Blue Oaks & Westbrook Blvd (NE Corner)	3040 Blue Oaks Drive	9.2	Commercial Centre	~80,150	N/A	Planned (vacant)

*For Developments noted as Planned (Vacant), the retail square footage was calculated using a standard retail 0.2 floor area ratio and intended as an estimation of potential build-out. This is consistent with recent retail developments in the area. These sites are zoned as Community Commercial which allows up to 0.4 FAR.

Retail Market Analysis

Figure 3.25 Planned & Under Construction Retail Developments



- Retail
- Non-Retail

#	Name	Retail SF	Status
1	West Roseville Market Place	75,042	Approved
2	Grocery Outlet	20,600	Approved
3	Baseline Marketplace	160,529 Approved <i>Total of 750k planned</i>	Approved
4	KT-42	~73,616	Planned (vacant)
5	KT-43	~103,760	Planned (Vacant)
6	Placer Vineyards	342,250	Approved
7	Erickson Snrs Living	0	Approved
8	KT-40A/B/C	~204,035	Planned (vacant)
9	FD-40	~10,000	Planned (vacant)
10	FD-41	~49,746	Planned (vacant)
11	JM-41	~117,612	Planned (vacant)
12	Regional University Community Commercial	~104,544	Planned (vacant)
13	Blue Oaks & Westbrook Blvd (SE Corner)	~113,256	Planned (vacant)
14	Blue Oaks & Westbrook Blvd (NE Corner)	~80,150	Planned (vacant)

Retail Market Analysis

Trade Area Analysis

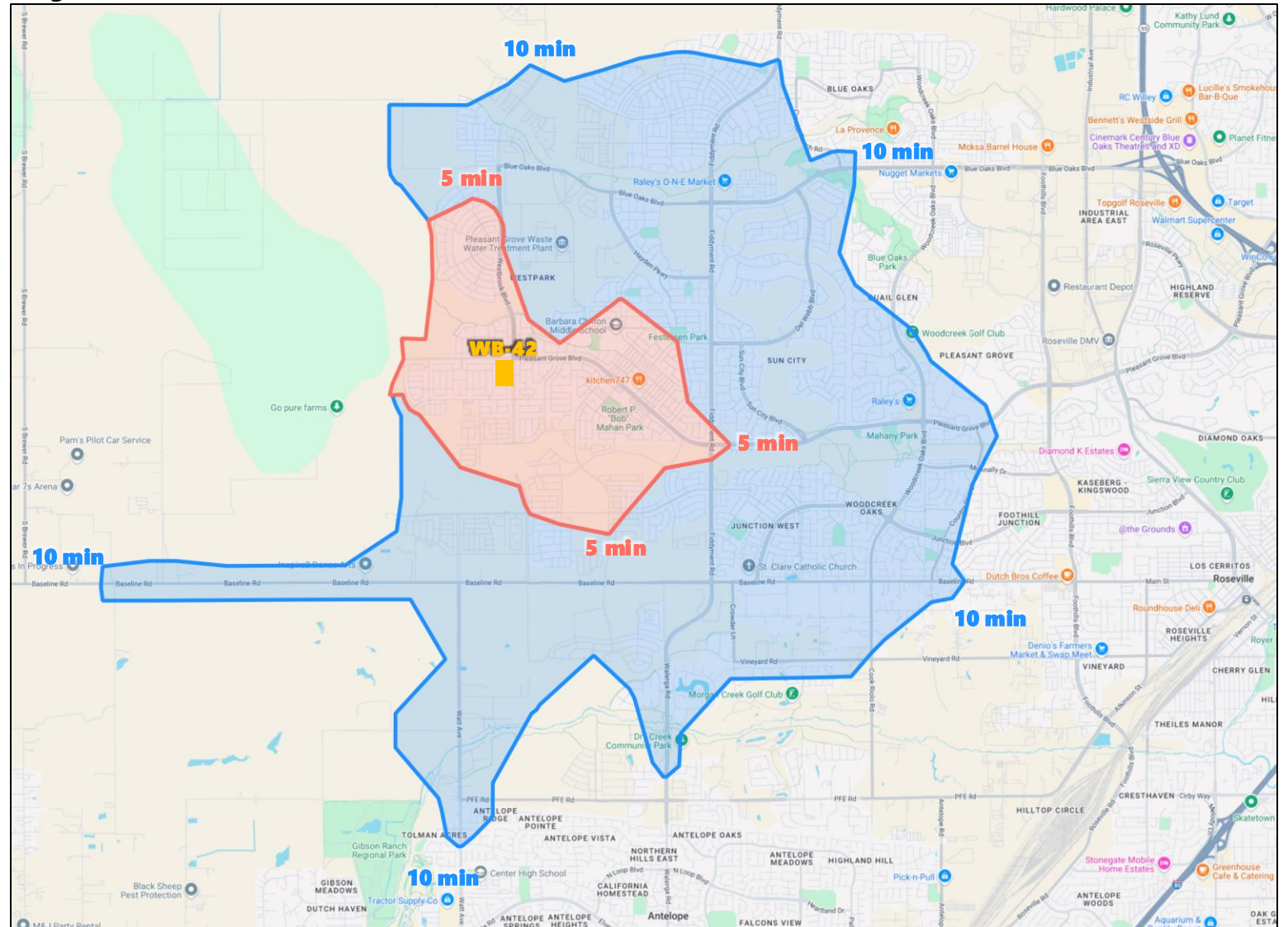
A retail trade area is a geographic region from which a retail development attracts 80% to 90% of its customers. This area is determined by factors such as travel time, competition, demographics, and established consumer behavior patterns.

Understanding the retail trade area is crucial for a retail development as it helps identify the future customer base, assess the competitive landscape and forecast sales. Furthermore, by analyzing the demographics and spending patterns within the trade area, the retail tenant mix can be tailored to local preferences thereby enhancing its overall performance.

Travel time is the most significant factor in delineating a trade area boundary. For suburban retail projects travel time is measured as drive time as most shopping, dining and entertainment trips are made with a private automobile and ride sharing services.

Figure 3.26 illustrates the 5-minute and 10-minute drive time zones from the site in non-rush hour periods. For smaller suburban neighborhood-oriented centers, a 10-minute drive time typically represents the outer limit of a trade area.

Figure 3.26 Drive Time Isochrones from WB-42



Retail Market Analysis

Additional **miscellaneous patronage** is anticipated from beyond the trade area, primarily from Sacramento area residents living outside the trade area and visitors to the region. Both these patronage groups represent a significant potential source of business that must be considered as well in the retail forecast.

A demographic profile was collected for the trade area and its component parts. Key findings are detailed as follows.

Population: Currently approximately 51,000 people reside within the Trade Area. This total is forecast by ESRI to increase to 56,000 by 2029 at an average annual rate of 2.0%, which is four times the national rate of growth.

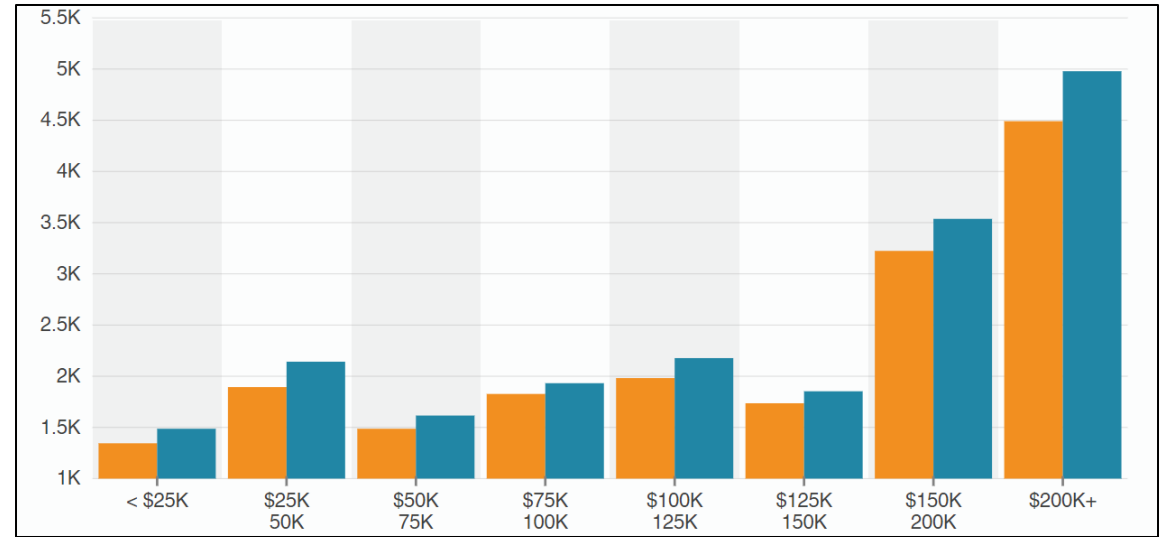
Income: Average household income exceeds \$153,000 which is well above the national average of \$87,800. The largest income cohort in the trade area is households earning more than \$200,000 per year (**Figure 3.27**).

Educational attainment: Over 45% of local adults have at least a Bachelors Degree, which is nearly 20% higher than the national average.

Age Profile: Households in the trade area skew towards families with a large percentage of children and parent age cohorts (**Figure 3.28**). Seniors aged 65+ are prominent in the area but are a smaller percentage of the total population than they are nationally.

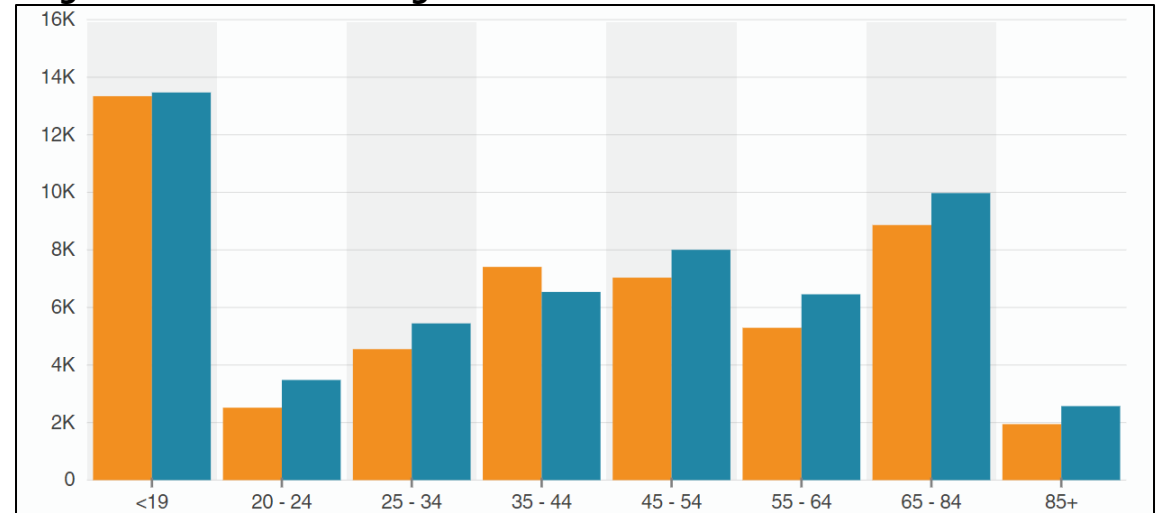
Overall, the trade demographics are highly supportive of retail development. Population growth is forecast to be high in the next five years, as additional higher-income, family-oriented households move to the local area.

Figure 3.27 Trade Area Household Income Distribution



Source: ESRI

Figure 3.28 Trade Area Age Profile



Source: ESRI

Retail Market Analysis

Data on retail expenditure was collected for both the Primary Trade Area and Secondary Trade Area (Table 3.4). Retail spending in the area is commensurate with its higher income profile and is well above the national average.

Spending is also shaped by the strong family-oriented profile of local households, with particularly high spending on Grocery, Sporting Goods, Toys & Hobbies, and Limited-Service Restaurants.

The Trade Area's total aggregate retail expenditure potential is currently estimated at \$616 million, of which \$116 million is located within the Primary Trade Area surrounding the site.

As detailed in Table 3.5, the total Trade Area expenditure is slated to grow from its current \$616 million in 2025 to \$757 million by 2030 at an average annual growth rate of 3.2%.

Table 3.4 Trade Area Retail Expenditure Per Capita and Total

Per Capita Retail Expenditure	PRIMARY TRADE AREA		SECONDARY TRADE AREA	
	Per Capita Expenditure	Total Expenditure (\$M)	Per Capita Expenditure	Total Expenditure (\$M)
Convenience	\$3,170	\$31.9	\$3,355	\$137.2
Grocery	\$1,910	\$19.2	\$2,023	\$82.7
Drugstore	\$504	\$5.1	\$561	\$22.9
Alcohol & Tobacco	\$395	\$4.0	\$395	\$16.1
Personal Services	\$362	\$3.6	\$377	\$15.4
Comparison Retail	\$6,358	\$64.1	\$6,804	\$278.2
Clothing Stores	\$751	\$7.6	\$775	\$31.7
Shoe Stores	\$153	\$1.5	\$178	\$7.3
Jewelry Stores	\$242	\$2.4	\$269	\$11.0
Health & Beauty	\$463	\$4.7	\$516	\$21.1
Furniture & Accessories	\$488	\$4.9	\$517	\$21.2
Appliances & Electronics	\$966	\$9.7	\$1,032	\$42.2
Home Improvement	\$295	\$3.0	\$314	\$12.8
Books & Media	\$34	\$0.3	\$40	\$1.6
Sporting Goods	\$134	\$1.4	\$153	\$6.3
Toys & Hobbies	\$123	\$1.2	\$136	\$5.6
Specialty Retail	\$127	\$1.3	\$138	\$5.7
General Merchandise	\$2,582	\$26.0	\$2,736	\$111.9
F&B/Entertainment	\$1,934	\$19.5	\$2,080	\$85.0
Full Service Restaurants	\$887	\$8.9	\$945	\$38.6
Limited Service Restaurants	\$725	\$7.3	\$773	\$31.6
Family Entertainment & Concessions	\$322	\$3.2	\$362	\$14.8
Total Expenditure	\$11,461	\$115.5	\$12,239	\$500.3

Retail Market Analysis

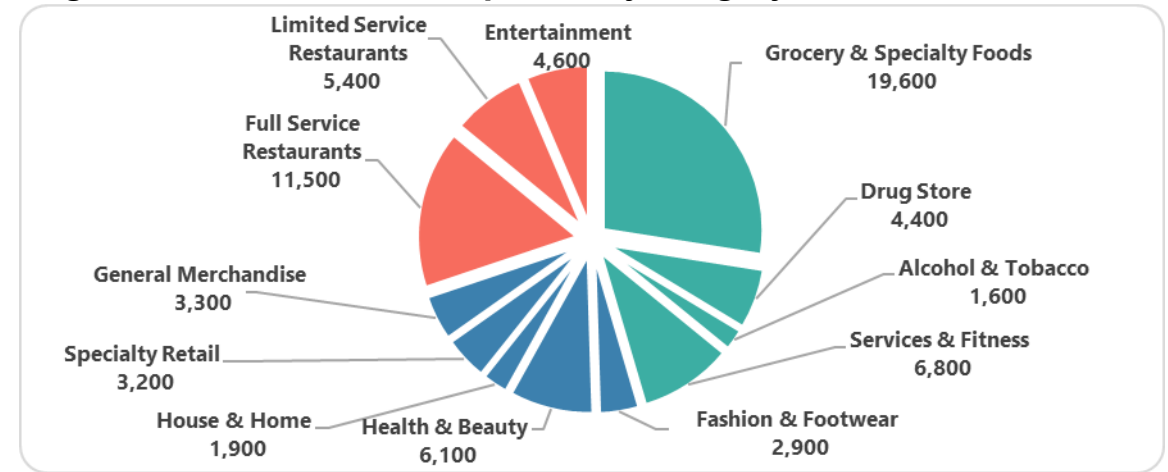
Table 3.5 Total Retail Expenditure Potential by Source of Business

Aggregate Retail Expenditure Potential	2030	2035
Primary Trade Area	\$141,415,844	\$174,515,082
Primary Trade Area	\$141,415,844	\$174,515,082
Secondary Trade Area	\$612,339,042	\$755,940,219
Secondary Trade Area	\$612,339,042	\$755,940,219
Local Workforce	\$2,981,342	\$3,723,529
Total	\$756,736,228	\$934,178,830

Market shares were estimated for 12 major retail categories for each of the identified potential sources of business for a retail development at WB-42. This resulted in a forecast sales at the project for each retail category. Dividing the projected sales volume of each retail category by its associated sales productivity (ie "sales per square foot") yields the warranted floorspace for that category at the subject development. Additionally, a comparison with MXD's North American mixed-use retail development database ensured that the tenant mix generally aligns with comparably located projects.

Figure 3.29 illustrates the warranted retail mix resulting from the analysis. For 2030, an estimated **63,400 square feet of net leasable retail space is forecast to be warranted at the subject site, generating \$34 million in annual sales. This figure grows to 71,300 square feet over the first five years of operations.** The mix is balanced between **Convenience** (grocery, drug store, services, etc.), **Leisure** (Full Service Restaurants, Limited Service Restaurants and Entertainment) and **Comparison** retail (ie mall-type merchandise) . This mix reflects WB-42's location as well as the identified trade area opportunity.

Figure 3.29 Warranted Floorspace SF by Category, 2035



The recommended **Convenience** mix includes a smaller 15,000 to 20,000 square foot grocery, 4,400 SF drug store, a specialty wine/liquor store and 6,800 SF of services including a smaller boutique fitness center. An additional 17,400 SF of **Comparison** retail and 21,500 SF of **Leisure** (Food & Beverage and Entertainment) would round out the WB-42 retail development's appeal to the local trade area. Recommended tenants include kids clothing store, maternity wear, specialty sporting goods store, a day spa, several smaller house & home tenants and specialty retailers, along with 2-3 full-service restaurants, 2-3 fast food outlets, and a smaller kids entertainment concept.

As Table 3.6 details, total land area required is estimated at 6.5 acres based on industry standard floor area ratios (FARs), growing to 7.3 acres if the development is expanded over its first five years to capture the growing trade area demand.

Retail Market Analysis

Table 3.6 Retail Trade Area Model Summary

Summary	2030				2035			
	Spending Potential	% Market Share	Estimated Sales	% of Business	Spending Potential	% Market Share	Estimated Sales	% of Business
Primary Trade Area	\$141,415,844	10.9%	\$15,448,323	45.3%	\$174,515,082	10.9%	\$19,038,757	45.3%
Secondary Trade Area	\$612,339,042	2.4%	\$14,882,629	43.6%	\$755,940,219	2.4%	\$18,315,125	43.6%
Local Workforce	\$2,981,342	18.5%	\$552,602	1.6%	\$3,723,529	18.7%	\$696,826	1.7%
Sub-total	\$756,736,228	4.1%	\$30,883,554	90.5%	\$934,178,830	4.1%	\$38,050,708	90.5%
Misc. Inflow		9.5%	\$3,226,987	9.5%		9.5%	\$3,994,792	9.5%
Total Sales			\$34,110,541	100.0%			\$42,045,499	100.0%
Target Sales PSF			\$538				\$590	
Warranted Net Leasable SF			63,400				71,300	
Convenience SF			29,800				32,400	
Grocery & Specialty Foods			18,100				19,600	
Drug Store			4,000				4,400	
Alcohol & Tobacco			1,600				1,600	
Services & Fitness			6,100				6,800	
Comparison SF			15,600				17,400	
Fashion & Footwear			2,700				2,900	
Health & Beauty			5,300				6,100	
House & Home			1,700				1,900	
Specialty Retail			3,000				3,200	
General Merchandise			2,900				3,300	
Leisure SF			18,000				21,500	
Full Service Restaurants			9,900				11,500	
Limited Service Restaurants			4,600				5,400	
Entertainment			3,500				4,600	
TOTAL NET LEASABLE SF			63,400				71,300	
Building Efficiency Ratio est.			0.90				0.90	
Gross Building Area SF			70,444				79,222	
Floor Area Ratio (FAR) est.			0.25				0.25	
Land Area Requirement SF			281,778				316,889	
Land Area Requirement (Acres)			6.5				7.3	

4

Retail Opportunity Summary

Retail Opportunity Summary

Key Takeaways



Market Overview

- Sacramento has an overall healthy retail market supported by an influx of new residents and a diversifying economy.
- New construction has been limited due to uncertainty in the overall retail sector and increased construction costs. Most development is under 10,000 square feet and is infill.
- Vacancy has declined to historic lows in recent years.
- Roseville/Rocklin is the region's largest retail submarket and one of its best performing. However, it has an excess of Neighborhood Center and Strip Center space due to over-development of this format in prior decades.



Competitive Environment

- Competition for Neighborhood Centers is strong in the local market, and a number of additional retail nodes are planned.
- The submarket is expected to see continued population growth and rising incomes. However, growth in expenditure on "Convenience" retail (the daily staple goods and services typically sold at Neighborhood Centers) will be challenged to overcome the relatively high vacancy rates in the local area for this retail format, given the number of planned competing developments.



Location Evaluation

- While a retail development at WB-42 would benefit from its location in a leading submarket, the site faces several challenges, most notably being a "180-degree" site on the edge of the current built-up area.
- Traffic counts are marginal for Neighborhood Center scale retail, and Santucci Blvd may not be completed for at least 15 years.



Trade Area Analysis

- A trade area analysis identified support for 63,400 SF of shopping, dining and entertainment space at WB-42 over the next five years. Such a development would require approximately 6-7 acres of land based on industry standard floor-area ratios (FARs).
- Over five years, warranted floorspace increases to 71,300 SF requiring an estimated 7.3 acres of land were the development to be expanded.



Retail Opportunity Summary

- WB-42 could support a smaller retail development serving local residents living within a 10-minute drive of the site.
- However, such a development is likely to be considerably smaller than the original plan for the site and would require approximately seven acres of land.



www.MXDDevelopment.com

Exhibit E-1: RS/DS Development Standards

	Single Family with Attached Sidewalk ⁴	Single Family with Separated Sidewalk ^{2,4}
Lot Size (minimum)		
Area, Interior Lot	3,000 sq. ft.	2,800 sq. ft. ²
Area, Corner Lot	3,300 sq. ft.	3,000 sq. ft. ²
Width, Interior	45 ft.	45 ft.
Width, Corner	52.5 ft.	47.5 ft.
Permitted Density (maximum per lot)		
Residential Density	1 dwelling; 1 second unit	1 dwelling; 1 second unit
Setbacks (minimum)		
Front ³	<i>14 ft. to living space or side wall of garage; 18 ft. min. driveway depth w/roll up garage door.</i>	<i>9 ft. to single-story living space or side wall of garage; 18 ft. min. driveway depth w/roll up garage door.</i>
Sides ^{3, 5}	5 ft. interior; 12.5 ft. street side on corner	5 ft. interior; 7.5 ft. street side on corner
Rear	10 ft. to 1 st story wall 15 ft. to 2 nd story wall	10 ft. to 1 st story wall 15 ft. to 2 nd story wall
Coverage (maximum)		
Site Coverage	None & no min. usable open space required	None & no min. usable open space required
Height (maximum)		
Height	35 ft.	35 ft.
Other Provisions		
Front Yard Stagger	<i>None required, but optional per unit design</i>	<i>None required, but optional per unit design</i>
2nd story wall separation	10 ft.	10 ft.
Two-story unit mix	No limit	No limit
Stagger for 3 rd car garages	2 ft. between 3rd car bay and two-car garage	2 ft. between 3rd car bay and two-car garage

¹ Items in *italics* represent modifications to City Zoning Ordinance standards.

² Sidewalk separated from back of curb by 5-foot planter strip.

³ Front setback (and side setback where adjacent to street) measured from back of walk. If no sidewalk is present, setbacks measured from back of curb. Minimum separation between two-story elements shall be 10 ft.

⁴ A DRRS permit (required for neighborhoods greater than 7 du/ac) will be used to ensure compliance with the standards above.

⁵ Fence side yard setback is 5' from back of walk where facing a street with an attached sidewalk. Fence side yard setback is 2.5' from back of walk where facing a street with a detached sidewalk.

Mary Jo Flynn-Nevins
7056 Greenford Way
Roseville, CA 95747

Sean Morales
Associate Planner
Development Services Department - Planning Division
311 Vernon Street
Roseville, CA 95678

RE: WB-42 REZONE PROJECT SUPPORT WITH AMENDMENTS

Dear Mr. Morales,

I would like to offer my support with amendments for the proposal to change the size of two parcels for lot WB-42. I would like to request that in the community commercial designated lot, drive-through businesses be prohibited. Further, the property owner indicated that the split lot was 1 acre too small to support a gas station (a requirement of Safeway grocery at 8.5 acres) and I would like to request a prohibition of gas stations as well. As a safety consideration for school-aged children traveling to Westbrook Elementary, I ask for assurance that a traffic signal at Solaire and Westbrook is installed before either lot breaks ground for development.

I oppose rezoning the remaining lot as medium density housing. Within the Sierra Vista Plan almost all of the designated community commercial along Pleasant Grove has been reduced or eliminated over the last several years. The original designation promised to be a solution to the walkability of the Sierra Vista Plan allowing residents to make car-free trips to shopping and dining. This will lead to higher costs for residents over time as the state continues to tighten restrictions around air quality, carbon footprint, carbon credits, etc.

I am very concerned that in the 20-30 year horizon we will see a vast need for the previously eliminated commercial zoning and I would hate to see the current planning commission and city council authorize the building of future food and retail deserts. I believe doing so will only see a decline in housing values if residents seek amenities and buy or rent housing in other more pedestrian friendly communities.

For the lot proposed to change zoning, I would much prefer to see this lot zoned as mixed-use with retail/professional office on the first floor, and residential on the second and third floors. I believe this honors the original intent of the master plan for community commercial for the entire 14.5 acres, but allows the immediate use of residential which will help the housing stock in Roseville. Aesthetically, a three-story structure is no different than the same height structure adjacent to St. John's Church.

I'm including links to single-family and townhouse style architectural plans that I believe would be suitable for development in this area. I know much interest around mixed-use is within downtown centers focused on revitalization. However, what if there was an opportunity to create a vibrant live-work and retail space from the ground up? I believe the walkability and environmental benefits along with having a live-work lifestyle in a suburban community brings a different vibe than an active all-hours downtown core. Having a known pool of workers, I believe, would also entice restaurants and other amenities to the commercial lot, something that housing alone may not accomplish.

Concept 1: Detached Home

[4 New Live/Work Housing Design Solutions | ProBuilder](#)

ARCHITECT: Kevin L. Crook Architect, Kevin Crook, kcrook@klcarch.com, 949.660.1587

DIMENSIONS: Width: 24 feet, Depth: 37 feet, Living area: 1,998 sf



- A Work space on ground level
- B Private powder room
- C Work space private entry
- D Shared entry to living area, work space, and garage
- E First-floor living space features common areas
- F Second-floor living space is dedicated to bedrooms/private areas

Concept 2: Townhouse “Main Street” Style

[4 New Live/Work Housing Design Solutions | ProBuilder](#)

ARCHITECT: Dahlin Group Architecture | Planning, emily.bonato@dahlingroup.com, 925.251.7203

DIMENSIONS: Width: 26 feet, Depth: 46 feet, Living area: 1,734 sf



PLAN 3



- A Street-facing work space provides visibility to vehicle and pedestrian traffic
- B Separate entry to the living area is set back and has contrasting finishes
- C Work space with private bathroom
- D Dedicated storage for work space, with access to rear-loaded garage
- E Main living located on second floor in an open-concept layout
- F Third floor features the master suite, maximizing privacy from both the main living and work spaces

Article supporting live-work housing:

The Case for Live-Work Design Buildings (Zero Commute) [Living Above the Store: The Case for Live-Work Buildings - Moss Architecture \(moss-design.com\)](https://moss-design.com/blog/living-above-the-store-the-case-for-live-work-buildings)

In summary, I believe the owner has been honest in the challenges of finding a developer for the entire 14.5 acre parcel. However, I believe converting the balance of the lot to mixed-use does more to allow independent operation of ground-floor business, is a solution for the ever-growing

work from home lifestyle, encourages local business development, and supports the government with a mix of sales, business license, and property taxes.

I appreciate the opportunity to provide comments on this proposal and appreciate your careful consideration of resident comments for this decision.

Respectfully,

A handwritten signature in blue ink that reads "Mary Jo Flynn-Nevins". The signature is written in a cursive, flowing style.

Mary Jo Flynn-Nevins

cc: John Prior, Planning Commission Chair
Scott Alvord, District 5 Council Member

RECEIVED

SEP 17 2024

PERMIT CENTER

KATE D. ROSENLIEB

***4041 Equator Lane
Roseville, CA 95747
Phone (916) 208-7632***

September 17, 2024

City of Roseville Planning Commission
311 Vernon Street
Roseville, CA 95678

RE: My opposition to the WB-42 proposal

Dear Roseville Planning Commissioners:

I am Kate Rosenlieb and I moved to Roseville this Spring from Sacramento. I now live in Heritage Solaire, the development that immediately abuts two sides of the WB-42 site. This vacant 14.5 acre commercial parcel played a key role in my decision to buy my house. I have been counting on the future commercial retail services this site will offer my community, and I am counting on the Planning Commission and the City Council to support their existing Specific Plan for this site.

I spent my entire career working in land planning and development related issues. I worked for developers for 20 years. I worked for Economic and Planning Systems Inc. for 5 years, the same financial consultant who did the fiscal impact study on this WB-42 proposal. I worked for 10 years for cities in the public sector side of development, and I served for 6 years as a Planning Commissioner for the City of Bakersfield.

I am very much opposed to the developer's request to significantly downsize the commercial parcel from its current 14.5 acres to a strip mall size of 7 acres. As many of you know, these small commercial sites lack synergy and tend to have higher turnover than larger commercial sites, while offering fewer services.

During my research on this proposal, I talked to some retailers myself. They indicated a minimum site of 7.5 to 8 acres would be a minimum target size for them. And several potential future users will not consider a site as small as 7 acres. Is 14.5 acres too big? I think not based on my research. And it's important to note, the developer agrees this site is marketable at 14.5 acres but it will take some time for that to occur. That's what long term planning is all about. Is 7.0 acres too small? You bet it is!

I've spent considerable time talking to other well established commercial brokers who know this market and know this developer. They indicate Mr. Tallman, the developer behind this proposal, is primarily a residential developer. But, while this proposal fits the developer's comfort zone and timeline and cash flow desires, it does nothing to meet the needs of our West Roseville community.

The only justification the developer has offered in his quest to significantly change the Specific Plan land use designation to downsize this commercial parcel from 14.5 acres to 7 acres is it's too large to market. The developer then notes as his only supporting evidence he's owned it since 2010 and he's been marketing it the entire time and has been using a top-notch real estate broker since 2018 who has been unable to date, to market it to one buyer (as is required by the developer).

There are many already developed commercial parcels of this size including the recently developed Raley's One Center (13.21 acres) and the Nugget Center (15.5 acres). The 15.5 acre Nugget Center on Blue Oaks and Woodcreek Oaks, combined with the other two commercial centers at this same intersection (Safeway center at the Southwest intersection at 9 acres and the Walgreens/Dutch Brothers center at the Northeast intersection at 10 acres) total to 34.5 acres of commercial uses at this one intersection.

As you are aware, commercial retail doesn't come into an area until the housing is there to support it, so this site hasn't truly been ready for development for the many years this developer has owned this parcel. Most retailers count the rooftops that have been developed around a one-mile radius to a site before they agree to invest in a new site. We are still adding new rooftops in that one-mile radius around this site and we are still building critical road systems to serve this site. Given patience, there is no doubt this site will develop into a wonderful neighborhood commercial center with many vital services we need and deserve in West Roseville neighborhoods. That's what long term planning is all about and that is what Roseville has had a reputation for being good at.

We know the carrying cost of this parcel has a "bite" to it, and Mr. Tallman expressed that in his first of two neighborhood meetings on this proposal, both of which I attended. But this is a business risk inherent in the development industry. While I want to acknowledge that Mr. Tallman has a proven track record of commitment to the community, there are many of us who remain very opposed to this proposal which would be another blow to the future neighborhood commercial services our West Roseville community needs.

I think looking at the history of the commercial land use changes that have already occurred in West Roseville along Pleasant Grove Boulevard are worth mentioning. The already built commercial parcel where the MoJoe's café is located was originally planned to be 13.8 acres in size, but was allowed by the city (and with this same developer) to be downsized to 3.1 acres in 2017. So, we lost forever those planned 10 acres of vital commercial retail that could have served our neighborhood.

Then, in 2022, again this same developer, Mr. Tallman, received permission from the city to change the 10 acre planned commercial center (WB-41) at Santucci and Pleasant Grove to 100% single family homes. So there went another 10 acres of vital commercial retail that could have served our neighborhood.

When the WB-41 site at Santucci and Pleasant Grove was changed from community commercial to 100% residential just a little over two years ago, the developer's

consulting firm, Intalytics, noted this WB-42 site would be a superior supermarket site to support our neighborhood commercial needs. And, the developer's other consultant on the WB-41 parcel, MXD, rated this current WB-42 parcel 7th out of 26 future planned community commercial sites located in the Sierra Vista, West Roseville, and Creekside Specific Plan areas with respect to ability to attract and implement a successful retail development.

Specifically, the MXD study rated this WB-42 parcel in the top third of future planned community commercial sites based on access, visibility, future population growth, proximity to civic and employment uses, vehicle counts, and by the shape and the size of the parcel. The developer's own consultants for the WB-41 project 2.5 years ago didn't indicate any marketability issues with this WB-42 site. I note the absence of any real supporting data or consulting studies now to this developer's claim the WB-42 site is "too big" to market successfully.

The developer has called this history of reducing and eliminating planned commercial sites along the western end of Pleasant Grove Boulevard "right" sizing. "Right" for who? Right for an impatient and primarily residential developer? It's been a history of "down" sizing, eliminating the future potential of commercial services to our neighborhood. And this proposal...there's nothing "right" about it. It's not the right idea, it's not compatible with the Sierra Vista Specific Plan, and it's not what our larger neighborhood needs or deserves.

This is the last opportunity we have along this stretch of Pleasant Grove Boulevard to have a community commercial serving project. This 14.5 acre WB-42 site in time, will indeed develop to provide vitally needed, deserved, and expected future commercial retail to serve our West Roseville neighborhoods. When asked what type of retail services do we want at this location, different neighbors will offer their own wish list, but we primarily focus on the fact 14.5 acres produces more service opportunities than 7 acres does.

I recognize this is not an easy decision, but once this vibrant and feasible retail opportunity is lost through this proposal, you can't go back. If you choose to support this proposal, please take great effort to help the many of us who purchased our homes relying on this long-term land use plan understand why you would be willing to take such a radical step at this time. What is the "compelling reason" to significantly downsize this parcel now, rather than wait for the parcel to be more marketable in time?

As a new resident of Roseville, I have to tell you how truly amazed I have been at the outpouring of pride the residents of this community have for this city. It's inspiring. I listened to the Mayor's State of the City address recently, and the swell of pride in that room was wonderful. I have listened with envy for years how my friends tout the benefits of living in Roseville. And, I'm finally here. I'm finally part of this swell of community pride and I'm excited to be here. My home has been the greatest single investment for me that I've ever made. It's taken me a lifetime of work to get to where I am. And I hardly got my boxes unpacked before this objectionable proposal came up.

Mr. Tallman, who has a great reputation as a residential developer, was asked at the second of the two neighborhood meetings what would he do if this proposal was rejected by the city? Mr. Tallman said he's not a quitter and that he would keep working on marketing this site. We're hoping you send him back to the drawing board and that he keeps working on this. Maybe he'll even consider phasing the project, which he has called "piecemealing", but that other commercial brokers have stated is a viable option.

Thank you for your consideration of my objection to this proposal, and thank you for volunteering to serve your community as Planning Commissioners.

Sincerely,



Kate Rosenlieb

From: [JLP Faulk](#)
To: [Morales, Sean](#)
Subject: Comment re: Westbrook Commercial Property
Date: Tuesday, September 17, 2024 4:40:32 PM

EXTERNAL: This email originated from outside of the organization. Do not click on any links or open attachments unless you recognize the sender and know the content is safe.

Project Title: SVSP PCL WB-42-Rezone and Land Use Amendment
File #: [PL24-0397](#)
Address: 2931 Pleasant Grove Blvd/ Westbrook Commercial Property

To: S. Morales, Roseville City Planning Commission

From: Jennifer Faulk, Resident, 4025 Sungate Lane, 95747

I am a resident of Heritage Solaire in Westpark and am writing to submit my comments regarding the above proposal:

After attending two neighborhood forums where Mr. Tallman has explained his plan to rezone this commercial property for housing instead of commercial use, I am opposed to the rezoning. As I expressed at the first forum, the Westpark area is in danger of becoming an "anyplace USA" jungle of stucco houses with a few routine chain stores and restaurants here-and-there. The only place that brings any character to our community is the tiny 747/MoJo's commercial development. The 14 ½ acre commercial site being discussed is the perfect place to break the mold and plan an attractive shopping/service/entertainment center that has a mix of locally owned and "chain" type shops, eateries, services and things to do. It can be a beautiful place for Westpark neighbors to walk to, for people from the nearby soccer complex to stop by between games, and a destination for people from other areas of Roseville. Goggle "The Marketplace", Bakersfield CA, for an example of this. Initially, that developer wanted to break up that large commercial parcel into a mix of apartments, business offices and the usual grocery store/gas station. The neighbors wanted a walkable-village concept of mixed shopping/dining/entertainment. The developer said it couldn't be done but the neighbors pushed back and the result was a beautiful and unique venue that attracted people from all over the city.

Mr. Tallman pointed out that he's been trying to market the development to commercial buyers for many years, but I would point out that it is still too early to give up on commercial use. Westbrook Blvd has yet to be expanded to six lanes, the soccer/sports complex has yet to be opened, and nearby housing has not yet been built out. It seems reasonable to assume that certain types of commercial developers may be more interested in the property once these things come to pass. I believe that it's too soon to "give up" on this commercial parcel and turn it into housing. Once half of the commercial property is gone, it's gone forever. There will

always be an opportunity to revisit the rezoning issue again in the future, but for now I believe that the whole 14 ½ acres should remain commercial.

When I bought my property here in the Heritage Solaire 55+ community, I bought with the understanding that there would be shopping and services within walking distance on both ends of our neighborhood and that there would be a large multi-use park behind the community on Solaire Drive. It was a perfect scenario for this soon-to-be Grandma to relocate for the rest of my retirement. I envisioned being able to access shopping and services long after I am too old to drive, and to walk my toddler/preschool-aged grandchildren to the park to play. So far I have been disappointed: The commercial lot on the corner of Pleasant Grove and Daylight was turned into housing, and the original plans for the park were scaled back severely.

I am still pleased to be living in such a beautiful part of northern California where the City Planners have had the foresight to build around swaths of green spaces with lovely multi-use trails and to have ample water and electricity to support Westpark. I still have faith that the City of Roseville will continue to support the promise of ample shopping, dining and services for the people in this area, and that you will strive to attract the mix of independently owned and "chain" style retail/services that will give this area character and an outstanding lifestyle.

Thank you for considering my comments.