

4.1

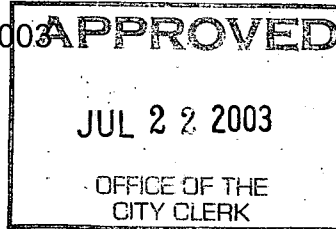
**PLANNING AND BUILDING  
DEPARTMENT**

CAROL SHEARLY  
NATOMAS MANAGER

City Council  
Sacramento, California

**CITY OF SACRAMENTO  
CALIFORNIA**

July 15, 2003



**NORTH NATOMAS UNIT**  
2101 ARENA BOULEVARD  
ROOM 200  
SACRAMENTO, CA 95834

PH. (916) 808-8368  
FAX (916) 566-3968

Honorable Members in Session:

**SUBJECT: NORTH NATOMAS PUBLIC LAND ACQUISITION FEE UPDATE 2003**

**LOCATION AND COUNCIL DISTRICT:**

North Natomas Financing Plan Area, Council District 1.

**RECOMMENDATION:**

This report recommends City Council adopt the attached resolution revising fees relative to the North Natomas Public Land Acquisition Fee (PLAF).

**CONTACT PERSONS:**

Edward Williams, Senior Engineer, 264-5440  
Carol Shearly, Natomas Manager, 808-5893

**FOR COUNCIL MEETING OF:** July 22, 2003

**SUMMARY:**

City Council adopted the North Natomas Development Impact Fees in 1994. They were updated in 1999 and again in 2002. Adoption of the attached resolution will approve the 2003 update of the North Natomas Public Land Acquisition Fee to more accurately reflect the cost of acquiring public land (see Attachment A).

**COMMITTEE/COMMISSION ACTION:** None.

**BACKGROUND INFORMATION:**

City Council adopted the North Natomas Development Impact Fees in 1994. They were updated in 1999 and again in 2002. Adoption of the attached resolution will revise the current fee in the North Natomas Public Land Acquisition Program to reflect changes in the cost of acquiring public land.

The purpose of the Public Land Acquisition Program is twofold:

- 1) To insure that public use lands are available to the City to construct infrastructure and facilities on a timely basis; and
- 2) To maintain equity among landowners for land provided above and beyond standard dedications.

The "weighted average value of land", as determined by an annual Valuation Study has increased since the previous study conducted in 2002. The weighted value, a three year average, is used to calculate the Land Acquisition Fee.

#### **FINANCIAL CONSIDERATIONS:**

There is no impact to the General Fund. North Natomas developers pay the North Natomas Public Land Acquisition Fee at the time building permits are issued. The fee revenue ultimately funds the acquisition of the public lands.

#### **ENVIRONMENTAL CONSIDERATIONS:**

Under the California Environmental Quality Act (CEQA) Guidelines, annual impact fee revisions do not constitute a project and are therefore exempt from review.

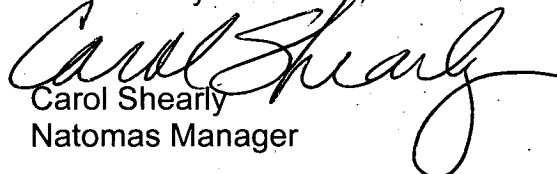
#### **POLICY CONSIDERATIONS:**

Adoption of the revised fees is consistent with the intention of the North Natomas Financing Plan adopted in 1994 and updated in 1999 and 2002. It is also consistent with the City's Strategic Plan in preserving and enhancing the City's quality of life.

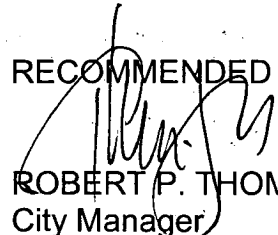
#### **ESBD CONSIDERATIONS:**

City Council adoption of the attached resolution is not affected by City policy related to the ESBD Program.

Respectfully submitted,

  
Carol Shearly  
Natomas Manager

#### **RECOMMENDED APPROVAL:**

  
ROBERT P. THOMAS  
City Manager

#### **TABLE OF CONTENTS:**

1. Attachment A, North Natomas Public Facilities Land Acquisition Fee Schedule, pg. 3
2. Resolution Establishing the Revised Amounts of Fees, pg. 4

# ATTACHMENT A

## NORTH NATOMAS PUBLIC FACILITIES LAND ACQUISITION FEE

LAND USE	2002 Public Facilities Land Acquisition Fee	Proposed 2003 Public Facilities Land Acquisition Fee
<b>Residential</b>		
Single Family Attached / Detached		
Rural Estates	\$0	\$0
Lot Size > 5000 sq. ft.	\$1,378	\$1,705
Lot Size>3250-5000 sq. ft.	\$1,128	\$1,394
Lot Size< 3,250 sq. ft.	\$877	\$1,084
Age- Restricted Single Family	\$1,647	\$2,036
Multi-Family (>2 attached units)		
8-12 units per net acre	\$877	\$1,084
12-18 units per net acre	\$647	\$800
>18 units per net acre	\$417	\$515
Age Restricted Apartments	\$411	\$508
Age-Restricted Congregate Care	\$215	\$266
<b>NON-RESIDENTIAL</b>		
Convenience Commercial	\$9,289	\$11,488
Community Commercial	\$9,289	\$11,488
Village Commercial	\$9,289	\$11,488
Transit Commercial	\$9,289	\$11,488
Highway Commercial	\$9,289	\$11,488
Regional Commercial	\$9,289	\$11,488
Office EC 30	\$9,289	\$11,488
Office EC 40	\$9,289	\$11,488
Office/Hospital EC 50	\$9,289	\$11,488
Office EC 65	\$9,289	\$11,488
Office EC 80	\$9,289	\$11,488
Light Industrial w/ <20% Office	\$9,289	\$11,488
Light Industrial w/ 20%-50% Office	\$9,289	\$11,488
Arena	\$9,289	\$11,488
Stadium	\$9,289	\$11,488

C:\Documents and Settings\Administrator\Local Settings\Temp\[2003  
Land Acquisition.xls]Sheet1

APPROVED

JUL 22 2003

OFFICE OF THE  
CITY CLERK

RESOLUTION NO. 2003-513

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**A RESOLUTION ESTABLISHING THE REVISED AMOUNTS OF FEES AND PROVIDING FOR CREDITS, REIMBURSEMENTS AND OTHER MATTERS RELATIVE TO THE NORTH NATOMAS PUBLIC LAND ACQUISITION PROGRAM**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:**

**WHEREAS,**

- A. The North Natomas Finance Plan, adopted by Resolution No. 95-495, updated in 1999 by Resolution No. 99-471 and in 2002 by Resolution No. 2002-374, ("NNFP") authorizes the annual valuation of Public Lands to be acquired through the North Natomas Land Acquisition Program ("NNLAP") and the calculation of the Public Facilities Land Acquisition Fee. A Valuation Study has been prepared by Clark-Wolcott, Inc. which provides an estimate of the value of the land required for Public Facilities. A Fee Study has been prepared by Economic and Planning Systems which relies on the Valuation Study to determine the proposed cost of acquiring the Public Lands and calculates the appropriate Public Facilities Land Acquisition Fee, according to the provisions of the NNFP. The Valuation Study and the Fee Study update (collectively "Update") the analysis relative to the NNLAP as authorized in the NNFP.
- B. The North Natomas Community Plan ("NNCP"), the North Natomas Financing Plan ("NNFP"), and the Update, along with the studies and reports each may reference or be based upon in whole or in part, together with any amendments thereto made after their initial adoption, establish the need for, costs of, and financing of public infrastructure for development within the NNFP Area, including public lands, and present a reasonable basis on which to establish development impact fees. The foregoing items, and all other additional studies and reports, including, without limitation, drainage reports and proposals, transportation studies, and housing studies presented to the Council now or in the past for Council's approval or for informational or other purposes, along with the studies, reports, and data each may reference or be based upon in whole or in part, and any and all amendments thereto made after their initial adoption, together with staff reports and other matters presented to the Council by City staff or interested parties, whether in writing or orally, constitute the record before City Council for purposes of the adoption of this resolution ("Legislative Record").
- C. The Legislative Record contains an analysis of impacts of contemplated future development in the NNFP Area and the need for new public infrastructure required by such development.

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

The Report sets forth a reasonable relationship between North Natomas development, the public lands, their estimated acquisition costs, and the amount of the development impact fee required for acquisition

- D. Title 18, Chapter 18.24 of the Sacramento City Code provides that City Council may, by resolution, set forth specific limitations, which will apply to credits and reimbursements relating to development impact fees. The Clerk shall publish notice of public hearing ten (10) days before the hearing. The resolution will become effective permanently after sixty (60) days following its adoption.
- E. Title 18, Chapter 18.24 further provides that the Clerk shall publish notice of public hearing ten (10) days before the hearing. The resolution will become effective permanently after sixty (60) days following its adoption.
- F. A public hearing on adoption of this resolution was set as part of a regularly scheduled meeting of the Sacramento City Council for July 22 at 2:00 p.m. in the Council Chamber located at Interim City Hall, 730 I Street, Second Floor, Sacramento, California 95814.
- G. The Report was available for public inspection and review at the Office of the City Clerk, City Hall, for a period of at least ten (10) days prior to the public hearing. Materials supplementing the Update and all background data referenced in the Update were made available to interested parties upon request made to the City Department of Public Works, at least ten (10) days prior to said public hearing.
- H. The public hearing was also noticed pursuant to and in compliance with Government Code sections 66018 and 6062a, and was held as part of a regularly scheduled meeting of City Council of the City.

**NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:**

**Section 1. Findings.**

- (a) City Council hereby finds as follows:
  - (i) The recitals set forth above are true and correct and are incorporated herein by reference as findings.
  - (ii) City Council approved the Update following a public hearing on the matter, and the contents of said report are incorporated herein.
- (b) As to the revised fees associated with the>NNLAP, as authorized by Chapter 18.24 of Title 18, Sections 18.24.250 through 18.24.410 of the Sacramento City Code, City Council makes the following additional findings:

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

- (i) The revised NNLAP, contained in the update, reflects reasonable and necessary refinements to the program as it was initially adopted. The revised program sets forth a reasonable, fair and equitable method by which the cost of the acquisition of necessary public land is shared by North Natomas landowners, without cost to the City. The revised program also sets forth provisions concerning credits, reimbursements and deferral in the payment of the Land Acquisition Fee. As such, the revised program is consistent with the goals and policies reflected in the NNCP and the NNFP.
- (ii) The purpose of the Land Acquisition Fee is to finance only the acquisition of required public land, as specified in Chapter V of the NNFP.
- (iii) The various types of development in the NNFP Area generate a need for certain public infrastructure that has not been constructed and that is required for consistency with the City's General Plan and the NNCP, and to protect the public's health, safety and general welfare. The acquisition of public land under the NNLAP is necessary to support the construction of public facilities and infrastructure and to provide open space, buffers, and certain parks as set forth in the program.
- (iv) The Legislative Record establishes a reasonable relationship between the need for the specified public land and the impacts of the various types of development contemplated in the NNFP Area, for which the Land Acquisition Fee is charged.
- (v) There is a reasonable relationship between the use of the revised fees use and the type of development for which the fees are charged, as described in the Legislative Record, including, without limitation, the NNLAP set forth in the NNFP and the Update.
- (vi) The revised fees are consistent with the City's General Plan and the NNCP, and City Council has considered the effects of the fees with respect to the City's housing needs and the regional housing needs.

## **Section 2. Land Acquisition Program Fees**

The amounts of the Land Acquisition Fee provided under the NNLAP is hereby established for each of the referenced categories of public infrastructure at the levels set forth in the North Natomas Update.

---

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

### **Section 3. Public Land Acquisition Value**

The amount of the Public Land Acquisition Value (PLAV) which is used to establish the Land Acquisition Program Fees, is hereby established based on criteria defined in the North Natomas Finance Plan. The PLAV is to be adjusted annually and become effective July 1 of each succeeding year.

### **Section 4. Credits and Reimbursements.**

Pursuant to Title 18, Chapter 18.24 of the Sacramento City Code, credits against and reimbursements of the Public Land Acquisition Fee shall be calculated pursuant to and in accordance with the provisions of the NNFP.

### **Section 5. Deferrals.**

Fee deferral programs for the Land Acquisition Fee shall be permitted pursuant to and in accordance with the provisions of the NNLP set forth in the NNFP.

### **Section 6. Construction of Resolution**

The provisions of this resolution are subject and subordinate to the provisions of Title 18, Chapter 18.24 and shall at all times be construed and applied consistent therewith as the same presently exist or may from time to time be amended.

### **Section 7. Judicial Action to Challenge This Resolution.**

Any judicial action or proceeding to attack, review, set aside or annul this resolution shall be brought within 120 days of its adoption.

### **Section 8. Effective Date.**

This resolution will become effective permanently after sixty (60) days following its adoption.

### **Section 9. Severability.**

- (a) If any section, phrase, sentence, or other portion of this resolution for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this resolution.
- (b) If any fee set by this resolution for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such fee shall be deemed a separate, distinct and independent fee, and such holding shall not affect the

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

validity of the remaining fees set by this resolution.

- (c) If any fee set by this resolution is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction based upon an insufficient relationship or nexus to a specific public infrastructure for which the revenue generated from such fee may be expended pursuant to Title 18, Chapter 18.24 of the Sacramento City Code or any resolution adopted pursuant to said Chapter, the fee as it relates to the specific public infrastructure shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the fee as it relates to other public infrastructure.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_



4.1

## NOTICE OF PUBLIC HEARING

### ON THE RESOLUTION ESTABLISHING REVISED AMOUNTS OF FEES AND PROVIDING FOR CREDITS, REIMBURSEMENTS FOR THE NORTH NATOMAS PUBLIC LAND ACQUISITION PROGRAM

NOTICE IS HEREBY GIVEN that Tuesday, the 22nd day of July, 2003, at the hour of 2:00 o'clock p.m. at the regular meeting place of the Council, City Council Chambers, Sacramento Interim City Hall, 730 I Street, First Floor, Sacramento, California 95814, has been fixed as the time and place for a public hearing to be held by the Council to consider the Revised amounts of fees and providing for credits, reimbursements and other matters related to the North Natomas Public Land Acquisition Program, or on any other matters set forth in the Resolution, will be heard and considered. Any protests to the foregoing may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made; and the Council may waive any irregularities in the form or content of any written protest and at such public hearing may correct minor defects in such proceedings. All written protests shall be filed with the City Clerk of the City on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing.

Questions should be directed to Ed Williams, Department of Public Works, Special Districts, telephone (916) 264-5440.

DATED: July 10, 2003.

VALERIE A. BURROWES  
City Clerk of the City of Sacramento

AD NO: 4715  
RUN: 7/11/03  
PROOF: 2

**From:** Ed Williams  
**To:** Virginia Henry  
**Date:** 7/9/03 4:11PM  
**Subject:** Notice of Public hearing

Virginia - Please disregard my previous GW regarding noticing of public hearing. Please see attached Public Hearing Notice for publishing. Carol Shearly put an item on the agenda for July 22nd. This item is a public hearing and requires the 10 Day Noticing period which would be Friday, July 11th. The title of the report is "North Natomas Public Land Acquisition Fee Update 2003".

If there is anything else you require please let me know.

Thank You - Ed

Edward Williams  
Department of Public Works  
Special Districts, Senior Engineer  
264-5440

**CC:** Laura Cuthbert

**From:** "Barbara\_Bennett" <Barbara\_Bennett@dailyjournal.com>  
**To:** "Laura Cuthbert" <LCuthbert@cityofsacramento.org>  
**Date:** 7/10/03 8:47AM  
**Subject:** Re: ad no 9715, 7/11/03

Thank you we will publish as requested

----- Original Message -----

**From:** "Laura Cuthbert" <LCuthbert@cityofsacramento.org>  
**To:** <Barbara\_Bennett@dailyjournal.com>  
**Sent:** Thursday, July 10, 2003 8:29 AM  
**Subject:** ad no 9715, 7/11/03

> Barbara,  
>  
> Here is ad no. 9715 for 7/11/03 regarding N. Natomas Public Land  
> Acquisition program.  
>  
> Thanks,  
> Laura  
>  
>

EPS

A.1

7/22/03

Economic &  
Planning Systems

*Public Finance*  
*Real Estate Economics*  
*Regional Economics*  
*Land Use Policy*

## FINAL REPORT

# NORTH NATOMAS PUBLIC FACILITIES LAND ACQUISITION FEE UPDATE 2003

Prepared for:

City of Sacramento

Prepared by:

Economic & Planning Systems, Inc.

July 11, 2003

EPS #13514

#### SACRAMENTO

1750 Creekside Oaks Drive, Suite 290  
Sacramento, CA 95833-3647  
[www.epsys.com](http://www.epsys.com)

phone: 916-649-8010  
fax: 916-649-2070



#### BERKELEY

phone: 510-841-9190  
fax: 510-841-9208

#### DENVER

phone: 303-623-3557  
fax: 303-623-9049

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# I. NORTH NATOMAS PUBLIC FACILITIES LAND ACQUISITION FEE

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This report presents the information necessary to update the Public Facilities Land Acquisition Fee (PFLAF) for 2003, which is a part of the North Natomas Land Acquisition Program (NNLAP). This update represents the normal annual PFLAF update for 2003.

The PFLAF 2003 update is based on the updated Public Land Acquisition Value (PLAV) as determined by the North Natomas Valuation Study prepared by Clark-Wolcott, Inc. The Valuation Study was completed in March 2003 and established an updated PLAV of \$107,386 effective November 1, 2002.

For a complete description of the NNLAP, please refer to **Chapter V** of the North Natomas Financing Plan 1999 Update (Financing Plan or Finance Plan) and **Chapter VI** of the North Natomas Nexus Study 2002 Update.

## PURPOSE OF THE PFLAF

Development of the North Natomas Finance Plan Area will require a significant amount of land for public uses including open space, drainage system, roadways, interchanges, transit facilities, parks, civic facilities, schools, and buffers to other land uses. Much of the land is provided through normal land dedication in the land development process. However, the quantity of land in North Natomas for public use is unusual because of the large area being planned for development and the amount of land required for mitigation of various development impacts.

To ensure that all participating landowners are not required to dedicate more than their fair share of land for public use and that public lands are available when needed by the City of Sacramento (City), the City will acquire land through normal dedications and through the PFLAF. Landowners dedicating less than their fair share of public land will be required to pay the PFLAF at building permit. Landowners providing more than their fair share of public land would be reimbursed through PFLAF fees paid.

## **PUBLIC LAND ACQUIRED THROUGH THE PFLAF AND LAND ACQUISITION COST**

### **PUBLIC LAND ACQUIRED THROUGH THE PFLAF**

Lands included in the>NNLAP are considered to be of general benefit to all developable land uses in the Finance Plan area. **Map 1** shows the public land to be acquired through the>NNLAP:

- Freeway, Habitat, and Agricultural Buffers
- Open space
- Civic Lands including two fire stations, a library, a police substation, three community centers, other cultural and entertainment uses, and civic utilities such as water facility sites
- Light Rail Right-of-Way
- Offstreet Bikeways
- RD-1000 Easement for drainage
- Street Oversizing Right-of-Way
- A.D. 88-03 Land Reimbursements

### **PUBLIC LAND NOT ACQUIRED THROUGH THE PFLAF**

The>NNLAP excludes “normal” dedications including these:

- neighborhood and community parks dedicated under the Quimby Act
- roadway right-of-way dedications through standard requirements
- landscaping easements dedicated under the Subdivision Map Act

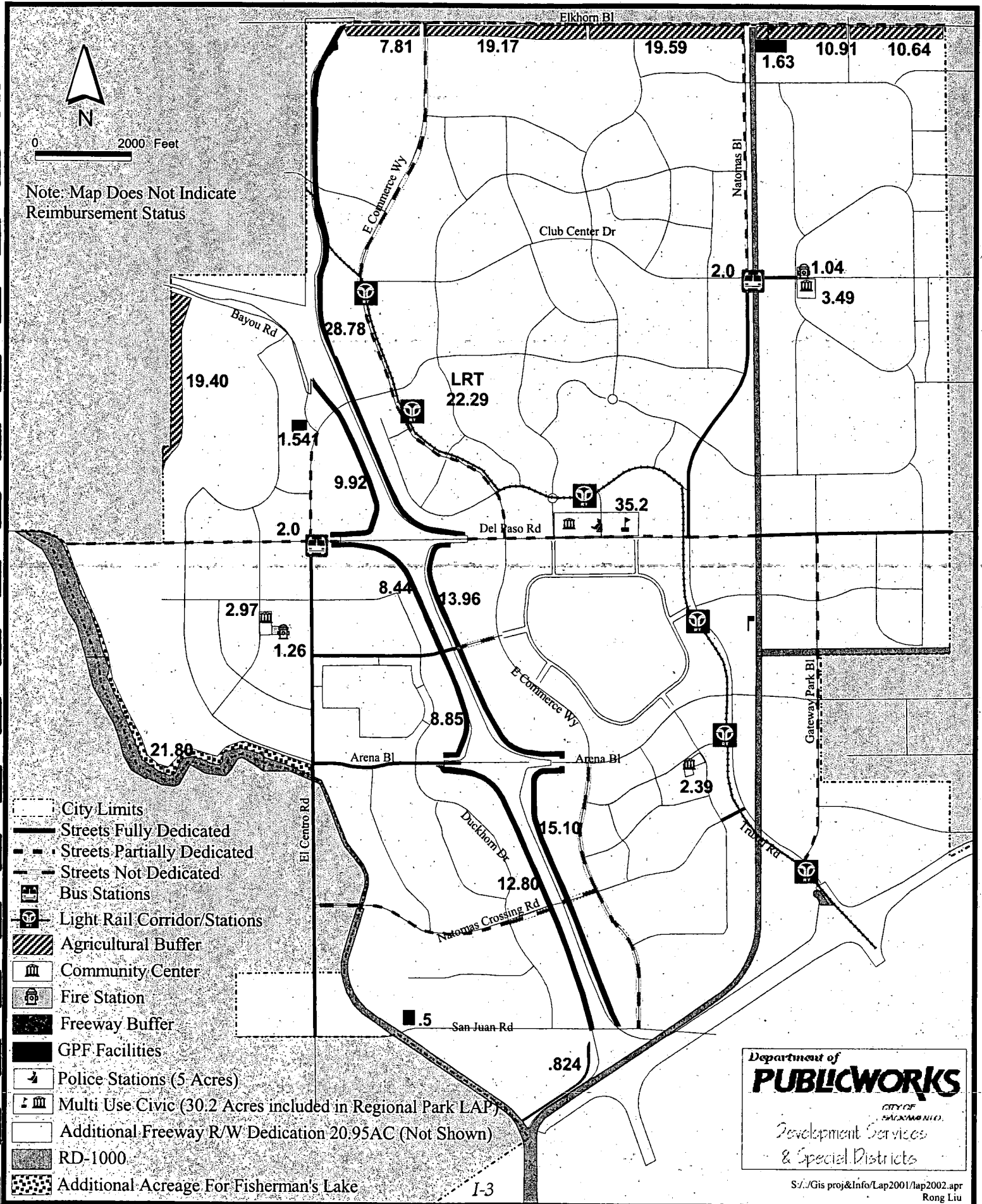
These dedications are handled through standard City processing of development applications.

The>NNLAP also excludes land required for drainage including detention basins, pump stations, and trunk lines. This land will be purchased from the drainage fees or other drainage financing mechanisms. School sites are not included as public land because they are acquired directly by the school districts.

# LAP Reimbursement Areas

Map 1

Revised: August 2002





## PUBLIC FACILITIES LAND ACQUISITION COST

Acreage for the public land listed above, acquisition cost per acre, and the total acquisition cost are shown in **Table 1** on the following page. The acquisition cost per acre is based on the 2003 update of the North Natomas Valuation Study completed by Clark-Wolcott, Inc. This study determined the PLAV, which is based on a 3-year weighted average. **Table 2** summarizes the updated PLAV.

**Table 2**  
**Calculation of Public Land Acquisition Value (PLAV)**

Value	Value
<b>Weighted Average Unit Value</b>	
November 1, 2002	\$132,232
November 1, 2001	\$94,017
November 1, 2000	\$95,909
<b>Average Value (PLAV)</b>	<b>\$107,386</b>

Source: Summary Appraisal Report for North Natomas  
Financing Plan Area (dated March 24, 2003) prepared by  
Clark-Wolcott, Inc.

The cost of land acquired by the PFLAF equals the acquisition cost per acre (PLAV) multiplied by all of the public land subject to acquisition by the>NNLAP (excluding the regional park) divided by the total net acres in the Finance Plan Area. As shown in **Table 3**, the total estimated acquisition cost for public land is approximately \$48.6 million including administration and contingency.

## **LAND USE ASSUMPTIONS**

The PFLAF will be levied on a per-unit basis for residential development and on a per-net acre basis for non-residential development for all land uses in the Finance Plan Area. As when the>NNLAP was created, this PFLAF update will retain the methodology of allocating total>NNLAP costs to all participating land uses.

Retaining the existing methodology will preserve the overall Finance Plan Area ratio of public land to be dedicated to developed land. If the methodology were to be changed to remaining public land and remaining development, the average ratio of public land to

**Table 1**  
**North Natomas Public Facilities Land Acquisition Fee**  
**Estimated Public Land Acquisition Cost**

Public Facilities Land Acquisition Category	Acreage Calculations	Acreage	Acquisition Cost / Acre	Total Acquisition Cost
			[1]	[2]
<b>Public Lands</b>	<b>Appendices B and E</b>		<b>\$107,386</b>	
Freeway Interchange and Overcrossings	Figure B-4	39.4	\$107,386	\$4,233,264
Freeway Buffer	Figure E-1	100.6	\$107,386	\$10,807,467
Agricultural Buffer	Figure E-1	109.3	\$107,386	\$11,739,438
Open Space	Figure E-1	1.6	\$107,386	\$169,670
Community Centers [3]	Figure E-1	8.9	\$107,386	\$955,735
Police Substation	Figure E-1	5.0	\$107,386	\$536,930
Fire Stations	Figure E-1	2.3	\$107,386	\$246,988
General Public Facilities - Utilities	Figure E-1	5.8	\$107,386	\$618,651
Bus Transit Centers	Figure E-2	4.0	\$107,386	\$429,544
LRT Right-of-Way	Figure E-2	22.3	\$107,386	\$2,393,909
Off-Street Bikeways	Figure E-2	2.9	\$107,386	\$310,644
RD-1000 Easement [4]	Figure E-3	35.9	\$107,386	\$3,852,660
Overwidth Street Right-of-Way	Figure E-4	78.1	\$107,386	\$8,388,508
<b>Subtotal Public Lands</b>		<b>416.1</b>		<b>\$44,683,407</b>
<b>TOTAL Finance Plan Area Developable Acres</b>	<b>Table 3</b>	<b>4,227.9</b>		

"land\_value"

- [1] Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per acre cost is based on the North Natomas Valuation Study (dated March 24, 2003) appraisal completed by Clark-Wolcott Inc., and does not necessarily reflect each individual's fair market value.
- [2] Acquisition cost does not include contingency or administration costs.
- [3] Does not include the community center in the Regional Park.
- [4] North Natomas Comprehensive Drainage property dedications calculated in February 1999 and updated in June 2002.

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works, City of Sacramento Neighborhoods, Planning and Development Services Department GIS, and EPS.

developed land may be significantly different from that established when the program began. **Figure III-4 of Chapter III** details the Finance Plan Area land use assumptions.

## **NEXUS FINDINGS**

As discussed previously, the>NNLAP was originally contained in the North Natomas Financing Plan 1999 Update. The developers in North Natomas have agreed, through a development agreement, that they will adhere to policies included in the Financing Plan. Therefore, the developers have agreed to the>NNLAP and both fees included in the program—the PFLAF and the Regional Park Land Acquisition Fee (RPLAF), which was recently updated by the City in March 2003. As a result, this report does not include nexus findings for the PFLAF.

## **FEE CALCULATION**

The PFLAF is based on the average cost per acre to acquire land for public facilities. As shown in **Table 3**, the average cost per acre to acquire public facilities land is \$11,488. **Table 4** shows the PFLAF and the RPLAF for each land-use type. The RPLAF was established by a separate study and adopted by City Council in March 2003. The fees are shown per unit for all residential land uses and per net acre for all non-residential land uses.

Table 3

**North Natomas Public Facilities Land Acquisition Fee**  
**Estimated Land Acquisition Fees**

Land Acquisition	Estimated Acquisition Cost	Plus Administration	Plus Land Value Contingency	Total Cost Basis for Fee	Land Acquisition Fees
		3.0%	5.0%		<i>per net acre</i>
Public Facilities Land Acquisition [1]	\$44,683,407	\$1,457,068	\$2,428,446	\$48,568,921	<b>\$11,488</b>
Regional Park Acquisition [2]					<b>\$10,600</b>

"NNLAF\_units"

[1] Public Facilities Land acquisition fee per net acre prior to credits.

[2] Established separately and adopted by the City Council in March 2003.

**Assumptions for Figures V-5 and V-6:**

	Estimated Net Dev. Acres
<b>Total Developable Acres</b>	
Single Family Acres (Low Density)	1,349.1
Single Family Acres (Medium Density)	781.1
Multi-Family Acres (High Density)	325.6
Age-Restricted Single Family	168.7
Age-Restricted Apartments	20.0
Age-Restricted Congregate Care/Assisted Living	10.0
<b>Total Residential</b>	<b>2,654.6</b>
Non-Residential Developable Acres Remaining (commercial, office, & lt. industrial)	1,573.3
<b>Total Developable Acres</b>	<b>4,227.9</b>

**Table 4**  
**North Natomas Public Facilities Land Acquisition Fee**  
**Land Acquisition Fees [1]**

Land Use	2003 Public Facilities Land Acquisition Fee	2003 Regional Park Land Acquisition Fee
	[2]	[3]
<b>RESIDENTIAL</b>	<b>Fee per Unit</b>	
<i>Single Family Attached / Detached</i>		
Rural Estates	\$0	\$0
Lot Size > 5,000 sq. ft.	\$1,705	\$1,573
Lot Size 3,250 - 5,000 sq. ft.	\$1,394	\$1,287
Lot Size < 3,250 sq. ft.	\$1,084	\$1,001
Age-Restricted Single Family	\$2,036	\$1,879
<i>Multi-Family (&gt;2 attached units)</i>		
8-12 units per net acre	\$1,084	\$1,001
> 12-18 units per net acre	\$800	\$738
> 18 units per net acre	\$515	\$476
Age-Restricted Apartments	\$508	\$469
Age-Restricted Congregate Care	\$266	\$245
<b>NON-RESIDENTIAL</b>	<b>Fee per Net Acre</b>	
Convenience Commercial	\$11,488	\$10,600
Community Commercial	\$11,488	\$10,600
Village Commercial	\$11,488	\$10,600
Transit Commercial	\$11,488	\$10,600
Highway Commercial	\$11,488	\$10,600
Regional Commercial	\$11,488	\$10,600
EC Commercial	\$11,488	\$10,600
EC 30 - Office	\$11,488	\$10,600
EC 40 - Office	\$11,488	\$10,600
EC 50 - Office/Hospital	\$11,488	\$10,600
EC 65 - Office	\$11,488	\$10,600
EC 80 - Office	\$11,488	\$10,600
Light Industrial with <20% Office	\$11,488	\$10,600
Light Industrial with 20%-50% Office	\$11,488	\$10,600
Arena	\$11,488	\$10,600
Stadium	\$11,488	\$10,600

"land\_fees"

[1] Land Acquisition Fees are prior to credits for land dedicated.

[2] Based on the North Natomas Valuation Study (dated March 24, 2003) prepared by Clark-Wolcott, Inc.

[3] Established separately and adopted by the City Council in March 2003.

**SUMMARY APPRAISAL REPORT**

**FOR**

**CITY OF SACRAMENTO**

**NORTH NATOMAS FINANCING PLAN AREA  
NORTH NATOMAS LAND ACQUISITION PROGRAM  
SACRAMENTO, CALIFORNIA**

# Clark - Wolcott

March 24, 2002<sup>3</sup>

City of Sacramento  
Department of Public Works  
Special Districts  
1231 I Street, Room 300  
Sacramento, California 95814-2904

Attention: Edward Williams, P.E.  
Senior Civil Engineer

Subject: Summary Appraisal Report  
North Natomas Financing Plan Area  
North Natomas Land Acquisition Program

03/01

Dear Mr. Williams:

In response to your request and authorization, an appraisal has been prepared for the purpose of estimating the Public Land Acquisition Value associated with properties located in certain developable portions of the North Natomas Financing Plan area, as said plan was last adopted by the Sacramento City Council on August 17, 1999. The estimate of value is a required component in the determination of the Public Facilities Land Acquisition Fees to be charged to development projects located within the boundaries of the financing plan.

During the preparation of the appraisal, inspections were made of the North Natomas Financing Plan area, and an investigation was made of relevant market indicators and conditions. Pursuant to the provisions of the adopted financing plan, the effective date of the appraisal is *November 1, 2002*.

The appraisal is delivered in the following Summary Appraisal Report which has been completed in compliance with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, the appraisal report presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning, and analyses has been retained in the file of the appraisal.

Clark-Wolcott Company, Inc.  
**Real Estate Analysts and Consultants**

11344 Coloma Road, Suite 245  
Rancho Cordova, California 95670

Tel: 916-852-9470  
Fax: 916-852-1229

A summary of the appraisal, salient conclusions, and the estimate of Public Land Acquisition Value are presented in the attached **Executive Summary**. The depth of discussion contained in the appraisal report that follows is specific to your specified needs and is presented for the intended use stated in the report.

Respectfully submitted,

**CLARK-WOLCOTT COMPANY, INC.**



**EXECUTIVE SUMMARY**

The appraisal assignment requires the development and reporting of the Public Land Acquisition Value associated with properties located in certain developable portions of the North Natomas Financing Plan area. The estimate of value is a required component in the determination of the Public Facilities Land Acquisition Fees to be charged to development projects located within the boundaries of the financing plan. As defined in the appraisal report, the required estimate of value is unique to the appraisal assignment and not typically associated with properties located in the North Natomas Financing Plan area or the broader real estate market.

The appraisal has been prepared solely for the internal use of the client, the City of Sacramento, as an aid in the determination of the Public Facilities Land Acquisition Fees to be charged to development projects located within the boundaries of the North Natomas Financing Plan. Any other use of the findings, conclusions, and estimates of value shall render the appraisal invalid.

The appraisal is communicated in a Summary Appraisal Report prepared in compliance with Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). A mass appraisal methodology is employed and is completed in a manner consistent with the applicable rules of Standard 6 of USPAP.

The appraisal properties are located in a northern portion of the city of Sacramento commonly referred to as North Natomas. The North Natomas community is located in the northwesterly portion of the city of Sacramento, north of the intersection of the region's two interstate freeways (Interstates 5 and 80), and five minutes driving time from the central business district of the city via southbound Interstate 5. The accessibility characteristics of the community are generally good and will further improve as development progresses.

During the past six years, the North Natomas community has experienced a major transition from undeveloped, agriculturally oriented uses toward a mixture of urban land uses, including residential, commercial, business/professional office, and light industrial. Strong regional and location area population growth trends have, to date, resulted in new developments primarily in the residential (and related) land uses categories.

The appraisal involves an inexact universe of developable properties identified in the North Natomas Financing Plan, as said plan was last adopted by the Sacramento City Council on August 17, 1999. The properties encompass a variety of urban land use categories and characteristics and are more specifically identified on the map and table included in the *Property Description* section of the appraisal report.

The portions of the city of Sacramento and the community subject to the provisions of the North Natomas Financing Plan encompass a total gross area of 6,628.00 acres.

However, the appraisal includes only specific developable portions of the community that contain a *gross developable area* of 4,720.50 acres. In the appraisal, the term – gross developable area – is defined as the gross area of the community or an appraisal property less certain non-developable properties, which include the Arena/Stadium complex (totaling 184.70 acres), various properties designated for certain civic and public uses (totaling 252.90 acres), and various properties designated for open space uses (totaling 1,469.90 acres).

The North Natomas Community Plan forms the primary structure for the area's development and designates the general location, size, relationship, and intensity of land uses within the plan area. These include residential, business/professional office, commercial, industrial, civic, and open space areas, as well as numerous public uses such as major roads, schools, and the like. The land use program associated with the community plan reflects adopted planning policies, anticipated market demand, and site conditions and was designed to encourage a balance of jobs and housing in the community.

The North Natomas Community Plan organizes land uses in North Natomas around 14 self-sufficient neighborhoods (each centered on an elementary school and local park) of between 1,500 and 3,000 dwelling units and a  $\pm 120$ -acre town center that will serve as the community center. The internal transportation network of streets and pedestrian paths is designed to encourage walking and bicycling and to reduce the need to use arterial streets for local trips. Adjacent to the town center is the  $\pm 200$ -acre sports complex and the site for a  $\pm 200$ -acre regional park facility. The plan identifies six light-rail station sites along a planned corridor connecting downtown Sacramento with the Sacramento International Airport. The plan places employment-generating land uses along the light-rail corridor and along the freeway. Medium- and high-density residential uses are also allowed within these employment centers, which is intended to provide flexibility to respond to changing real estate market conditions and to integrate land uses.

In 1999, the initial wave of development of the North Natomas community's long-awaited housing components began with projects including Natomas Park, Natomas Crossing, Gateway West, and Gateway North. The thousands of new homes being developed are transforming a landscape formerly dominated by agricultural uses. As of January, 2003, nearly 5,000 single-family homes and approximately 1,000 apartment units were completed or under construction.

Prior to the construction of housing, the developed portions of North Natomas collectively served as an employment center comprised mainly of light industrial and office/warehousing projects, as well as the sporting and entertainment events held at the "new" ARCO Arena. In addition to the arena, other existing, nonresidential developments in North Natomas include approximately 15 retail, office, and industrial buildings, the Northgate industrial district, a Fry's Electronics superstore, a Coca-Cola bottling plant facility, and a Raley's supermarket distribution facility. Natomas Marketplace, a  $\pm 60$ -acre "power center" that includes a Wal Mart, Home Depot, and other discount stores, also opened in June, 1998.

North Natomas is within a time period of accelerating development. The combination of demand for well-located and desirable properties and the utility and transportation infrastructure existing and planned for the community create a firm foundation for present and future development. These events and factors contribute to a stable market environment and good future potential for the appraisal properties.

For the purpose of the appraisal, the highest and best use of the appraisal properties is concluded to be consistent with the land use designations and descriptions as set forth in the North Natomas Community Plan and the related zoning ordinances of the City of Sacramento.

In order to estimate Public Land Acquisition Value, a weighted average of estimated land values is calculated that is based upon the products associated with the estimates of fee simple value and the amounts of gross developable acreage in each land use category. Prior to the multiplication process, various downward adjustments are applied for certain community facilities district and assessment district bond obligations and developmental fees imposed within the North Natomas Financing Plan area. Within Quadrant 1 of the financing plan area, these downward adjustments are partially offset by upward adjustments for reimbursements associated with the developmental infrastructure originally funded by an assessment district in 1988 (A.D. No. 88-03). The resulting weighted average unit value of the appraisal properties is then averaged with the two prior years' estimates of weighted average unit value, and this three-year average is concluded to be the Public Land Acquisition Value reported in the appraisal.

The value estimates are rendered subject to the *Assumptions and Limiting Conditions* and the *Special Assumptions and Limiting Conditions* of the appraisal. These have significant bearing and influence on the analytical and valuation processes that have been employed. The reader's attention is directed to the text of the appraisal report (Pages 8 through 12) and the complete presentation in this regard.

Subject to the Assumptions and Limiting Conditions and the Special Assumptions and Limiting Conditions of the appraisal, the Public Land Acquisition Value of the appraisal properties, as of *November 1, 2002*, is estimated as follows:

Weighted Average Unit Value @ November 1, 2002:	\$ 132,232
Weighted Average Unit Value @ November 1, 2001:	\$ 94,017
Weighted Average Unit Value @ November 1, 2000:	\$ 95,909
	<u>\$ 322,158</u>

**PUBLIC LAND ACQUISITION VALUE** ( $\$322,158 \div 3$ ) = **\$107,386/Gross Developable Acre**

At the client's request, a supplemental calculation is also made and reported in which the estimate of Public Land Acquisition Value is adjusted upward a total of seven and one-half percent in order to account for acquisition contingencies (@ five percent) and the client's administrative costs (@ two and one-half percent). This adjusted estimate of value is the basis from which the Public Facilities Land Acquisition Fees are actually calculated.

Based upon the procedure presented on Page V-10 of the North Natomas Financing Plan, the supplemental calculation is made as follows:

$$\frac{\$107,386 \text{ (Public Land Acquisition Value)}}{0.925} = \$116,093/\text{Gross Developable Acre}$$

**CLARK-WOLCOTT COMPANY, INC.**

By: Jeffrey L. Ridolfi Date: 3/24/03  
Jeffrey L. Ridolfi, MAI  
Certified General Appraiser - #AG003605  
State of California

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**INTRODUCTION****IDENTIFICATION OF THE APPRAISER**

The appraiser is Jeffrey L. Ridolfi, MAI, and his business address is c/o Clark-Wolcott Company, Inc., 11344 Coloma Road, Suite 245, Rancho Cordova, California 95670. A statement of the appraiser's qualifications is included in the Addenda of this appraisal report as Exhibit A.

**CLIENT OF THE APPRAISER**

The services of the appraiser were provided to the City of Sacramento, a California municipal corporation.

**DESCRIPTION AND SCOPE OF THE APPRAISAL ASSIGNMENT**

The appraisal assignment requires the development and reporting of the Public Land Acquisition Value associated with properties located in certain developable portions of the North Natomas Financing Plan area. The estimate of value is a required component in the determination of the Public Facilities Land Acquisition Fees to be charged to development projects located within the boundaries of the financing plan.

Ongoing and future development of the North Natomas Financing Plan area requires a significant amount of land for public uses, including open space, drainage systems, roadways, interchanges, transit facilities, parks, civic facilities, schools, and buffers to other land uses. Much of the land is provided through normal land dedication in the land development process. However, the quantity of land in North Natomas required for public uses is unusual due to the large area planned for development and the amount of land required for mitigation of various development impacts.

The City of Sacramento adopted the North Natomas Land Acquisition Program on October 31, 1995 (via Ordinance No. 95-059). The purpose of the land acquisition program is twofold: 1) to insure that public-use lands are available to the City to construct infrastructure and facilities on a timely basis as established by the City, and 2) to maintain equity among landowners for land provided above and beyond standard dedications.

To insure that all participating landowners are treated equitably relative to the amount of land provided for public uses, the City of Sacramento acquires land in excess of a specified average amount using revenue from the land acquisition fees collected pursuant to the provisions of the North Natomas Land Acquisition Program. A landowner providing more land than the specified average allocation of public land is reimbursed from fee revenue, when available. A landowner providing less than the specified average pays a net fee when a building permit is obtained that is based upon the amount of acreage provided below the specified average.

The appraisal properties are located in a northern portion of the city of Sacramento commonly referred to as North Natomas. During the past six years, the North Natomas area has experienced a major transition from undeveloped, agriculturally oriented uses toward a mixture of urban land uses, including residential, commercial, business/professional office, and light industrial. Strong regional and location area population growth trends have, to date, resulted in new developments primarily in the residential (and related) land uses categories.

In preparing the appraisal, the North Natomas Financing Plan area and the environs were inspected, and a substantial amount of coordination and interfacing occurred between the appraiser and the client's designated representatives related to assignment and property specifics and certain documentation necessary for completion of the assignment. The appraiser's investigation and analysis considered past and recent real estate market conditions, location area trends affecting supply and demand, and other economic factors affecting the current and prospective marketability of the appraisal properties. Also



considered were certain physical and economic factors and assumptions that have significant bearing and impact on the valuation.

The valuation process involved an investigation of relevant real estate market activity, including interviews and conversations with property owners, real estate brokers, and representatives of pertinent governmental agencies. Market data research included field investigation, as well as referencing public records and the Clark-Wolcott Company library. The verification process for market data including confirming transaction prices and terms with knowledgeable parties and examining copies of pertinent documents of record.

Other information considered in completion of the appraisal assignment was available in the Clark-Wolcott Company library or obtained from the client and through field investigation. This includes:

- *North Natomas Community Plan*, as adopted by the Sacramento City Council on May 3, 1994 and amended on April 16, 1996 and in January, 2003.
- *North Natomas Financing Plan*, as adopted by the Sacramento City Council on August 9, 1994 and amended August 17, 1999. It should be noted that this document was not updated in 2002 because there were no substantive changes made relative to the financing mechanisms.
- *A Guide to the North Natomas Financing Plan for Developers and Builders*, Preliminary Administrative Draft dated November 16, 1999, prepared by Economic & Planning Systems, Inc. and the City of Sacramento (with Appendix G updated July, 2001).

- *Market And Absorption Analysis for Community Facilities District 97-01, "North Natomas", located in the City of Sacramento, Sacramento County, California,* prepared by The Meyers Group and dated March 9, 2000.
- *North Natomas Nexus Study,* prepared by Economic & Planning Systems, Inc. and the City of Sacramento and last updated by the Sacramento City Council on June 11, 2002.
- *Competitive Housing Market Report, Sacramento County and Vicinity, California, 4<sup>th</sup> Quarter 2002,* prepared by The Meyers Group.

The appraisal is communicated in a Summary Appraisal Report prepared in compliance with Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). A mass appraisal methodology is employed and is completed in a manner consistent with the applicable rules of Standard 6 of USPAP.

#### ***PROPERTY IDENTIFICATION AND OWNERSHIP***

The appraisal involves an inexact universe of developable properties identified in the North Natomas Financing Plan, as said plan was last adopted by the Sacramento City Council on August 17, 1999. The properties encompass a variety of urban land use categories and characteristics and are more specifically identified on the map and table included in the *Property Description* section of this appraisal report.

Due primarily to the residential development activities and construction that have occurred in the North Natomas area since 1998, the total number of property owners in the North Natomas Financing Plan area currently numbers in excess of 4,500. In consideration of the purpose and intended use of the appraisal, the assumed condition of the appraisal properties, and other factors, any actual or assumed ownership of any appraisal property is not relevant to its identification or the valuation. Therefore, no effort

has been made to specifically compile and present the ownerships of the appraisal properties as subsequently depicted or described.

### ***PRIOR SALES HISTORY***

The appraisal file contains verified market data involving in excess of 100 pending and consummated sale transactions associated with properties located in the North Natomas Financing Plan area. The data span the five-year period prior to the effective date of value and extend into the first quarter of 2003. In addition, the appraisal file contains listing information involving various location-area properties that are currently being offered for sale in the open market.

In consideration of the purpose and intended use of the appraisal, the assumed condition of the appraisal properties, and other factors, a substantial amount of the available market data is not relevant or best suited for the appraisal and is not presented herein. The market data analyzed and employed in the valuation are concluded to be most representative of the probable market perceptions and value influences associated with the appraisal properties in the required context of the valuation.

### ***PURPOSE OF THE APPRAISAL***

The purpose of the appraisal is to estimate the *Public Land Acquisition Value* of the appraisal properties, as that term is defined herein. The estimate of value is rendered subject to the Assumptions and Limiting Conditions and the Special Assumptions and Limiting Conditions of the appraisal as set forth herein.

### ***DEFINITION OF VALUE***

The required estimate of value is unique to the appraisal assignment and not typically associated with properties located in the North Natomas Financing Plan area or the

broader real estate market. In accordance with Page V-10 of the North Natomas Financing Plan, as updated August 17, 1999, the term – Public Land Acquisition Value – is defined as follows:

**Public Land Acquisition Value – Three-Year Weighted Average.**

Based on the estimate of land value for each land use designation and the amount of acreage in each developable land use designation, a weighted average of estimated land value for the current year would be (is) calculated. This value would be (is) averaged with the two prior year's average of estimated land values to arrive at the three-year weighted average land value. This amount shall be (is) named the Public Land Acquisition Value (PLAV).

***INTENDED USE OF THE APPRAISAL***

The appraisal has been prepared solely for the internal use of the client, the City of Sacramento, as an aid in the determination of the Public Facilities Land Acquisition Fees to be charged to development projects located within the boundaries of the North Natomas Financing Plan. Any other use of the findings, conclusions, and estimates of value reported herein shall render the appraisal invalid.

***PROPERTY RIGHTS APPRAISED***

The initial basis of valuation reflects a fee simple interest in the appraisal properties. A fee simple interest (estate) is defined as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>2</sup>

However, in order to estimate the Public Land Acquisition Value of the appraisal properties, several adjustments to the estimates of fee simple value are required. These

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<sup>2</sup> The Dictionary of Real Estate Appraisal, Fourth Edition (Appraisal Institute, 2002).

include various downward adjustments associated with certain outstanding community facilities district and assessment district bond obligations and downward adjustments for certain developmental fees imposed within the North Natomas Financing Plan area. Within a portion of the financing plan area, these downward adjustments are partially offset by upward adjustments for reimbursements associated with the developmental infrastructure originally funded by an assessment district formed in 1988.

***EFFECTIVE DATE OF THE APPRAISAL REPORT***

The effective date of the appraisal report is the date it is signed by the appraiser.

***EFFECTIVE DATE OF THE APPRAISAL***

The findings, conclusions, and estimates of value reported herein are made and applicable as of *November 1, 2002*.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

This Appraisal Report and Valuation contained herein are expressly subject to the following assumptions and/or conditions:

1. This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it does not include complete discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the file of the appraisal. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for any unintended use of this report.
  2. Title to the Fee Estate Interest in the property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Clark-Wolcott Company, Inc., has not examined title and makes no representations relative to the condition thereof.
  3. Clark-Wolcott Company, Inc., has made no survey of property boundaries, and boundaries as they appear on the ground or as represented by the client or client representative, are assumed to be correct.
- Maps, sketches, photographs and other exhibits depicting the appraisal property are intended for illustrating purposes to supplement the narrative description of the properties and are not intended nor should they be construed to represent an exact survey or location of property boundaries.
4. All factual data furnished by the property owner, owner's representative, or persons designated by the owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Clark-Wolcott Company, Inc., has no reason to believe that any of the data furnished contains any material error. Information and data referred to in this paragraph includes, without being limited to, lot and block numbers, Assessor's parcel numbers, land dimensions, acreage or area of the land, net farmable areas, usable areas, rent schedules, income data, historic operating expenses, budgets, and related data. Any material error in any of the above data has a substantial impact on the value reported. Thus, Clark-Wolcott Company, Inc., reserves the right to amend the value reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within ten days after the date of delivery of this report and should immediately notify Clark-Wolcott Company, Inc., of any questions or errors.
  5. All information and data furnished by others in connection with the preparation of this report are accurate and correct, and Clark-Wolcott Company, Inc., has no reason to believe to the contrary unless such is specifically noted in the body of the report. Information included in this context refers to comparable rental and sales data, verification of factual data, and general market data.
  6. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property. Unless otherwise noted in

the body of the report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density or shape are being considered.

7. The appraisal has been prepared on the premise that there are no encumbrances or other matters not of record prohibiting utilization of the property under the appraiser's statement of highest and best use.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral or sub-surface rights of value involved in this appraisal and that there are no air or development rights of value that may be transferred.
9. This report may not be duplicated in whole or in part without the specific written consent of Clark-Wolcott Company, Inc., nor may this report or copies hereof be transmitted to third parties without said consent, which consent Clark-Wolcott Company, Inc., reserves the right to deny. Exempt from this restriction are duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the owner of the property, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of Clark-Wolcott Company, Inc. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Clark-Wolcott Company, Inc., shall have no accountability or responsibility to any such third party.
10. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Clark-Wolcott Company, Inc., to buy, sell, or hold the property at the value appraised. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
11. The real estate market is in a state of constant flux, as is the value of the U.S. dollar. Clark-Wolcott Company, Inc., can offer no assurances that the reported value will remain stable or improve in terms of current dollars. The passage of time or changing economic conditions could result in a change in value, as could a change in the relative value of the U.S. dollar. If the client believes such has occurred, an updated valuation may be in order.
12. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.
13. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did Clark-Wolcott Company, Inc., become aware of such during the appraiser's inspection. Clark-Wolcott Company, Inc., has no knowledge of the existence of such materials on or in the property unless otherwise stated. Clark-Wolcott Company, Inc., however, is not qualified to test for the presence of such substances or conditions. If the presence of such substances, such as asbestos, ureaformaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is

assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

If questions in these areas are critical to the decision process of the reader, the advice of competent engineering or environmental consultants should be obtained and relied upon. If engineering or environmental consultants retained should report negative factors, of a material nature, relative to the condition of the property, such negative information could have a substantial negative impact on the value reported in this appraisal. Accordingly, if negative findings are reported by engineering or environmental consultants, Clark-Wolcott Company, Inc., reserves the right to amend the value reported herein.



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**SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS**

1. For the purpose of the appraisal, the property locations, gross developable areas, land uses, and dwelling unit allocations associated with the North Natomas community are assumed to be those as set forth on Figure C-4 of the *North Natomas Nexus Study*, prepared by Economic & Planning Systems, Inc. and the City of Sacramento and last updated by the Sacramento City Council on June 11, 2002.
2. With respect to physical characteristics such as area (size), configuration, accessibility, and the like, the assumed condition of the appraisal properties is that consistent with a *Master Parcel Map(s)*, as that term is defined in Title 16, Chapter 16.32, Section 160 of the Sacramento City Code. In short, a master parcel map is recorded in order to legally subdivide large tracts of land into smaller parcels for the purpose of later selling or otherwise transferring the parcels for further subdivision, or for the purpose of securing financing, but not for the purposes of creating individual residential lots for sale or allowing construction or other improvements on non-residential parcels.
3. The appraisal reflects an assumed property condition whereas all *Major Roads*, as they are defined and identified in the North Natomas Financing Plan last updated by the Sacramento City Council on August 17, 1999, are assumed to be constructed and operational as of the effective date of the appraisal. This includes the installation of paving and utilities infrastructure necessary for vehicular access and property development but excludes street improvements (curbs, gutters, and sidewalks), landscaping, and the appurtenant facilities. The intent of this assumption (among others) is to reflect a condition in which the appraisal properties are each accessible and capable of immediate development. To date, however, portions of this road and utilities infrastructure have not been constructed.

4. The appraisal is prepared under the assumption that certain land use entitlements are vested in the appraisal properties as of the effective date of the appraisal.

These include:

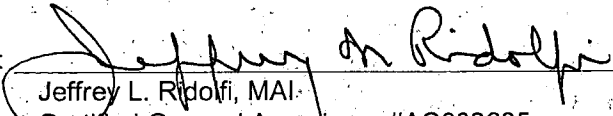
- a. Approved land use zonings consistent with those set forth on Figure II-7, Page II-10 of the North Natomas Financing Plan, as updated by the Sacramento City Council on August 17, 1999.
  - b. Approved tentative subdivision maps for all appraisal properties in the low-density (LDR) and medium-density (MDR) residential land use categories.
5. The appraisal is prepared under the assumption that no environmental or environmentally related conditions or issues exist that would serve to negatively impact the utility, marketability, or value of the appraisal properties.
  6. The determination of Public Land Acquisition Value requires the application of certain adjustments to the estimates of fee simple value associated with the appraisal properties. These adjustments relate to certain outstanding community facilities district and assessment district bond obligations, developmental fees, and reimbursements. The determination and the amounts of these adjustments are based upon documentation provided by Economic & Planning Systems, Inc. and are assumed to be correct.
  7. By definition, the estimate of Public *Land* Acquisition Value excludes all existing building and structural improvements that may exist on the appraisal properties as of the effective date of the appraisal.

## **CERTIFICATION**

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. I have personally inspected the appraisal properties located within the boundaries of the North Natomas Financing Plan in the city of Sacramento, California.
2. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
3. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
4. The professional fee for the appraisal service rendered is dependent solely upon completion of the service evidenced by delivery of this report and is in no way contingent upon the development or reporting of conclusions, a predetermined value or direction in value that favors the cause of the client, the amount of a value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
5. To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.
6. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the undersigned) affecting the impartial and unbiased professional analyses, opinions and conclusions contained in this report.
7. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, including review by its duly authorized representatives. The analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
9. The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this report, the undersigned, Jeffrey L. Ridolfi, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.
10. No one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report. No one provided significant real property appraisal assistance to the undersigned.

By:

  
Jeffrey L. Ridolfi, MAI  
Certified General Appraiser - #AG003605  
State of California

Date:

3/24/03

## **STUDY AREA**

North Natomas is located in a transitional land use setting in the southern portion of the greater Natomas Basin ( $\pm 55,000$  acres). North Natomas encompasses an area of approximately 9,038 acres, most of which ( $\pm 7,438$  acres) is located within the city of Sacramento. Bounded by Elkhorn Boulevard on the north, the Interstate 80 freeway on the south, the Natomas East Main Drainage Canal on the east, and the city limits on the west, North Natomas is located approximately three miles northerly of downtown Sacramento, and its western boundary is located approximately two and one-half miles from the Sacramento International Airport.

In general, the incorporated Natomas area includes the North and South Natomas communities, which are separated by the east-west alignment of Interstate 80. North Natomas encompasses approximately 11 percent of the city's total land area and is the largest undeveloped portion of the city. Its proximity to downtown Sacramento and the airport have long been major contributing factors in the area's desirability for urban development. The City's general plan designates North Natomas as its major growth area for both housing and employment. At buildout, the North Natomas area was initially projected to have 65,000 residents in 32,000 residential units (about 35 percent of the city's new housing) and 70,000 employees (about 30 percent of its new jobs). However, more current estimates forecast a total of approximately 26,500 dwelling units at buildout.

Historically, the Natomas Basin was a vast overflow area subject to periodic flooding. It was reclaimed by the Natomas Company in the early part of the past century with the construction of levees and a drainage and irrigation system to form a master-planned agricultural district. Some limited development occurred within the South Natomas area in the early -1940's that was situated primarily along the easterly side of Northgate Boulevard and the Natomas East Main Drainage Canal. In the 1940's through the 1950's, Artz & Cook, a major Sacramento real estate firm at that time, along with their wholly-owned subsidiary, Cowel Construction Company, developed a significant portion

of the South Natomas area generally lying west of Northgate Boulevard, south of San Juan Road, north of West El Camino Avenue, and easterly of an existing aerial electric transmission line.

Although the Natomas area was in close proximity to the central business district of the city of Sacramento, urban development was constrained and limited until the early-1970's when construction of Interstates 5 and 80 occurred. The freeways were the impetus for the area's transition from agricultural to urban land uses because they provided an excellent means of access that had previously been lacking. In the 1970's, the initial area of development was in South Natomas, near the intersection of Truxel Road and West El Camino Avenue, east of Interstate 5. Subsequently, significant new construction and development occurred in this area, as well as to the west of Interstate 5 and north of Interstate 80.

Prior to 1984, very little development in North Natomas occurred. In 1986, the City of Sacramento adopted the area's first community plan, which called for the development of a variety of residential, commercial, civic, and light industrial uses. A major component of the adopted community plan was the development of a sports complex consisting of a basketball arena and a multipurpose stadium. Although the arena was completed in 1988, work on the proposed multipurpose stadium commenced in 1989 but was halted in 1990 when it became apparent that neither a professional football nor baseball franchise would soon be available to occupy this facility. These sports complex projects and the Raley's distribution center are the only projects begun under the 1986 community plan.

After the severe flooding that occurred in 1986, further development in the Natomas area was substantially curtailed. The hydrologic studies that followed and other factors resulted in a residential building moratorium being imposed throughout the Natomas area in 1990. In anticipation of the lifting of the moratorium, the City of Sacramento adopted a new community plan and a financing plan for developmental infrastructure in 1994. Each of these plans has since been updated and remains a controlling policy document today.

In April, 1997, the moratorium was finally lifted after various corrective and mitigating projects were undertaken, and vigorous development activities began in early-1998.

The North Natomas Community Plan forms the primary structure for the area's development and designates the general location, size, relationship, and intensity of land uses within the plan area. These include residential, business/professional office, commercial, industrial, civic, and open space areas, as well as numerous public uses such as major roads, schools, and the like. The land use program associated with the community plan reflects adopted planning policies, anticipated market demand, and site conditions and was designed to encourage a balance of jobs and housing in the community.

In 1999, the initial wave of development of the North Natomas community's long-awaited housing components began with projects including Natomas Park, Natomas Crossing, Gateway West, and Gateway North. The thousands of new homes being developed are transforming a landscape formerly dominated by agricultural uses. As of January, 2003, nearly 5,000 single-family homes and approximately 1,000 apartment units were completed or under construction.

Prior to the construction of housing, the developed portions of North Natomas collectively served as an employment center comprised mainly of light industrial and office/warehousing projects, as well as the sporting and entertainment events held at the "new" ARCO Arena. In addition to the arena, other existing, nonresidential developments in North Natomas include approximately 15 retail, office, and industrial buildings, the Northgate industrial district, a Fry's Electronics superstore, a Coca-Cola bottling plant facility, and a Raley's supermarket distribution facility. Natomas Marketplace, a ±60-acre "power center" that includes a Wal Mart, Home Depot, and other discount stores, also opened in June, 1998.

In order for the development of North Natomas to proceed, a Habitat Conservation Plan (HCP) was adopted by the Sacramento City Council on August 17, 1997. The plan allowed development to proceed while providing for the protection of the giant garter

snake, the Swainson's hawk, and 24 other listed or candidate, threatened or endangered species. On December 31, 1997, the California Department of Fish and Game and the U.S. Fish & Wildlife Service issued an Incidental Take Permit (ITP) to the City of Sacramento which provides legal protection to grading activities against accidental injury of a snake or hawk.

Lawsuits against the HCP were filed in both state and federal courts. The state case was decided in favor of the City. On August 15, 2000, the federal judge made a preliminary ruling that, in essence, rendered the ITP invalid. The judge's final ruling, issued January 26, 2001, was consistent with preliminary findings in this regard. However, on May 15, 2001, the federal judge modified his final ruling to allow incidental take protection for limited development within the city, with the provision of mitigation land in specific areas of the Natomas Basin. The short-term settlement agreement among the parties in the suit allowed grading and development activities involving approximately 1,668 acres of the Natomas community to proceed during the 2001/02 construction seasons, in advance of the reissuance of the ITP. In the meantime, the City has completed the process of document preparation required for the revision of the HCP and issuance of the new ITP and anticipates the latter by June 23, 2003.

In conclusion, North Natomas exhibits strong locational, physical, and economic characteristics and development potential. Growth trends and demand for new jobs and housing throughout the Sacramento metroplex suggest that urban development in both North and South Natomas will continue. With respect to North Natomas, the potential for continued development is enhanced by its locational characteristics, the existing and planned improvements to the infrastructure, and the city's relatively diverse economic base.

## **PROPERTY DESCRIPTION**

### **LOCATIONAL AND ACCESSIBILITY CHARACTERISTICS**

The North Natomas community is located in the northwesterly portion of the city of Sacramento, north of the intersection of the region's two interstate freeways (Interstates 5 and 80), and five minutes driving time from the central business district of the city via southbound Interstate 5. The accessibility characteristics of the community are generally good and will further improve as development progresses. The community is directly served by three freeway interchanges at present, and another is under construction within Interstate 5. Interstate 5 merges with State Highways 70/99 in the northerly portion of the community, then transitions westerly toward the Sacramento International Airport (located within three miles) and Yolo County beyond. In addition, the expansion of Regional Transit's bus and light rail facilities, as well as the construction of a pedestrian/bikeway trail network, are integral parts of the North Natomas Community Plan.

Historically, North Natomas was devoted to agricultural uses but, in recent years, has experienced a significant transition toward urbanization. Before the resolution of the flood control issue, development in North Natomas was largely limited to commercial projects that met certain flood restrictions. The development of residential projects was infeasible. The first building permit for residential development was issued in February, 1999, and, as of January, 2003, nearly 5,000 single-family homes and approximately 1,000 apartment units were completed or under construction.

The most significant, nonresidential developments in North Natomas currently include ARCO Arena, several office and retail buildings, two large, light industrial facilities, and the Natomas Marketplace retail "power center". North Natomas also encompasses the Northgate industrial district (located in unincorporated Sacramento County), a major employment center that has been developing steadily since the early-1980's with a variety of office/warehouse, warehouse/distribution, light manufacturing, and office uses.



### **PROPERTY CHARACTERISTICS**

The portions of the city of Sacramento and the community subject to the provisions of the North Natomas Financing Plan updated by the Sacramento City Council on August 17, 1999 encompass a total gross area of 6,628.00 acres. However, the appraisal includes only specific developable portions of the community that contain a *gross developable area* of 4,720.50 acres. In this appraisal, the term – gross developable area – is defined as the gross area of the community or an appraisal property less certain non-developable properties, which include the Arena/Stadium complex (totaling 184.70 acres), various properties designated for certain civic and public uses (totaling 252.90 acres), and various properties designated for open space uses (totaling 1,469.90 acres).

For the purposes of analysis and land use planning, the City of Sacramento has divided North Natomas into four quadrants (subareas), with Del Paso Road and Interstate 5 serving as the east-west and north-south dividing lines, respectively. Each quadrant has been further divided into specific drainage basins because the developers within each basin are responsible for that particular basin's drainage system.

The following map is employed in the appraisal to identify the locations of the appraisal properties, which are depicted as the unshaded areas on the map. Facing the map is a chart summarizing the locations, gross developable areas, land uses, and dwelling unit allocations associated with the appraisal properties, as well as those properties excluded as non-developable:

Figure C-4  
North Natomas Nexus Study Update 2002  
Finance Plan Area Land Uses  
New Development by Quadrant

2002  
Financing Plan  
Gross Acres

		Total Plan Area		Quadrant 1 South of Del Paso East of I-5		Quadrant 2 North of Del Paso East of I-5		Quadrant 3 North of Del Paso West of I-5		Quadrant 4 South of Del Paso West of I-5	
Land use	Land Use Code	Acres	Units	Acres	Units	Acres	Units	Acres	Units	Acres	Units
<b>Residential</b>											
Rural Estates	RE	-	-	-	-	-	-	-	-	-	-
Low Density Residential	LDR	1,612.3	9,092	141.5	-	898.1	-	158.1	-	414.6	-
Medium Density Residential	MDR	918.9	8,276	131.7	-	445.5	-	35.4	-	306.3	-
Age-Restricted Single Family Res.		198.5	952	-	-	198.5	-	-	-	-	-
Subtotal		2,729.7	18,319	273.2		1,542.1		193.5		720.9	
High Density Residential	HDR	374.3	7,257	50.2	-	211.9	-	21.2	-	91.0	-
Age-Restricted Apartments	HDR	20.0	452	-	-	20.0	-	-	-	-	-
Age-Restricted Congregate Care	HDR	10.0	432	-	-	10.0	-	-	-	-	-
Subtotal Residential		3,134.0	26,461	323.4		1,784.0		214.7		811.9	0
<b>Employment</b>											
Convenience Commercial	NCC	21.1		9.6		8.5		-		3.0	
Community Commercial	Com C	77.1		-		50.4		-		26.7	
Village Commercial	VC	66.7		18.0		18.3		9.0		21.4	
Transit Commercial	TC	38.9		-		38.9		-		-	
Highway Commercial	HC	39.9		25.6		-		14.3		-	
Regional Commercial	RC	65.4		65.4		-		-		-	
Office - EC 30	EC 30	123.8		109.5		14.3		-		-	
Office - EC 40	EC 40	436.4		268.6		79.1		-		88.7	
Office/Hospital - EC 50	EC 50	423.8		194.0		44.8		35.1		149.9	
Office - EC 65	EC 65	116.6		69.6		33.8		6.9		6.3	
Office - EC 80	EC 80	35.4		20.3		15.1		-		-	
Light Industrial	LI	141.4		127.5		-		13.9		-	
Arena	ARENA	84.2		84.2		-		-		-	
Stadium	SDM	100.5		100.5		-		-		-	
Subtotal Employment		1,771.2		1,092.8		303.2		79.2		296.0	
<b>Civic/Public</b>											
Schools		199.3		18.8		130.6		10.0		39.9	
Institution		20.5		0.9		2.6		11.3		5.7	
Community Centers [1]		12.0		2.3		6.7		-		3.0	
Utilities [2]		16.7		11.4		3.7		1.6		-	
Library		2.1		-		2.1		-		-	
Fire Stations		2.3		-		1.0		-		1.3	
Other Civic Uses		-		-		-		-		-	
Subtotal Civic/Public		252.9		33.4		146.7		22.9		49.9	
<b>Open Space</b>											
Park [3]		270.5		40.2		153.0		25.4		51.9	
Witter Ranch		32.6		-		-		-		32.6	
Reg. Park & Civic Uses [4]		208.5		-		208.5		-		-	
Ag. & Freeway Buffer		246.9		36.9		89.6		18.6		101.8	
Canal		164.8		47.3		68.9		9.5		39.1	
Detention Basins		239.5		33.5		101.3		18.7		86.0	
Agriculture		-		-		-		-		-	
LRT R-O-W		19.4		8.9		10.5		-		-	
Major Roads		287.7		130.5		93.5		5.3		58.4	
Minor Roads		-		-		-		-		-	
Subtotal Open Space		1,469.9		297.3		725.3		77.5		369.8	
TOTAL ALL LAND USES		6,628.0	26,461	1,746.9		2,959.2		394.3		1,527.6	

"gross acres"

Source: North Natomas Financing Plan Update, 2001.

The North Natomas Community Plan organizes land uses in North Natomas around 14 self-sufficient neighborhoods (each centered on an elementary school and local park) of between 1,500 and 3,000 dwelling units and a  $\pm 120$ -acre town center that will serve as the community center. The internal transportation network of streets and pedestrian paths is designed to encourage walking and bicycling and to reduce the need to use arterial streets for local trips. Adjacent to the town center is the  $\pm 200$ -acre sports complex and the site for a  $\pm 200$ -acre regional park facility. The plan identifies six light-rail station sites along a planned corridor connecting downtown Sacramento with the airport. The plan places employment-generating land uses along the light-rail corridor and along the freeway. Medium- and high-density residential uses are also allowed within these employment centers, which is intended to provide flexibility to respond to changing real estate market conditions and to integrate land uses.

The premise of the North Natomas Financing Plan is that all locally funded facilities should be funded through impact and connection fees, unless timing considerations and costs require the sale of municipal bonds in order to provide the required infrastructure. Regional facilities, backbone infrastructure, and community facilities are funded through a combination of impact fees and other fees, bond financing, and private funding, as well as regional, state, and federal sources. In-tract subdivision improvements are financed privately.

The types of infrastructure funding mechanisms implemented vary among the four quadrants and, potentially, each of the nine drainage basins. Prior to the initiation of development in any of the drainage basin areas, a plan to finance the infrastructure required to serve the specific basin is developed by the property owner(s) within the area and submitted to the City for review and approval. Financing within each area is based on the timing of development, the need for facilities, the ability to raise private funding for improvements, and the ability to support bonded indebtedness against the land. The basic strategy is to minimize bond financing and maximize pay-as-you-go financing.

The estimate of Public Land Acquisition Value rendered in this appraisal reflects the assumption that all *Major Roads*, as they are defined and identified in the North Natomas Financing Plan last updated by the Sacramento City Council on August 17, 1999, are constructed and operational as of the effective date of the appraisal. This includes the installation of paving and utilities infrastructure necessary for vehicular access and property development but excludes street improvements (curbs, gutters, and sidewalks), landscaping, and the appurtenant facilities. The intent of this assumption (among others) is to reflect a condition in which the appraisal properties are each accessible and capable of immediate development. To date, however, only portions of this road and utilities infrastructure have been constructed.

#### ***LAND USES/ENTITLEMENTS***

The appraisal properties are located within the land use jurisdiction of the City of Sacramento. For the purpose of the appraisal, the following general and specific land use designations are employed as set forth in the North Natomas Community Plan. These designated land uses are consistent with those previously indicated on Page 20 of this appraisal report:

##### Residential

Residential classifications set a target average number of units per net acre (excluding public streets) within a specified density range. The density on a portion of a project site may be anywhere within the designated range as long as the average density per net acre of all the sites of that density category in the whole planned unit development approximates the target average established for the residential land use classification.

Low Density Residential (LDR): Target average density is seven dwelling units per net acre, and the allowable density range is three to 10 units per net acre. Single-family detached and attached units (including patio homes, duplexes, halfplexes, and second residential units) are included within this designation.

Medium Density Residential (MDR): Target average density is 12 units per net acre, and the allowable density range is seven to 21 units per net acre. Single-family, petite-lot detached; single-family attached; townhouse; and condominium units are included in this designation.

High Density Residential (HDR): Target average density is 22 units per net acre, and the allowable density range is 11 to 29 units per net acre. Condominium units, garden apartments, and conventional apartments are included in this designation. HD-designated areas within one-quarter of a mile of a light rail station, bus transit center, or senior-citizen housing may have a density of greater than 29 dwelling units per net acre.

### Retail Commercial

The intent of the community plan is to provide appropriate commercial centers throughout the community in order to serve the daily, weekly, and long-term retail goods and services needs of the residents, workers, and visitors in North Natomas.

Neighborhood Convenience Commercial (C-NC): The neighborhood convenience commercial site, an average of one to two acres, is intended to serve the daily, carry-home goods and services needs of an immediate neighborhood. Uses could include a food market, drug store, coffee shop, service station, or other convenience services.

Community Commercial (C-CC): Two community commercial centers are located within the community plan, one on each side of Interstate 5. These centers offer comparison shopping as well as convenience items. The anchor tenant is a junior department store, a large variety or discount store. Other tenants may include specialty clothing stores, furniture or appliance stores, jewelry stores, and entertainment services.

Village Commercial (C-VC): The village commercial center is intended to serve as the focal point for two to four neighborhoods. The anchor tenant is a grocery store and/or drug store.

Transit Commercial (C-TC): The transit commercial center is intended to serve transit passengers with pass-by goods and services. TC is an evolving land use that initially serves the village and matures to serve primarily the transit rider as transit services become available. Tenants may include a dry cleaner, bakery, barber/beauty salon, florist, coffee shop, newsstand, photocopy service, auto service, bike service, liquor store, etc.

Highway Commercial (C-HWC): This primarily auto-dependent use is located at interchanges of the freeway system and provides services for highway users, as well as the community. Service stations, restaurants, and lodging are appropriate uses for these areas.

Regional Commercial (C-RC): A ±60-acre, regional commercial "power center" is located in the northwest quadrant of the Interstate 80/Truxel Road freeway interchange. This center offers discount-oriented retail goods and services to the three communities, North Natomas, South Natomas, and North Sacramento, as well as the surrounding region. The anchor tenants include a home improvement store and general department store, as well as other large retailers.

### Employment Generators

The following land use designations are considered to be employment generating land uses:

Office Employment Center (EC): The EC land use designation is a mixed-use business center that incorporates primary employment generating uses such as offices, high-tech uses, medical and educational facilities, and child care centers with secondary uses such as support retail, light industrial, and residential uses. The secondary uses are intended to serve the employees and employers at the center. A maximum of 10 percent of the acreage of an EC site may be devoted to support retail, a maximum of 20 percent of the acreage can be light industrial uses, and a maximum of 25 percent can be medium- or high-density residential uses.

The suffix on the EC designation indicates the average number of employees per net acre allowed in the development. For example, EC 30 indicates 30 employees per net acre. The EC suffices range from EC 30 to EC 80. The most intense designation, EC 80, is located within one-eighth of a mile of the six light rail stations and intended to provide an effective ridership base to support a quality transit service. The plan also allows a further intensification of uses within one-eighth of a mile once the light rail system is funded. EC 65 is intended to provide a large ridership base around the two bus transit centers. EC 50 would be an appropriate intensity around local bus and shuttle routes. The least intense EC designation (EC 30) is located further away from transit.

Light Industrial (LI): The LI land use designation is intended for light manufacturing, warehousing, and distribution uses in a business park setting. Support retail uses are encouraged in order to serve the employers and employees on the site. Number of employees per net acre is estimated not to exceed 20.

The estimate of Public Land Acquisition Value rendered in this appraisal reflects the assumption that certain land use entitlements are vested in the appraisal properties as of the effective date of the appraisal. These include:

1. Approved land use zonings consistent with those indicated on Page 20 of this appraisal report and the previous discussion.
2. Approved tentative subdivision maps for all appraisal properties in the low-density (LDR) and medium-density (MDR) residential land use categories.

### ***ENVIRONMENTAL ISSUES***

This appraisal is prepared under the assumption that no environmental or environmentally related conditions or issues exist that would serve to negatively impact the utility, marketability, or value of the appraisal properties.

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## **ANALYSIS AND VALUATION**

### **HIGHEST AND BEST USE**

North Natomas is within a time period of accelerating development. The combination of demand for well-located and desirable properties and the utility and transportation infrastructure existing and planned for the community create a firm foundation for present and future development. These events and factors contribute to a stable market environment and good future potential for the appraisal properties.

For the purpose of this appraisal, the highest and best use of the appraisal properties is concluded to be consistent with the previously described land use designations and descriptions as set forth in the North Natomas Community Plan and the related zoning ordinances of the City of Sacramento.

### **VALUATION METHODOLOGY AND CONSIDERATIONS**

The appraisal assignment requires the development and reporting of the Public Land Acquisition Value associated with the appraisal properties. The estimate of value is a required component in the determination of the Public Facilities Land Acquisition Fees to be levied and collected by the City of Sacramento in relation to development projects located within the boundaries of the North Natomas Financing Plan. At the client's request, a supplemental calculation is also made and reported in which the estimate of Public Land Acquisition Value is adjusted upward a total of seven and one-half percent in order to account for acquisition contingencies (@ five percent) and the client's administrative costs (@two and one-half percent). This adjusted estimate of value is the basis from which the Public Facilities Land Acquisition Fees are actually calculated.

In order to estimate Public Land Acquisition Value, a weighted average of estimated land values is calculated that is based upon the products associated with the estimates of fee



simple value and the amounts of gross developable acreage in each land use category. Prior to the multiplication process, various downward adjustments are applied for certain community facilities district and assessment district bond obligations and developmental fees imposed within the North Natomas Financing Plan area. Within Quadrant 1, these downward adjustments are partially offset by upward adjustments for reimbursements associated with the developmental infrastructure originally funded by an assessment district in 1988 (A.D. No. 88-03). The resulting weighted average unit value of the appraisal properties is then averaged with the two prior years' estimates of weighted average unit value, and this three-year average is concluded to be the Public Land Acquisition Value reported in this appraisal.

In consideration of the assumed condition of the appraisal properties (i.e.: undeveloped land), the Sales Comparison Approach is employed as the primary basis for the analyses and estimates of fee simple value necessary to the appraisal. This valuation method is based upon the appraisal Principle of Substitution, which suggests that the value of a particular property is indicated by the cost (price) or purchasing a comparable substitute property.

In the classic, single-property appraisal, the process of the Sales Comparison Approach involves five basic steps: investigation of the market for recent sales and listings of properties considered comparable to the appraised property; verification of the market data; determination of the relevant unit(s) of comparison; comparison of the data properties to the appraised property based on the unit(s) of comparison considered relevant; and reconciliation of the value indicators. However, because this appraisal assignment involves an inexact universe of properties that have significant variations in terms of physical characteristics and land use capability, the analyses of market data result in estimates of fee simple value for the described benchmark properties that are concluded to be representative of their respective land use categories.

For the purpose of the appraisal, the property locations, gross developable areas, land uses, and dwelling unit allocations associated with the North Natomas community are

assumed to be those as set forth on Figure C-4 of the *North Natomas Nexus Study*, prepared by Economic & Planning Systems, Inc. and the City of Sacramento and last updated by the Sacramento City Council on June 11, 2002.

With respect to physical characteristics such as area (size), configuration, accessibility, and the like, the assumed condition of the appraisal properties is that consistent with a *Master Parcel Map(s)*, as that term is defined in Title 16, Chapter 16.32, Section 160 of the Sacramento City Code. In short, a master parcel map is recorded in order to legally subdivide large tracts of land into smaller parcels for the purpose of later selling or otherwise transferring the parcels for further subdivision, or for the purpose of securing financing, but not for the purposes of creating individual residential lots for sale or allowing construction or other improvements on non-residential parcels.

The appraiser conducted a survey involving the numerous master parcel maps of record and other documentation related to the North Natomas community and the Sacramento region for the purpose of determining the typical gross developable areas of the master parcels as they relate to actual or most likely uses. The appraiser's conclusions in this regard are summarized on the following table. The foregoing assumptions and conclusions, among others, form the basis from which the market data employed in this appraisal are selected and analyzed:

## BENCHMARK PROPERTY CHARACTERISTICS

FINANCING PLAN LAND USE CATEGORY	DWELLING UNIT DENSITY*	TYPICAL GROSS DEVELOPABLE AREA (ACRES)
Low Density Residential (1,810.80 Acres/10,044 Lots)	5.55	10.00 – 20.00
Medium Density Residential (918.90 Acres/8,276 Lots)	9.01	10.00 – 20.00
High Density Residential (404.30 Acres/8,141 D.U.)	20.14	8.00 – 16.00
Neighborhood/Community/Village/Transit Commercial	N/A	3.00 – 11.00
Highway Commercial	N/A	10.00 – 20.00
Regional Commercial	N/A	40.00 – 100.00
Business/Professional Office (EC)	N/A	3.00 – 12.00
Light Industrial	N/A	2.00 – 5.00

\*Dwelling unit densities consistent with the North Natomas Nexus Study, 2002 Update, and reported on the basis of gross developable area.

**MARKET DATA ANALYSES AND FEE SIMPLE VALUATIONS**

An extensive investigation was conducted throughout the North Natomas community for relevant market data but, in some instances, a limited or inadequate amount was available for analysis. In light of this condition, the scope of the market data investigation was occasionally expanded to include other nearby and/or competing areas in the Sacramento metroplex.

The differing land uses among the appraisal properties require a variety of data in order to estimate their distinct value contributions. In this regard, market data relating to the different land-use types are divided into six data base groups. The data bases are designated and described as follows:

Data Base A: This data base includes land purchased for single-family residential development in the low- and medium-density categories. Such properties are characterized in the marketplace as unimproved subdivision land or acreage in an unfinished state. That is, although the land may be zoned and/or approved for residential

development to a specific or approximate density, final engineering and approvals necessary to record the subdivision map usually have yet to be obtained. In this appraisal, the related data properties sold with an approved tentative subdivision map, creating what are commonly referred to as “paper” lots. However, in some instances, the market data involve lots depicted on recorded subdivision maps wherein the infrastructure required to create “finished” lot products (internal streets, utilities extensions, etc.) have been installed. With respect to these data, downward adjustments to the value indicators are applicable in the comparison process in order to reflect a “paper” lot condition. The basis for these adjustments was provided by the subdivision developer.

Data Base B: This data base includes land purchased for multifamily residential (apartment) development in the high-density category.

Data Base C: This data base includes land purchased for retail commercial development and, with respect to the appraisal properties, includes the Neighborhood, Community, Village, and Transit commercial land use categories.

Data Base D: This data base includes land purchased or being offered for sale for retail commercial and other related uses in the Highway and Regional commercial land use categories. Unlike the properties included in Data Base C, Data Base D includes properties that are typically located within freeway corridors and/or purchased by developers (as opposed to end users) for subdivision and development of smaller parcels.

Data Base E: This data base includes land purchased for business/professional office development and is applicable in the valuation of the appraisal properties in the Employment Center (EC) land use category.

Data Base F: This data base includes land purchased for light industrial uses. Due to the locational characteristics or freeway orientation of the appraisal properties in this category, emphasis in the selection of relevant market data is placed upon properties in

an industrial/business park setting, which typically accommodate higher-percentage office and high-tech uses as well.

In most instances, the market data in a data base group are analyzed and directly compared to the related benchmark property. However, the Medium Density Residential (MDR) and Employment Center (EC) land use categories require composite valuations, due to the unique characteristics associated with these uses and their ultimate buildouts as envisioned in the North Natomas Financing Plan.

The market data analyzed usually reflect broad ranges in unit prices. Factors affecting the unit prices of the data properties may include property size, dwelling unit density, status of entitlements and approvals, physical and locational characteristics, and potential development costs. In comparison to the benchmark properties, adjustments to the market data for all the foregoing factors, in addition to changing market conditions, conditions of sale, and atypical financing are considered and applied when appropriate.

The unit of comparison employed in the market data analyses is the price-per-gross-developable-acre, as that term is previously defined. Although this is not a common unit of comparison in the markets within which the benchmark properties would compete, it is the required basis of analysis associated with the conclusion of Public Land Acquisition Value.

From the market data developed and available for analysis, a total of 46 data properties have been selected on the basis of their similarity to the condition and land use potential of the benchmark properties and their representation of relevant prices. Some of the factual elements associated with the market data included in each data base are followed by a brief summary of the analysis and the related estimate(s) of unit value. Market data sheets, which further identify and summarize more of the relevant elements associated with the data properties, are located in the Addenda of this appraisal report as Exhibit B:

**DATA BASE A  
SINGLE-FAMILY RESIDENTIAL LAND ("PAPER" LOTS)**

DATA PROPERTY	LOCATION	SALE DATE	SALE PRICE	GROSS DEVELOPABLE AREA (ACRES)	ZONING	TOTAL LOTS	LOTS PER ACRE	PRICE PER ACRE
1	NORTH SIDE OF SAN JUAN ROAD AT SORA WAY.	11/02	\$3,629,680	15.779	R-1 (LDR)	59	3.74	\$230,032
2	WEST END OF MYOTIS DRIVE, WEST OF SPARROW DRIVE.	11/02	\$2,516,360	11.471	R-1 (LDR)	43	3.75	\$219,367
3	NORTHWEST CORNER OF SAN JUAN ROAD AND GUILLEMOT DRIVE.	12/02	\$3,449,580	13.172	R-1 (LDR)	60	4.56	\$261,887
4	EAST SIDE OF HONOR PARKWAY AT WILLIAM BIRD AVENUE.	04 & 06/02	\$6,933,421	25.050	R-1 (LDR)	121	4.83	\$276,783
5	SOUTH SIDE OF REGENCY PARK CIRCLE AT MARING WAY.	08 & 11/02	\$6,009,500	20.210	R-1 (LDR)	101	5.00	\$297,353
6	SOUTH SIDE OF NATOMAS CROSSING DRIVE AT AHART WAY.	ESCROW	\$3,902,872	14.085	R-1A (MDR)	73	5.18	\$277,094
7	SOUTHWEST CORNER OF DUCKHORN BOULEVARD AND FAR NIENTE WAY.	11/02	\$2,732,808	9.807	R-1A (MDR)	52	5.30	\$278,659
8	NORTHEAST CORNER OF CLUB CENTER DRIVE AND REGENCY PARK CIRCLE.	12/02	\$2,785,420	7.890	R-1A (MDR)	44	5.58	\$353,032
9	SOUTHWEST CORNER OF NATOMAS BOULEVARD AND MABRY DRIVE.	08 & 09/02	\$4,330,832	15.107	R-1A (PUD)	88	5.83	\$286,677
10	NORTH SIDE OF MYOTIS DRIVE AT JACKDAW STREET.	12/02	\$4,063,264	12.875	R-1A (MDR)	76	5.90	\$315,593
11	WEST SIDE OF NATOMAS BOULEVARD AT BRADBURN DRIVE.	08 & 09/02	\$4,281,618	13.948	R-1A (PUD)	87	6.24	\$306,970
12	SOUTHWEST CORNER OF MAYBROOK DRIVE AND MACON DRIVE.	09/02	\$4,380,800	11.555	R-1A (MDR)	74	6.40	\$379,126
BENCHMARK PROPERTY	SINGLE-FAMILY RESIDENTIAL LAND (LDR/MDR), NORTH NATOMAS.			10.00-20.00			±5.55	

Valuation Summary: Data Properties 1 through 12 are located in the North Natomas community and were purchased for single-family residential development. The overall ranges of the data relative to size (area) and density serve to bracket the benchmark property with respect to these comparative elements.

The interval period of the market data is from April, 2002 to the present, although the properties were under contract for periods ranging from approximately two to six months prior to the close of escrow. The data properties benefit from the actual or contractual completion of perimeter road and utilities infrastructure, which is reflected in each of the reported sale prices.

Upward adjustments to the market data are applicable for improving market conditions prior to and during the interval period of the data. In addition, upward adjustments for conditions of sale are applicable to the value indications associated with Data Properties 9, 11, and 12, in which a portion of the eventual proceeds from the sales of homes are paid to the seller of the land vis-à-vis a "participation agreement". These are partially offset by downward adjustments required for the presence of perimeter street improvements (curbs, gutters, and sidewalks) benefiting the data properties:

#### ADJUSTMENTS SUMMARY

DATA PROPERTY	GROSS DEVELOPABLE AREA (ACRES)	LOTS PER ACRE	PRICE PER ACRE	ADJUSTED UNIT VALUE INDICATION
1	15.779	3.74	\$230,032	\$245,591
2	11.471	3.75	\$219,367	\$233,741
3	13.172	4.56	\$261,887	\$274,660
4	25.050	4.83	\$276,783	\$311,841
5	20.210	5.00	\$297,353	\$306,333
6	14.085	5.18	\$277,094	\$291,189
7	9.807	5.30	\$278,659	\$299,621
8	7.890	5.58	\$353,032	\$350,237
9	15.107	5.83	\$286,677	\$328,426
10	12.875	5.90	\$315,593	\$333,036
11	13.948	6.24	\$306,970	\$352,381
12	11.555	6.40	\$379,126	\$427,193
BENCHMARK PROPERTY	10.00-20.00	±5.55		

The data demonstrate a general (albeit inconsistent) correlation relative to the salient comparative elements, both before and after the application of adjustments. Most significant in this regard is that as the density (lots per acre) of the data properties increases, the unit value indications tend to increase. This is a typical market expectation when other comparative elements are generally similar. With greatest weight placed upon this comparative element, the unit value of the benchmark property is concluded somewhat above the midpoint of the range indicated by Data Properties 3 through 10 and is estimated to be **\$320,000 per gross developable acre.**



**DATA BASE B  
MULTIFAMILY RESIDENTIAL LAND**

DATA PROPERTY	LOCATION	SALE DATE	SALE PRICE	GROSS DEVELOPABLE AREA (ACRES)	ZONING	DWELLING UNITS	DWELLING UNITS PER ACRE	PRICE PER ACRE
13	NORTHEAST CORNER OF CLUB CENTER DRIVE AND DUNLAY DRIVE, NORTH NATOMAS.	ESCROW	\$3,952,099	15.698	R-2B (HDR)	245	15.61	\$251,758
14	NORTHWEST CORNER OF DEL PASO ROAD AND BLACKROCK DRIVE, NORTH NATOMAS.	09/01	\$1,514,460	7.408	R-2B (HDR)	130	17.55	\$204,436
15	NORTHEAST CORNER OF NATOMAS BOULEVARD AND NORTH BEND DRIVE, NORTH NATOMAS.	02/00	\$4,421,307	23.600	R-2B (HDR)	440	18.64	\$187,344
16	NORTHWEST CORNER OF NATOMAS BOULEVARD AND MABRY DRIVE, NORTH NATOMAS.	05/02	\$4,616,047	22.340	R-4 (PUD)	452	20.23	\$206,627
17	SOUTH SIDE OF CLUB CENTER DRIVE, 400 FEET EAST OF DANBROOK DRIVE, NORTH NATOMAS.	01/02	\$2,344,887	10.138	R-2B (HDR)	206	20.32	\$231,297
18	EAST SIDE OF TRUXEL ROAD, ONE-TENTH OF A MILE SOUTH OF DEL PASO ROAD, NORTH NATOMAS.	09/02	\$3,816,358	18.550	R-2B/EC-50	384	20.70	\$205,734
19	EAST SIDE OF WESTLAKE PARKWAY, OPPOSITE VISTA COVE CIRCLE, NORTH NATOMAS.	11/01	\$3,124,884	12.340	R-3 (PUD)	285	23.09	\$253,232
BENCHMARK PROPERTY	MULTIFAMILY RESIDENTIAL LAND (HDR), NORTH NATOMAS.			8.00-16.00			±20.14	

Valuation Summary: Data Properties 13 through 19 are located in the North Natomas community and have or are being purchased for multifamily residential development. The overall range of the data serves to bracket the benchmark property with respect to the comparative elements of size (area) and the dwelling unit density.

The interval period of the market data is from February, 2000 to the present, although the reported purchase price related to Data Property 15 involves an escrow opened in mid-1999. The data properties benefit from the completion of perimeter road and utilities infrastructure, which is reflected in each of the reported sale prices.

Upward adjustments to the market data involving the consummated sale transactions are applicable for improving market conditions during the interval period of the data.

Downward adjustments required for the presence of street improvements (curbs, gutters, and sidewalks) are also applicable to each of the data:

#### ADJUSTMENTS SUMMARY

DATA PROPERTY	GROSS DEVELOPABLE AREA (ACRES)	DWELLING UNITS PER ACRE	PRICE PER ACRE	ADJUSTED UNIT VALUE INDICATION
13	15.698	15.61	\$251,758	\$241,758
14	7.408	17.55	\$204,436	\$217,151
15	23.600	18.64	\$187,344	\$224,180
16	22.340	20.23	\$206,627	\$207,502
17	10.138	20.32	\$231,297	\$233,471
18	18.550	20.70	\$205,734	\$218,593
19	12.340	23.09	\$253,232	\$271,369
BENCHMARK PROPERTY	8.00-16.00	±20.14		

The data demonstrate a weak correlation relative to the density/value relationship, and no one data property or subgrouping is concluded to provide the best indicator(s) of value.

The unit value of the benchmark property is concluded near the midpoint of the range of the data and is estimated to be **\$240,000 per gross developable acre.**

Valuation Analysis – Medium Density Residential Land (MDR): As previously discussed, the benchmark appraisal property associated with the Medium Density Residential land use category has a density of approximately 9.01 dwelling units per gross developable acre. In order to more realistically represent the anticipated buildout of the community and implement the City's developmental fee programs, this land use category is divided into two components in the North Natomas Financing Plan. These include low- and high-density land uses in proportions encompassing 55 and 45 percent of each land use category, respectively. The result is mathematically reconciled in this appraisal as follows:

$$\begin{aligned}\text{Low Density Residential: } 0.55 \times \pm 3.87 \text{ Lots/Acre} &= \pm 2.13 \\ \text{High Density Residential: } 0.45 \times \pm 15.29 \text{ D.U./Acre} &= \pm 6.88 \\ &\pm 9.01\end{aligned}$$

In summary, the value contributions associated with the appraisal properties designated for Medium Density Residential land use are estimated in component fashion and relate to more common densities found in both the local and regional marketplaces (i.e.:  $\pm 3.87$  lots/ $\pm 15.29$  dwelling units per gross developable acre). In consideration of the foregoing and the adjusted unit value indications associated with the most relevant properties included in Data Bases A and B, the unit value of the benchmark property is estimated as follows:

$$\begin{aligned}\text{Low Density Residential: } 0.55 \times \$260,000/\text{Acre} &= \$ 143,000 \\ \text{High Density Residential: } 0.45 \times \$230,000/\text{Acre} &= \$ 103,500 \\ &\$ 246,500 \\ \text{Unit Value Per Gross Developable Acre (Rounded)} &= \$ 247,000\end{aligned}$$

**DATA BASE C  
RETAIL COMMERCIAL LAND**

DATA PROPERTY	LOCATION	SALE DATE	SALE PRICE	GROSS DEVELOPABLE AREA (ACRES)	ZONING	PRICE PER ACRE
20	EAST SIDE OF TRUXEL ROAD, OPPOSITE NATOMAS CROSSING DRIVE, NORTH NATOMAS.	11/01	\$1,568,725	3.086	EC-65	\$508,336
21	NORTHWEST CORNER OF TRUXEL ROAD AND NATOMAS CROSSING DRIVE, NORTH NATOMAS.	09/01	\$1,152,470	3.297	EC-40	\$349,551
22	WEST SIDE OF TRUXEL ROAD, ONE-TENTH OF A MILE NORTH OF ARENA BOULEVARD, NORTH NATOMAS.	11/01	\$1,657,068	4.091	EC-40	\$405,052
23	SOUTHEAST CORNER OF DEL PASO ROAD AND EL CENTRO ROAD, NORTH NATOMAS.	03/02	\$1,757,969	7.441	EC-65	\$236,254
24	NORTHWEST CORNER OF DEL PASO ROAD AND EL CENTRO ROAD, NORTH NATOMAS.	ESCROW	\$3,250,396	10.800	NC-PUD	\$300,963
25	NORTHEASTERLY QUADRANT OF THE DEL PASO ROAD/NATOMAS BOULEVARD INTERSECTION, NORTH NATOMAS.	08/00	\$2,885,862	12.309	NC	\$234,451
26	SOUTHWEST CORNER OF TRUXEL ROAD AND ARENA BOULEVARD, NORTH NATOMAS.	ESCROW	\$4,858,440	±14.700	SC & C-1	\$330,506
BENCHMARK PROPERTY	RETAIL COMMERCIAL LAND (C-NC, C-CC, C- VC, C-TC), NORTH NATOMAS.			3.00-11.00		

Valuation Summary: Data Properties 20 through 26 are located in the North Natomas community and have or are being purchased for a mixture of retail commercial uses, including a gas station, restaurants, strip retail centers, and an anchored shopping center. Some business/professional office uses are also likely with respect to Data Property 23. These uses and others are typical of those allowable in the relevant land use zones vis-à-vis the North Natomas Financing Plan, and the overall range of the data serves to bracket the benchmark property with respect to the comparative element of size (area).

The interval period of the market data is from August, 2000 to the present, although the reported purchase prices related to most of the data properties were agreed upon in early- to mid-2000. With respect to Data Property 25, a consummated sale transaction, the purchase price was agreed upon in April, 1999. Excepting Data Properties 23 and 26, the data properties benefit from the completion of perimeter road and utilities infrastructure, which is reflected in each of the reported sale prices.

Upward adjustments to the value indications associated with the consummated sales data are required in order to reflect improving market conditions since the contract dates. Downward adjustments required for the presence of street improvements (curbs, gutters, and sidewalks) are also applicable to most of the data:

#### ADJUSTMENTS SUMMARY

DATA PROPERTY	GROSS DEVELOPABLE AREA (ACRES)	PRICE PER ACRE	ADJUSTED UNIT VALUE INDICATION
20	3.086	\$508,336	\$588,042
21	3.297	\$349,551	\$401,236
22	4.091	\$405,052	\$466,532
23	7.441	\$236,254	\$277,946
24	10.800	\$300,963	\$306,803
25	12.309	\$234,451	\$302,601
26	14.700	\$330,506	\$330,506
BENCHMARK PROPERTY	3.00-11.00		

With the exception of Data Property 23, the data indicate a general (albeit inconsistent) correlation relative to the size/value relationship, both before and after the application of

adjustments. That is, as the sizes of the data properties increase, the unit prices/values generally reflect corresponding decreases. This is a typical market expectation when all other comparative elements are generally similar. However, greatest weight in this analysis is placed upon the more recent indications of value associated with Data Properties 24 and 26, which require little or no adjustment for changes in market conditions. In further consideration of the median size of the benchmark property (approximately seven acres), its unit value is concluded somewhat above the range indicated by Data Properties 24 and 26 and is estimated to be **\$340,000 per gross developable acre.**

**DATA BASE D  
HIGHWAY AND REGIONAL COMMERCIAL LAND**

DATA PROPERTY	LOCATION	SALE DATE	SALE PRICE	GROSS DEVELOPABLE AREA (ACRES)	ZONING	PRICE PER ACRE
27	NORTHEAST QUADRANT OF THE INTERSTATE 80/SIERRA COLLEGE BOULEVARD FREEWAY INTERCHANGE, ROCKLIN (PLACER COUNTY).	04/00	\$1,527,795	5.121	C-2	\$298,339
28	NORTHEAST QUADRANT OF THE INTERSTATE 80/SIERRA COLLEGE BOULEVARD FREEWAY INTERCHANGE, ROCKLIN (PLACER COUNTY).	04/00	\$1,683,456	7.402	C-2	\$227,433
29	SOUTHEAST CORNER OF GRANITE DRIVE AND DOMINGUEZ ROAD, ROCKLIN (PLACER COUNTY).	01/03	\$3,631,623	11.900	PD-C	\$305,178
30	SOUTHEAST QUADRANT OF THE INTERSTATE 5/LAGUNA BOULEVARD FREEWAY INTERCHANGE, ELK GROVE.	01/00	\$5,161,434	24.128	TC	\$213,919
31	NORTHEAST QUADRANT OF THE STATE HIGHWAY 65/BLUE OAKS BOULEVARD INTERCHANGE, ROCKLIN (PLACER COUNTY).	09/02	\$13,035,451	62.107	LI/BP/C	\$209,887
32	NORTHEAST CORNER OF EUREKA ROAD AND NORTH SUNRISE AVENUE, ROSEVILLE (PLACER COUNTY).	12/99	\$12,000,000	85.000	R & D	\$141,176
33	SOUTH SIDE OF SUNSET BOULEVARD, FOUR-TENTHS OF A MILE EAST OF STATE HIGHWAY 65, ROCKLIN (PLACER COUNTY).	07- 12/00	\$17,133,614	113.120	BP/C, BP	\$151,464
34	NORTHEAST QUADRANT OF THE INTERSTATE 80/TRUXEL ROAD INTERCHANGE, NORTH NATOMAS.	LISTING	\$25,000,000	126.400	EC-50/LI	\$197,785
BENCHMARK PROPERTY	HIGHWAY COMMERCIAL LAND (C-HWC), NORTH NATOMAS.			10.00-20.00		
	REGIONAL COMMERCIAL LAND (C-RC), NORTH NATOMAS.			40.00-100.00		

Valuation Summary: Data Properties 27 through 34 are situated in a variety of locations, including North Natomas, an unincorporated portion of Sacramento County near the city of Elk Grove, and the cities of Roseville and Rocklin (Placer County). The properties exhibit substantial variations with respect to certain physical characteristics such as size (area), topography, and the presence of street improvements (curbs, gutters, and sidewalks). With the exception of Data Properties 32 and 33, the data properties also have varying qualities with respect to freeway orientation and identity. In an overall sense, the data are concluded to be representative of the salient characteristics related to the marketability and value of the benchmark properties.

The interval period of the market data is from December, 1999 to the present, and upward adjustments to the value indications of most of the data involving consummated sale transactions are required in order to reflect improving market conditions during the related timeframe. With respect to Data Property 34, a downward adjustment is applicable in order to reflect a more probable selling price. Adjustments to the data are also occasionally applicable in order to account for differences in physical characteristics between properties.

Due to the substantial variation between the sizes of the benchmark properties and other factors, separate analyses and valuations are necessary. Furthermore, only the most relevant data are utilized in each analysis:



ADJUSTMENTS SUMMARY  
HIGHWAY COMMERCIAL LAND (C-HWC)

DATA PROPERTY	GROSS DEVELOPABLE AREA (ACRES)	PRICE PER ACRE	ADJUSTED UNIT VALUE INDICATION
27	5.121	\$298,339	\$410,088
28	7.402	\$227,433	\$312,623
29	11.900	\$305,178	\$304,616
30	24.128	\$213,919	\$275,225
BENCHMARK PROPERTY	10.00-20.00		

A good correlation among the market data is indicated with respect to the size/value relationship. However, greatest weight in this analysis is placed upon Data Properties 29 and 30, which are most similar to the benchmark property in terms of size and include the most recent value indicator (Data Property 29). The unit value of the benchmark property is therefore concluded to be **\$280,000 per gross developable acre.**

ADJUSTMENTS SUMMARY  
REGIONAL COMMERCIAL LAND (C-RC)

DATA PROPERTY	GROSS DEVELOPABLE AREA (ACRES)	PRICE PER ACRE	ADJUSTED UNIT VALUE INDICATION
30	24.128	\$213,919	\$306,917
31	62.107	\$209,887	\$236,926
32	85.000	\$141,176	\$211,453
33	113.120	\$151,464	\$207,621
34	126.400	\$197,785	\$187,896
BENCHMARK PROPERTY	40.00-100.00		

As in the previous analysis, the data indicate a good correlation with respect to the size/value relationship. However, the survey conducted by the appraiser involving numerous master parcel maps of record and other documentation indicates the range in the "typical" gross developable area of properties in the regional commercial land use classification is quite broad. As a result, no single data property or subgrouping is concluded to provide the best indicator(s) of value. With emphasis placed on the central tendency of the relevant market data, the unit value of the benchmark property is estimated to be **\$250,000 per gross developable acre.**

**DATA BASE E  
BUSINESS/PROFESSIONAL OFFICE LAND**

<b>DATA PROPERTY</b>	<b>LOCATION</b>	<b>SALE DATE</b>	<b>SALE PRICE</b>	<b>GROSS DEVELOPABLE AREA (ACRES)</b>	<b>ZONING</b>	<b>PRICE PER ACRE</b>
35	WEST SIDE OF VENTURE OAKS WAY, TWO-TENTHS OF A MILE SOUTH OF GATEWAY OAKS DRIVE, SOUTH NATOMAS.	11/02	\$718,000	2.110	0B-PUD	\$340,284
36	EAST SIDE OF NATOMAS PARK DRIVE, ONE-TENTH OF A MILE SOUTH OF WEST EL CAMINO AVENUE, SOUTH NATOMAS.	12/01	\$1,016,050	3.000	C-2/OB	\$338,683
37	EAST SIDE OF EAST COMMERCE WAY, SEVEN-TENTHS OF A MILE SOUTH OF DEL PASO ROAD, NORTH NATOMAS.	09/02	\$1,677,733	7.392	EC-40 (PUD)	\$226,966
38	SOUTHWEST CORNER OF TRUXEL ROAD AND NATOMAS CROSSING DRIVE, NORTH NATOMAS.	ESCROW	\$1,472,975	7.469	EC-40 (PUD)	\$197,212
39	SOUTHEAST CORNER OF DEL PASO ROAD AND TRUXEL ROAD, NORTH NATOMAS.	11/02	\$3,497,608	15.200	EC-50 (PUD)	\$230,106
40	SOUTHEAST CORNER OF TRUXEL ROAD AND ARENA BOULEVARD, NORTH NATOMAS.	10/02	\$2,734,159	15.239	EC-65	\$179,419
41	NORTHEAST QUADRANT OF THE EAST COMMERCE WAY/ARENA BOULEVARD INTERSECTION, NORTH NATOMAS.	12/02	\$3,772,871	19.081	EC-40 (PUD)	\$197,729
BENCHMARK PROPERTY	BUSINESS/PROFESSIONAL OFFICE LAND (EC), NORTH NATOMAS.			3.00-12.00		

Valuation Summary: Data Properties 35 through 41 are located in the North and South Natomas communities. With respect to business and professional office uses, the North Natomas community is in a relative embryonic stage of development. The South Natomas community is substantially mature and has stronger market identity and/or appeal at present. Locational variations notwithstanding, the range of the data relative to size (area) serves to bracket that of the benchmark property.

The interval period of the market data is from December, 2001 to the present, although some of the data involve purchase contracts executed in the summer of 2001. Each of the data properties benefits from the completion of partial or full perimeter road and utilities infrastructure, which is reflected in the reported purchase prices.

Upward adjustments for improving market conditions are applicable to the value indications associated with Data Properties 36, 37, and 40, the three most dated transactions analyzed. Downward adjustments are applicable relative to the superior locational characteristics of the data properties located in the South Natomas community, and additional downward adjustments are applicable for the presence of street improvements (curbs, gutters, and sidewalks) benefiting each of the data properties:

#### ADJUSTMENTS SUMMARY

DATA PROPERTY	GROSS DEVELOPABLE AREA (ACRES)	PRICE PER ACRE	ADJUSTED UNIT VALUE INDICATION
35	2.110	\$340,284	\$313,270
36	3.000	\$338,683	\$347,498
37	7.392	\$226,966	\$242,184
38	7.469	\$197,212	\$187,212
39	15.200	\$230,106	\$225,106
40	15.239	\$179,419	\$178,862
41	19.081	\$197,729	\$187,729
BENCHMARK PROPERTY	3.00-12.00		

The variations in locational characteristics among the data are apparent and generally consistent, both before and after the application of adjustments. The upper limits of the range are indicated by Data Properties 35 and 36, which are located in the more mature

South Natomas setting. The remaining data are located in the North Natomas community and are the most representative with respect to the benchmark property. When considering the comparative element of size, these two subgroupings also demonstrate general consistency, with Data Properties 35 and 36 (the smallest) providing the upper limits of the value range. With emphasis placed upon the comparative elements of location and the indicated median size associated with the benchmark property (seven to eight acres), the unit value of the business/professional office component of the benchmark property is estimated to be \$230,000 per gross developable acre.

Although the Employment Center land use categories are predominantly associated with business/professional office uses, other uses are also allowable pursuant to the related provisions of the North Natomas Community Plan. These include supporting retail commercial, light industrial, and multifamily residential (apartment) uses.

At present, appraisal properties in the Light Industrial land use category encompass a gross developable area of approximately 141.40 acres of the entire North Natomas Financing Plan area and a relatively small component ( $\pm$ three percent) of the valuation. Furthermore, light industrial land uses are not considered to be the most likely or the most appreciably marketable uses within the Employment Center land use zone.

Based upon the foregoing conclusions, the value contributions associated with the appraisal properties in the Employment Center (EC) land use categories are estimated in component fashion as follows:

Business/Professional Office	80%
Supporting Retail Commercial	10%
Multifamily Residential (HDR)	<u>10%</u>
	100%

In consideration of the foregoing valuation analysis and those previously developed and presented relative to the two subordinate land use categories, the unit value of the benchmark property is estimated as follows:

Business/Professional Office: 0.80 x \$230,000/Acre =	\$ 184,000
Supporting Retail Commercial: 0.10 x \$340,000/Acre =	\$ 34,000
Multifamily Residential (HDR): 0.10 x \$240,000/Acre =	\$ 24,000
<b>Unit Value Per Gross Developable Acre</b>	<b>\$ 242,000</b>

The market data employed in the analyses and estimates of value associated with the business/professional office and retail commercial components of the foregoing valuation largely involve data properties in the EC 40, EC 50, and EC 65 land use categories. As such, the intensities of land use associated with these data are reflected in the benchmark property valuation. However, because the appraisal properties involve land use categories that lie both above and below the intensities of use associated with the benchmark property, further adjustments to the benchmark valuation are required in the related land use categories (EC 30 and EC 80).

In this appraisal, the intensity of use associated with a particular Employment Center land use category is determined in consideration of its prospective floor area ratio as abstracted from data located on Page 21 of the North Natomas Community Plan. Floor area ratio is calculated by dividing the prospective area of the building improvements (in square feet) by the related property area (in square feet). The following is a summary of these data:

LAND USE CATEGORY	FLOOR AREA RATIO (F.A.R.)
EC 30	0.246
EC 40	0.321
EC 50	0.352
EC 65	0.378
EC 80	0.497

The average floor area ratio of the EC 40, EC 50, and EC 65 land use categories

(i.e.: the benchmark property) is 0.350. Applying proportional adjustments on the basis of the foregoing data and conclusions, the unit values associated with the EC 30 and EC 80 land use categories are estimated to be **\$170,000** and **\$344,000 per gross developable acre**, respectively:

- EC 30: 
$$\frac{\$242,000}{0.350} = \frac{x}{0.246}$$
$$x = \$170,091$$
$$\text{\$170,000 (Rounded)}$$
- EC 80: 
$$\frac{\$242,000}{0.350} = \frac{x}{0.497}$$
$$x = \$343,640$$
$$\text{\$344,000 (Rounded)}$$

**DATA BASE F  
LIGHT INDUSTRIAL LAND**

<b>DATA PROPERTY</b>	<b>LOCATION</b>	<b>SALE DATE</b>	<b>SALE PRICE</b>	<b>GROSS DEVELOPABLE AREA (ACRES)</b>	<b>ZONING</b>	<b>PRICE PER ACRE</b>
42	NORTHWEST CORNER OF NORTHGATE BOULEVARD AND STADIUM LANE, NORTHGATE INDUSTRIAL DISTRICT.	03/01 10/01	\$465,730 \$572,520	2.529 2.529	MP MP	\$184,156 \$226,382
43	NORTH SIDE OF NATIONAL DRIVE, TWO-TENTHS OF A MILE EAST OF SIERRA POINT DRIVE, NORTHGATE INDUSTRIAL DISTRICT.	11/02	\$557,104	3.353	M-1	\$166,151
44	SOUTHWEST CORNER OF BAYOU WAY AND TARBORO LANE, NORTH NATOMAS.	04/02	\$1,364,412	4.850	M-1	\$281,322
45	NORTH SIDE OF NORTH FREEWAY BOULEVARD, ONE-TENTH OF A MILE EAST OF LENNANE DRIVE, NORTHGATE INDUSTRIAL DISTRICT.	12/00 02/01	\$1,246,940 \$1,472,640	5.200 5.200	MP MP	\$239,796 \$283,200
46	SOUTHEAST CORNER OF BAYOU WAY AND TARBORO LANE, NORTH NATOMAS.	OFFER	\$1,954,286	7.460	M-1	\$261,969
BENCHMARK PROPERTY	LIGHT INDUSTRIAL LAND (LI), NORTH NATOMAS.			2.00-5.00		

Valuation Summary: Data Properties 42 through 46 are located in North Natomas and within the Northgate industrial district, a substantially mature setting devoted to a mixture of light industrial and business/professional office uses. The latter data involve two land use zoning classifications that allow accessory office utilizations up to 25 percent (M-1) and up to 100 percent (MP). This mixture of data was selected primarily because of the locational characteristics of the related appraisal properties and the likelihood that their prevailing uses will be of greater intensity than those typically associated with light industrial developments. The range of the data relative to size (area) also serves to bracket that of the benchmark property.

The market data involve consummated sale transactions that occurred during the period from December, 2000 until November, 2002, as well as one recently submitted offer to purchase. Each of the data properties benefits from the completion of perimeter road and utilities infrastructure, which is reflected in the reported purchase prices.

Upward adjustments for improving market conditions are applicable to the value indications associated with most of the data. Downward adjustments are applicable for the presence of street improvements (curbs, gutters, and sidewalks) benefiting each of the properties:

#### ADJUSTMENTS SUMMARY

DATA PROPERTY	GROSS DEVELOPABLE AREA (ACRES)	ZONING	PRICE PER ACRE	ADJUSTED UNIT VALUE INDICATION
42	2.529	MP	\$184,156	\$194,618
	2.529	MP	\$226,382	\$228,297
43	3.353	M-1	\$166,151	\$156,151
44	4.850	M-1	\$281,322	\$286,128
45	5.200	M-P	\$239,796	\$256,440
	5.200	M-P	\$283,200	\$304,667
46	7.460	M-1	\$261,969	\$251,969
BENCHMARK PROPERTY	2.00-5.00			

The value indications among the data relative to land use potential (intensity of development) and freeway orientation are apparent and consistent, both before and after



the application of adjustments. In terms of indicated values, a clear distinction exists between Data Properties 42 and 43, which have no freeway orientation, and the remaining data. Because much of the land in the light industrial land use classification has freeway orientation, the unit value of the benchmark property is concluded near the midpoint of the range of the data and is estimated to be **\$230,000 per gross developable acre.**

#### ***ADJUSTMENTS SUMMARY – FEE SIMPLE VALUATIONS***

The determination of Public Land Acquisition Value requires the application of certain adjustments to the estimates of fee simple value associated with the appraisal properties. These adjustments relate to certain outstanding community facilities district and assessment district bond obligations and developmental fees imposed within the North Natomas Financing Plan area. Within Quadrant 1, these downward adjustments are partially offset by upward adjustments for reimbursements associated with the developmental infrastructure originally funded by an assessment district in 1988 (A.D. No. 88-03). The determination and the amounts of these adjustments are based upon documentation provided by Economic & Planning Systems, Inc. and are summarized on the following page by location (quadrant) and land use category:

North Natomas  
Project Specific Financing  
Bond Debt and Drainage Fees  
Costs per Acre

As of February 2003

Quadrant	Residential			Office					Commerical - Retail						Industrial LI
	LDR [1]	MDR [1]	HDR [1]	EC-30	EC-40	EC-50	EC-65	EC-80	NC	CC	VC	TC	HC	RC	
<b>Quadrant 1</b>															
North Natomas Fees [2]	\$46,512	\$63,238	\$73,821	\$65,203	\$80,807	\$93,183	\$114,594	\$133,471	\$217,817	\$125,617	\$174,598	\$175,016	\$128,081	\$113,985	\$48,021
Habitat Mitigation	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962
Bond Debt															
CFD Cont. Debt (97-01)	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781
SAFCA Fees	\$6,919	\$10,878	\$8,235	\$11,659	\$10,504	\$8,688	\$6,624	\$6,212	\$25,030	\$25,030	\$25,030	\$30,973	\$19,087	\$23,501	\$40,877
AD 88/03	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140	\$21,140
Drainage Fees/Bonds [3]	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646	\$35,646
AD 88/03 Reimbursements	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)	(\$22,208)
<b>Total Quadrant 1</b>	<b>\$109,753</b>	<b>\$130,437</b>	<b>\$138,376</b>	<b>\$133,183</b>	<b>\$147,632</b>	<b>\$158,192</b>	<b>\$177,540</b>	<b>\$196,004</b>	<b>\$299,168</b>	<b>\$206,968</b>	<b>\$255,949</b>	<b>\$262,310</b>	<b>\$203,490</b>	<b>\$193,807</b>	<b>\$145,219</b>
<b>Quadrant 2</b>	<b>LDR</b>	<b>MDR</b>	<b>HDR</b>	<b>EC-30</b>	<b>EC-40</b>	<b>EC-50</b>	<b>EC-65</b>	<b>EC-80</b>	<b>NC</b>	<b>CC</b>	<b>VC</b>	<b>TC</b>	<b>HC</b>	<b>RC</b>	<b>LI</b>
North Natomas Fees [2]	\$46,512	\$63,238	\$73,821	\$65,203	\$80,807	\$93,183	\$114,594	\$133,471	\$217,817	\$125,617	\$174,598	\$175,016	\$128,081	\$113,985	\$48,021
Habitat Mitigation	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962
Bond Debt															
CFD Cont. Debt (97-01)	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781	\$9,781
SAFCA Fees	\$6,919	\$10,878	\$8,235	\$11,659	\$10,504	\$8,688	\$6,624	\$6,212	\$25,030	\$25,030	\$25,030	\$30,973	\$19,087	\$23,501	\$40,877
AD 88/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Drainage Fees/Bonds [3]	\$42,226	\$49,762	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905	\$44,905
Reimbursements															
<b>Total Quadrant 2</b>	<b>\$117,401</b>	<b>\$145,620</b>	<b>\$148,703</b>	<b>\$143,510</b>	<b>\$157,959</b>	<b>\$168,519</b>	<b>\$187,866</b>	<b>\$206,331</b>	<b>\$309,495</b>	<b>\$217,295</b>	<b>\$266,276</b>	<b>\$272,637</b>	<b>\$213,816</b>	<b>\$204,134</b>	<b>\$155,546</b>
<b>Quadrant 3</b>	<b>LDR</b>	<b>MDR</b>	<b>HDR</b>	<b>EC-30</b>	<b>EC-40</b>	<b>EC-50</b>	<b>EC-65</b>	<b>EC-80</b>	<b>NC</b>	<b>CC</b>	<b>VC</b>	<b>TC</b>	<b>HC</b>	<b>RC</b>	<b>LI</b>
North Natomas Fees [2]	\$46,512	\$63,238	\$73,821	\$65,203	\$80,807	\$93,183	\$114,594	\$133,471	\$217,817	\$125,617	\$174,598	\$175,016	\$128,081	\$113,985	\$48,021
Habitat Mitigation	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962
Bond Debt															
CFD Cont. Debt (97-01)	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669
SAFCA Fees	\$6,919	\$10,878	\$8,235	\$11,659	\$10,504	\$8,688	\$6,624	\$6,212	\$25,030	\$25,030	\$25,030	\$30,973	\$19,087	\$23,501	\$40,877
AD 88/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Drainage Fees/Bonds [3]	\$47,210	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618	\$44,618
Reimbursements															
<b>Total Quadrant 3</b>	<b>\$119,272</b>	<b>\$137,364</b>	<b>\$145,304</b>	<b>\$140,111</b>	<b>\$154,560</b>	<b>\$165,120</b>	<b>\$184,467</b>	<b>\$202,932</b>	<b>\$306,096</b>	<b>\$213,896</b>	<b>\$262,877</b>	<b>\$269,238</b>	<b>\$210,417</b>	<b>\$200,735</b>	<b>\$152,147</b>
<b>Quadrant 4</b>	<b>LDR</b>	<b>MDR</b>	<b>HDR</b>	<b>EC-30</b>	<b>EC-40</b>	<b>EC-50</b>	<b>EC-65</b>	<b>EC-80</b>	<b>NC</b>	<b>CC</b>	<b>VC</b>	<b>TC</b>	<b>HC</b>	<b>RC</b>	<b>LI</b>
North Natomas Fees [2]	\$46,512	\$63,238	\$73,821	\$65,203	\$80,807	\$93,183	\$114,594	\$133,471	\$217,817	\$125,617	\$174,598	\$175,016	\$128,081	\$113,985	\$48,021
Habitat Mitigation	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962	\$11,962
Bond Debt															
CFD Cont. Debt (97-01)	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669	\$6,669
SAFCA Fees	\$6,919	\$10,878	\$8,235	\$11,659	\$10,504	\$8,688	\$6,624	\$6,212	\$25,030	\$25,030	\$25,030	\$30,973	\$19,087	\$23,501	\$40,877
AD 88/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Drainage Fees/Bonds [3]	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291	\$50,291
Reimbursements															
<b>Total Quadrant 4</b>	<b>\$122,353</b>	<b>\$143,037</b>	<b>\$150,977</b>	<b>\$145,784</b>	<b>\$160,232</b>	<b>\$170,792</b>	<b>\$190,140</b>	<b>\$208,604</b>	<b>\$311,769</b>	<b>\$219,569</b>	<b>\$268,550</b>	<b>\$274,910</b>	<b>\$216,090</b>	<b>\$206,407</b>	<b>\$157,820</b>

[1] Single family density assumes 6.7 units per net acre for low density residential and 10.5 units per net acre for medium density residential. Multi-family density assumes 22.3 units per net acre.

[2] Based on the North Natomas Nexus Study Update 2002.

[3] Drainage Fees/Bonds include: CFD No. 2, CFD No. 99-04, CFD No. 4, CFD No. 2000-01, and CFD No. 2001-03 for applicable basins.

\*quad\_costs\*

**VALUATION SUMMARY AND CONCLUSION OF PUBLIC LAND ACQUISITION VALUE**

In order to estimate Public Land Acquisition Value, a weighted average of estimated land values is calculated that is based upon the products associated with the estimates of fee simple value and the amounts of gross developable acreage in each land use category. Prior to the multiplication process, various downward adjustments are applied, as previously presented.

A summary of the valuation process leading to the weighted average unit value of the appraisal properties is presented on the following two pages. Subsequently, calculations leading to the conclusion of Public Land Acquisition Value are presented, as well as the supplemental calculation requested by the client:

# VALUATION SUMMARY

QUADRANT	LAND USE	UNIT FEE SIMPLE VALUE	UNIT BOND DEBT AND DEVELOP. FEES	ADJUSTED UNIT VALUE	GROSS DEVELOPABLE AREA (ACRES)	TOTAL VALUE
1	Low Density Residential (LDR)	\$ 320,000	\$ 109,753	\$ 210,247	141.50	\$ 29,749,951
	Medium Density Residential (MDR)	\$ 247,000	\$ 130,437	\$ 116,563	131.70	\$ 15,351,347
	High Density Residential (HDR)	\$ 240,000	\$ 138,376	\$ 101,624	50.20	\$ 5,101,525
	Convenience Comm. (C-NC)	\$ 340,000	\$ 299,168	\$ 40,832	9.60	\$ 391,987
	Community Comm. (C-CC)	\$ 340,000	\$ 206,968	\$ 133,032	0.00	\$ -
	Village Comm. (C-VC)	\$ 340,000	\$ 255,949	\$ 84,051	18.00	\$ 1,512,918
	Transit Comm. (C-TC)	\$ 340,000	\$ 262,310	\$ 77,690	0.00	\$ -
	Highway Comm. (C-HWC)	\$ 280,000	\$ 203,490	\$ 76,510	25.60	\$ 1,958,656
	Regional Comm. (C-RC)	\$ 250,000	\$ 193,807	\$ 56,193	65.40	\$ 3,675,022
	Office - EC 30	\$ 170,000	\$ 133,183	\$ 36,817	109.50	\$ 4,031,462
	Office - EC 40	\$ 242,000	\$ 147,632	\$ 94,368	268.60	\$ 25,347,245
	Office/Hospital - EC 50	\$ 242,000	\$ 158,192	\$ 83,808	194.00	\$ 16,258,752
	Office - EC 65	\$ 242,000	\$ 177,540	\$ 64,460	69.60	\$ 4,486,416
	Office - EC 80	\$ 344,000	\$ 196,004	\$ 147,996	20.30	\$ 3,004,319
	Light Industrial (LI)	\$ 230,000	\$ 145,219	\$ 84,781	127.50	\$ 10,809,578
SUBTOTAL QUADRANT 1					1,231.50	\$ 121,679,176
2	Low Density Residential (LDR)	\$ 320,000	\$ 117,401	\$ 202,599	1,096.60	\$ 222,170,063
	Medium Density Residential (MDR)	\$ 247,000	\$ 145,620	\$ 101,380	445.50	\$ 45,164,790
	High Density Residential (HDR)	\$ 240,000	\$ 148,703	\$ 91,297	241.90	\$ 22,084,744
	Convenience Comm. (C-NC)	\$ 340,000	\$ 309,495	\$ 30,505	8.50	\$ 259,293
	Community Comm. (C-CC)	\$ 340,000	\$ 217,295	\$ 122,705	50.40	\$ 6,184,332
	Village Comm. (C-VC)	\$ 340,000	\$ 266,276	\$ 73,724	18.30	\$ 1,349,149
	Transit Comm. (C-TC)	\$ 340,000	\$ 272,637	\$ 67,363	38.90	\$ 2,620,421
	Highway Comm. (C-HWC)	\$ 280,000	\$ 213,816	\$ 66,184	0.00	\$ -
	Regional Comm. (C-RC)	\$ 250,000	\$ 204,134	\$ 45,866	0.00	\$ -
	Office - EC 30	\$ 170,000	\$ 143,510	\$ 26,490	14.30	\$ 378,807
	Office - EC 40	\$ 242,000	\$ 157,959	\$ 84,041	79.10	\$ 6,647,643
	Office/Hospital - EC 50	\$ 242,000	\$ 168,519	\$ 73,481	44.80	\$ 3,291,949
	Office - EC 65	\$ 242,000	\$ 187,866	\$ 54,134	33.80	\$ 1,829,729
	Office - EC 80	\$ 344,000	\$ 206,331	\$ 137,669	15.10	\$ 2,078,802
	Light Industrial (LI)	\$ 230,000	\$ 155,546	\$ 74,454	0.00	\$ -
SUBTOTAL QUADRANT 2					2,087.20	\$ 314,059,722
3	Low Density Residential (LDR)	\$ 320,000	\$ 119,272	\$ 200,728	158.10	\$ 31,735,097
	Medium Density Residential (MDR)	\$ 247,000	\$ 137,364	\$ 109,636	35.40	\$ 3,881,114
	High Density Residential (HDR)	\$ 240,000	\$ 145,304	\$ 94,696	21.20	\$ 2,007,555

# VALUATION SUMMARY

QUADRANT	LAND USE	UNIT FEE SIMPLE VALUE	UNIT BOND DEBT AND DEVELOP. FEES	ADJUSTED UNIT VALUE	GROSS DEVELOPABLE AREA (ACRES)	TOTAL VALUE
3	Convenience Comm. (C-NC)	\$ 340,000	\$ 306,096	\$ 33,904	0.00	\$ -
	Community Comm. (C-CC)	\$ 340,000	\$ 213,896	\$ 126,104	0.00	\$ -
	Village Comm. (C-VC)	\$ 340,000	\$ 262,877	\$ 77,123	9.00	\$ 694,107
	Transit Comm. (C-TC)	\$ 340,000	\$ 269,238	\$ 70,762	0.00	\$ -
	Highway Comm. (C-HWC)	\$ 280,000	\$ 210,417	\$ 69,583	14.30	\$ 995,037
	Regional Comm. (C-RC)	\$ 250,000	\$ 200,735	\$ 49,265	0.00	\$ -
	Office - EC 30	\$ 170,000	\$ 140,111	\$ 29,889	0.00	\$ -
	Office - EC 40	\$ 242,000	\$ 154,560	\$ 87,440	0.00	\$ -
	Office/Hospital - EC 50	\$ 242,000	\$ 165,120	\$ 76,880	35.10	\$ 2,698,488
	Office - EC 65	\$ 242,000	\$ 184,467	\$ 57,533	6.90	\$ 396,978
	Office - EC 80	\$ 344,000	\$ 202,932	\$ 141,068	0.00	\$ -
	Light Industrial (LI)	\$ 230,000	\$ 152,147	\$ 77,853	13.90	\$ 1,082,157
SUBTOTAL QUADRANT 3					293.90	\$ 43,490,533
4	Low Density Residential (LDR)	\$ 320,000	\$ 122,353	\$ 197,647	414.60	\$ 81,944,446
	Medium Density Residential (MDR)	\$ 247,000	\$ 143,037	\$ 103,963	306.30	\$ 31,843,867
	High Density Residential (HDR)	\$ 240,000	\$ 150,977	\$ 89,023	91.00	\$ 8,101,093
	Convenience Comm. (C-NC)	\$ 340,000	\$ 311,769	\$ 28,231	3.00	\$ 84,693
	Community Comm. (C-CC)	\$ 340,000	\$ 219,569	\$ 120,431	26.70	\$ 3,215,508
	Village Comm. (C-VC)	\$ 340,000	\$ 268,550	\$ 71,450	21.40	\$ 1,529,030
	Transit Comm. (C-TC)	\$ 340,000	\$ 274,910	\$ 65,090	0.00	\$ -
	Highway Comm. (C-HWC)	\$ 280,000	\$ 216,090	\$ 63,910	0.00	\$ -
	Regional Comm. (C-RC)	\$ 250,000	\$ 206,407	\$ 43,593	0.00	\$ -
	Office - EC 30	\$ 170,000	\$ 145,784	\$ 24,216	0.00	\$ -
	Office - EC 40	\$ 242,000	\$ 160,232	\$ 81,768	88.70	\$ 7,252,822
	Office/Hospital - EC 50	\$ 242,000	\$ 170,792	\$ 71,208	149.90	\$ 10,674,079
	Office - EC 65	\$ 242,000	\$ 190,140	\$ 51,860	6.30	\$ 326,718
	Office - EC 80	\$ 344,000	\$ 208,604	\$ 135,396	0.00	\$ -
	Light Industrial (LI)	\$ 230,000	\$ 157,820	\$ 72,180	0.00	\$ -
SUBTOTAL QUADRANT 4					1,107.90	\$ 144,972,256
SUBTOTAL QUADRANT 1					1,231.50	\$ 121,679,176
SUBTOTAL QUADRANT 2					2,087.20	\$ 314,059,722
SUBTOTAL QUADRANT 3					293.90	\$ 43,490,533
SUBTOTAL QUADRANT 4					1,107.90	\$ 144,972,256
TOTAL QUADRANTS 1, 2, 3 AND 4					4,720.50	\$ 624,201,687

**Conclusion of Public Land Acquisition Value:** The weighted average unit value of the appraisal properties, as of *November 1, 2002*, is calculated as follows:

$$\frac{\$624,201,687 \text{ (from Valuation Summary)}}{4,720.50 \text{ Gross Developable Acres}} = \$132,232/\text{Gross Developable Acre (Rounded)}$$

The resulting weighted average unit value of the appraisal properties is then averaged with the two prior years' estimates of weighted average unit value, and this three-year average is concluded to be the Public Land Acquisition Value reported in this appraisal.

Based upon the foregoing analyses and conclusions, the Public Land Acquisition Value of the appraisal properties, as of *November 1, 2002*, is estimated as follows:

Weighted Average Unit Value @ November 1, 2002:	\$ 132,232
Weighted Average Unit Value @ November 1, 2001:	\$ 94,017
Weighted Average Unit Value @ November 1, 2000:	\$ 95,909
	<u>\$ 322,158</u>

$$\text{PUBLIC LAND ACQUISITION VALUE } (\$322,158 \div 3) = \$107,386/\text{Gross Developable Acre}$$

Supplemental Calculation: At the client's request, a supplemental calculation is also made and reported in which the estimate of Public Land Acquisition Value is adjusted upward a total of seven and one-half percent in order to account for acquisition contingencies (@ five percent) and the client's administrative costs (@ two and one-half percent). This adjusted estimate of value is the basis from which the Public Facilities Land Acquisition Fees are actually calculated.

Based upon the procedure presented on Page V-10 of the North Natomas Financing Plan, the supplemental calculation is made as follows:

$$\frac{\$107,386 \text{ (Public Land Acquisition Value)}}{0.925} = \$116,093/\text{Gross Developable Acre}$$

**ADDENDA**

***EXHIBIT A***

***QUALIFICATIONS OF THE APPRAISER***



**QUALIFICATIONS OF  
JEFFREY L. RIDOLFI, MAI**

**CLARK-WOLCOTT COMPANY, INC.**  
**11344 COLOMA ROAD, SUITE 245**  
**RANCHO CORDOVA, CALIFORNIA 95670**  
**PHONE: 916-852-9470**  
**FAX: 916-852-1229**

**PROFESSIONAL EXPERIENCE**

Mr. Ridolfi was employed by the Pacific Gas & Electric Company from 1972 until 1988 and held a variety of positions related to real property matters including land surveying, mapping, right-of-way and property acquisition, land sales and management, eminent domain, and appraisal. Mr. Ridolfi joined the firm of Clark-Wolcott Company, Inc., in 1988 and became a principal and Vice President in January, 1992.

In addition to completing various types of valuation, consulting, and litigation assignments, Mr. Ridolfi is an acknowledged contributor to the formulation of *Appraisal Standards For Land Secured Financings*, published in May, 1994 by the California Debt Advisory Commission of the State of California. Mr. Ridolfi has served as a panel member in industry-sponsored seminars relating to the valuation of properties located within Mello-Roos community facilities districts and assessment districts.

**EDUCATION**

Associate in Arts degree in Business Administration from Sierra College, Rocklin, California. Graduated 1970.

Bachelor of Science degree in Business Administration from California State University, Chico. Graduated 1972.

American Institute of Real Estate Appraisers<sup>1</sup> courses successfully completed include:

- Appraisal Principles - 1978 (challenged examination).
- Capitalization Theory and Techniques - 1979.
- Case Studies in Real Estate Valuation - 1980.
- Valuation Analysis and Report Writing - 1980.
- Litigation Valuation - 1981.
- Real Estate Investment Analysis - 1983.
- Industrial Valuation - 1984.
- Market Analysis - 1986.
- Standards of Professional Practice - 1982, 1987, 1993, 1998.

<sup>1</sup> As of January, 1991, the American Institute of Real Estate Appraisers merged with the Society of Real Estate Appraisers to become the Appraisal Institute.

**PROFESSIONAL AFFILIATIONS**

1. Member of the Appraisal Institute (MAI) - Certificate #7453 awarded November, 1986.
  - Sacramento Valley Chapter Education Committee - Member (1989).
  - Sacramento Valley Chapter Admissions Committee - Member and occasional Chair (1989-1991).
  - Regional Professional Standards Panel - Member (1988-1991).
  - National Experience-Review Panel - Member (1991-Present).
  - Assistant Regional Member of the Review and Counseling Division (1992-1997).
  - Sacramento Sierra Chapter Admissions Committee - Member (1997-Present).
  - Ethics and Counseling Committee - Regional Panel Member (1997-Present).
2. Member of the International Right of Way Association - elected in February, 1987.
3. Certified General Real Estate Appraiser - State of California  
Identification No. AG003605.

**LOCATION AND TYPES OF PROPERTY APPRAISED**

During the course of Mr. Ridolfi's career, he has completed appraisals and related work in 48 counties in California and in portions of western Nevada and Arizona. A representative sampling of the types of property he has appraised includes:

- Undeveloped Land: Single- and multifamily residential; residential subdivisions; industrial, commercial, agricultural, and transitional/speculative lands; recreation/resource properties; and coastal properties.
- Improved Properties: Single- and multifamily residential, retail commercial, industrial, business/professional office, medical office, and research and development (R&D).
- Special Purpose: Rights-of-way and easements (permanent and temporary) for roads/utilities and other purposes, assessment districts, Mello-Roos community facilities districts, microwave tower sites, and properties designated for public acquisition (park sites, wetlands/habitat restoration, school sites, etc.).

**REPRESENTATIVE LIST OF CLIENTS**

- Commercial Lending Institutions/Related Entities

The Money Store  
Commerce Bank of Washington  
HomeFed Bank  
Federal Deposit Insurance Corporation  
Security Pacific National Bank  
San Jacinto Savings  
Resolution Trust Corporation  
Capitol Bank of Commerce

Bank of the West  
U.S. Bankcorp  
Homestead Savings  
River City Bank  
Sacramento Savings Bank  
The Bank of California  
Wells Fargo Bank

- Owners/Developers

Lexington Homes  
Ahmanson Development  
AKT Development Corporation  
Union Pacific Railroad  
Chrysler Realty  
Riverwest Developments  
The Heil Company  
Elliott Homes, Inc.  
System Integrators, Inc.  
Apple Computer, Inc.  
Santa Fe Pacific Pipelines  
Trammel Crow Company  
Hillman Properties West, Inc.

Calton Homes of California  
Diversified Shopping Centers  
Leshar Communications, Inc.  
Chevron Real Estate  
Mercy Healthcare Sacramento  
The Sares Company  
Alleghany Properties, Inc.  
Olympic Broadcasters  
Bellingham Marine  
Stanford Ranch  
Kaiser Permanente  
PM Realty Advisors  
Gencorp Aerojet

- Governmental Bodies

City of Folsom  
City of Davis  
City of Sacramento  
City of Roseville  
City of West Sacramento  
City of Woodland  
County of Sacramento

Roseville Community Hospital  
Reclamation District 900  
Rancho Murieta Community Services  
District  
Sacramento Housing &  
Redevelopment Agency

- School Districts

Rocklin Unified School District  
Buckeye Union School District  
Rescue Union School District  
Elk Grove Unified School District  
Folsom Cordova Unified School District

Roseville Joint Unified School District  
Auburn Union School District  
Dry Creek Joint Elementary School  
District

- Law Firms

McDonough, Holland & Allen  
Kronick, Moskovitz, Teidemann &  
Girard  
Brobeck, Phleger & Harrison  
Porter, Scott, Weiberg & Delehant

Sedgwick, Detert, Moran & Arnold  
Miller, Starr & Regalia  
Diepenbrock, Wulff, Plant & Hannegan  
Sonnenschein, Nath & Rosenthal  
Burger & Plavan

- Other

Westhoff, Cone, & Holmstedt  
(municipal bond financing)  
The Spink Corporation (engineers)  
Ernst & Young (accountants)  
The University of California  
St. Paul Fire and Marine Insurance  
Company

The First Boston Corporation  
(financial consultants)  
Miller & Schroeder Financial, Inc.  
(municipal bond financing)  
Stone & Youngberg (municipal  
bond financing)

**EXHIBIT B**

**MARKET DATA SHEETS**

DATA PROPERTY: 1

SALE DATE: 11/26/02

RECORDING DATA: 20021126-2100

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Beck Properties, Inc.

LOCATION: North side of San Juan Road at Sora Way, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1870-002 (59 "paper" lots)

SALE PRICE: \$ 2,950,000

BONDS: \$ 679,680

TOTAL PRICE: \$ 3,629,680

SIZE (GROSS DEVELOPABLE AREA): 15.779 Acres PRICE/G.D.A.: \$230,032 UTILITIES: All Available

TOPOGRAPHY: Generally level (see Remarks)

SHAPE: Irregular

ACCESS: Sara Way, Sparrow Drive

STREET IMPS.: Backbone per C.F.D.

ZONING: R-1 (LDR)

REMARKS: Reported sale price excludes \$2,600/lot in grading costs (total \$153,400) that are omitted in this appraisal. Contract executed in May, 2002.

DATA PROPERTY: 2

SALE DATE: 11/26/02

RECORDING DATA: 20021126-2105

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Beck Properties, Inc.

LOCATION: West end of Myotis Drive, west of Sparrow Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1870-001 (43 "paper" lots)

SALE PRICE: \$ 2,021,000

BONDS: \$ 495,360

TOTAL PRICE: \$ 2,516,360

SIZE (GROSS DEVELOPABLE AREA): 11.471 Acres PRICE/G.D.A.: \$219,367 UTILITIES: All Available

TOPOGRAPHY: Generally level

SHAPE: Irregular

ACCESS: Myotis Drive, et al.

STREET IMPS.: Backbone per C.F.D.

ZONING: R-1 (LDR)

REMARKS: Price reflects the requirement to improve the property's frontage along the detention basin. Contract executed in May, 2002.

DATA PROPERTY: 3

SALE DATE: 12/23/02

RECORDING DATA: 20021223-1898

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Kimball Hill Homes California, Inc.

LOCATION: Northwest corner of San Juan Road and Guillemot Drive, North Natomas.

ASSESSOR'S PARCEL NO.: Portions of 225-1870-005 & 006 (60 "paper" lots)

SALE PRICE: \$ 2,760,000

BONDS: \$ 689,580

TOTAL PRICE: \$ 3,449,580

SIZE (GROSS DEVELOPABLE AREA): ±13.172 Acres

PRICE/G.D.A.: \$261,887

UTILITIES: All Available

TOPOGRAPHY: Generally level

SHAPE: Irregular

ACCESS: Guillemot Drive

STREET IMPS.: Backbone per C.F.D.

ZONING: R-1 (LDR)

REMARKS: Contract executed June, 2002.

DATA PROPERTY: 4

SALE DATE: 4/30/02 & 6/11/02

RECORDING DATA: 20020430-3215  
20020611-2327

GRANTOR: Northpointe North, LLC, et al.

GRANTEE: Cambridge (Natomas) LP

LOCATION: East side of Honor Parkway at William Bird Avenue, North Natomas.

ASSESSOR'S PARCEL NO.: 201-0580-001, et al. (121 "paper" lots)

SALE PRICE: \$ 5,585,965

BONDS: \$ 1,347,456

TOTAL PRICE: \$ 6,933,421

SIZE (GROSS DEVELOPABLE AREA): ±25.050 Acres

PRICE/G.D.A.: \$276,783

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Honor Parkway

STREET IMPS.: Backbone per C.F.D.

ZONING: R-1 (LDR)

REMARKS: Contract executed March, 2002.

DATA PROPERTY: 5

SALE DATE: 8/6/02 & 11/8/02

RECORDING DATA: 20020806-1301  
20021108-2140

GRANTOR: Northpointe North, LLC

GRANTEE: K. Hovnanian Forecast Homes, Inc.

LOCATION: South side of Regency Park Circle at Maring Way, North Natomas.

ASSESSOR'S PARCEL NO.: 201-0540-011, et al. (101 "paper" lots)

SALE PRICE: \$ 4,885,875

BONDS: \$ 1,123,625

TOTAL PRICE: \$ 6,009,500

SIZE (GROSS DEVELOPABLE AREA): ±20.210Acres

PRICE/G.D.A.: \$297,353

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Regency Park Circle

STREET IMPS.: Backbone per C.F.D.

ZONING: R-1 (LDR)

REMARKS: Original contract done in May, 2002 was modified for a new buyer in July, 2002.

DATA PROPERTY: 6

SALE DATE: Escrow

RECORDING DATA: N/A

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Kimball Hill Homes California, Inc.

LOCATION: South side of Natomas Crossing Drive at Ahart Way, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1870-003, 015

SALE PRICE: \$ 3,066,000

BONDS: \$ 836,872

TOTAL PRICE: \$ 3,902,872

SIZE (GROSS DEVELOPABLE AREA): 14.085 Acres

PRICE/G.D.A.: \$277,094

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Natomas  
Crossing Drive.

STREET IMPS.: Backbone per C.F.D.

ZONING: R-1A (MDR)

REMARKS: Contract executed June, 2002.

DATA PROPERTY: 7

SALE DATE: 11/26/03                      RECORDING DATA: 20021126-2111

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Beck Properties, Inc.

LOCATION: Southwest corner of Duckhorn Boulevard and Far Niente Way, North Natomas.

ASSESSOR'S PARCEL NO.: 225-0140-060 (52 "paper" lots)

SALE PRICE: \$ 2,137,200

BONDS: \$ 595,608

TOTAL PRICE: \$ 2,732,808

SIZE (GROSS DEVELOPABLE AREA): 9.807 Acres                      PRICE/G.D.A.: \$278,659                      UTILITIES: All Available

TOPOGRAPHY: Generally level                      SHAPE: Irregular                      ACCESS: Duckhorn Boulevard  
and Far Niente Way

STREET IMPS.: Backbone per C.F.D.                      ZONING: R-1A (MDR)

REMARKS: Contract executed May, 2002.

DATA PROPERTY: 8

SALE DATE: 12/20/02                      RECORDING DATA: 20021220-2907

GRANTOR: Northpointe North, LLC.

GRANTEE: U.S. Home Corporation

LOCATION: Northeast corner of Club Center Drive and Regency Park Circle, North Natomas.

ASSESSOR'S PARCEL NO.: 201-0540-013 (44 "paper" lots)

SALE PRICE: \$ 2,385,900

BONDS: \$ 399,520

TOTAL PRICE: \$ 2,785,420

SIZE (GROSS DEVELOPABLE AREA): 7.890 Acres                      PRICE/G.D.A.: \$353,032                      UTILITIES: All Available

TOPOGRAPHY: Level                      SHAPE: Rectangular                      ACCESS: Club Center  
Drive and  
Regency Park  
Circle

STREET IMPS.: Backbone per C.F.D.                      ZONING: R-1A (MDR)

REMARKS: Contract executed September, 2002.



DATA PROPERTY: 9

SALE DATE: 8/20/02 & 9/6/02

RECORDING DATA: 20020820-2170  
20020906-1958

GRANTOR: Lennar Winncrest, LLC, et al.

GRANTEE: John Mourier Construction, Inc.

LOCATION: Southwest corner of Natomas Boulevard and Mabry Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 201-0440-076, et al. (88 "finished" lots)

SALE PRICE: \$ 3,537,600

BONDS: \$ 793,232

TOTAL PRICE: \$ 4,330,832 (See Remarks)

SIZE (GROSS DEVELOPABLE AREA): ±15.107 Acres

PRICE/G.D.A.: \$286,677

UTILITIES: Installed

TOPOGRAPHY: Level lots

SHAPE: Rectangular

ACCESS: Mabry Drive, et al.

STREET IMPS.: Complete

ZONING: R-1A (PUD)

REMARKS: Reported purchase based upon "paper" lot price of \$40,200/lot. Sale actually involved "finished" lots at a price of \$58,500/lot, plus seller participation. Contract signed March, 2002.

DATA PROPERTY: 10

SALE DATE: 12/23/02

RECORDING DATA: 20021223-1898

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Kimball Hill Homes California, Inc.

LOCATION: North side of Myotis Drive at Jackdaw Street, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1870-004 (76 "paper" lots)

SALE PRICE: \$ 3,192,000

BONDS: \$ 871,264

TOTAL PRICE: \$ 4,063,264

SIZE (GROSS DEVELOPABLE AREA): 12.875 Acres

PRICE/G.D.A.: \$315,593

UTILITIES: All Available

TOPOGRAPHY: Generally level

SHAPE: Generally rectangular

ACCESS: Myotis Drive

STREET IMPS.: Backbone per C.F.D.

ZONING: R-1A (MDR)

REMARKS: Contract signed June, 2002.

DATA PROPERTY: 11

SALE DATE: 8/16/02 & 9/11/02

RECORDING DATA: 20020816-1475  
20020911-0372

GRANTOR: Lennar Winncrest, LLC, et al.

GRANTEE: Pulte Home Corporation

LOCATION: West side of Natomas Boulevard at Bradburn Drive, North Natomas.

ASSESSOR'S PARCEL NO.: Portion of 201-0310-055, et al. (87 "finished" lots)

SALE PRICE: \$ 3,497,400

BONDS: \$ 784,218

TOTAL PRICE: \$ 4,281,618 (See Remarks)

SIZE (GROSS DEVELOPABLE AREA): ±13.948 Acres

PRICE/G.D.A.: \$306,970

UTILITIES: Installed

TOPOGRAPHY: Level lots

SHAPE: Rectangular

ACCESS: Bradburn Drive

STREET IMPS.: Complete

ZONING: R-1A (PUD)

REMARKS: Reported purchase based upon "paper" lot price of \$40,200/lot. Sale actually involved "finished" lots at a price of \$58,500/lot, plus seller participation. Contract signed in March, 2002.

DATA PROPERTY: 12

SALE DATE: 9/24/02

RECORDING DATA: 20020924-2044

GRANTOR: Lennar Winncrest, LLC

GRANTEE: Morrison Homes

LOCATION: Southwest corner of Maybrook Drive and Macon Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 201-0630-003, et al. (74 "finished" lots)

SALE PRICE: \$ 3,544,600

BONDS: \$ 836,200

TOTAL PRICE: \$ 4,380,800 (See Remarks)

SIZE (GROSS DEVELOPABLE AREA): 11.555 Acres

PRICE/G.D.A.: \$379,126

UTILITIES: Installed

TOPOGRAPHY: Level lots

SHAPE: Rectangular

ACCESS: Macon Drive

STREET IMPS.: Complete

ZONING: R-1A (MDR)

REMARKS: Reported purchase based upon a "paper" lot price of \$47,900 per lot. Sale actually involved "finished" lots at a price of \$61,000 per lot, plus seller participation. Contract executed April, 2002.

DATA PROPERTY: 13

SALE DATE: Escrow

RECORDING DATA: N/A

GRANTOR: Lennar Winncrest LLC

GRANTEE: Pacific West Homes

LOCATION: Northeast corner of Club Center Drive and Dunlay Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 201-0440-031, 033

SALE PRICE: \$ 2,892,186

BONDS: \$ 1,059,913

TOTAL PRICE: \$ 3,952,099

SIZE (GROSS DEVELOPABLE AREA): 15.698 Acres

PRICE/G.D.A.: \$251,758

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Generally  
rectangular

ACCESS: Club Center Drive  
and Dunlay Drive

STREET IMPS.: Backbone per C.F.D.

ZONING: R-2B (HDR)

REMARKS: Two-phase closing proposed and tied to securing entitlements for a 245-unit condominium project.  
Contract executed January, 2003.

DATA PROPERTY: 14

SALE DATE: 09/28/01

RECORDING DATA: 20010928-2553

GRANTOR: Lennar Winncrest LLC

GRANTEE: HUP Northpointe Partners LLC

LOCATION: Northwest corner of Del Paso Road and Blackrock Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1060-003

SALE PRICE: \$ 1,040,000

BONDS: \$ 474,460

TOTAL PRICE: \$ 1,514,460

SIZE (GROSS DEVELOPABLE AREA): 7.408 Acres

PRICE/G.D.A.: \$204,436

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: Blackrock Drive

STREET IMPS.: C, G & S

ZONING: R-2B (HDR)

REMARKS: Purchase price based upon the potential development of a 130-unit apartment complex. The purchase contract was executed in the fourth quarter, 2000. The buyer obtained a total of 152 units during the site plan approval process.

DATA PROPERTY: 15

SALE DATE: 02/02/00

RECORDING DATA: 20000202-1068, 1072

GRANTOR: Lennar Winncrest LLC

GRANTEE: Natomas Park North LP and Natomas Park South LP

LOCATION: Northeast corner of Natomas Boulevard and North Bend Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 225-0040-052, 053

SALE PRICE: \$ 2,778,160

BONDS: \$ 1,643,147

TOTAL PRICE: \$ 4,421,307

SIZE (GROSS DEVELOPABLE AREA): 23.600 Acres

PRICE/G.D.A.: \$187,344

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Triangular

ACCESS: Natomas  
Boulevard, et al.

STREET IMPS.: C, G & S on Natomas  
Boulevard

ZONING: R-2B (HDR)

REMARKS: Purchased for development of a 440-unit apartment complex.

DATA PROPERTY: 16

SALE DATE: 5/3/02

RECORDING DATA: 20020503-1773

GRANTOR: Natomas Estates, LLC

GRANTEE: Carefree Natomas Limited Partnership

LOCATION: Northwest corner of Natomas Boulevard and Mabry Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 201-0310-053, 054

SALE PRICE: \$ 3,136,480

BONDS: \$ 1,479,567

TOTAL PRICE: \$ 4,616,047

SIZE (GROSS DEVELOPABLE AREA): 22.340 Acres

PRICE/G.D.A.: \$206,627

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: Mabry Drive, et al.

STREET IMPS.: Complete

ZONING: R-4 (PUD)

REMARKS: Special Permit approved (processed by the seller) for a 452-unit seniors apartment complex. Buyer ultimately got approvals to construct 500 units. Sites for congregate care and assisted living facilities will be subsequently purchased. Contract executed in May, 2001.

DATA PROPERTY: 17

SALE DATE: 1/30/02

RECORDING DATA: 20020130-1286

GRANTOR: Lennar Winncrest LLC

GRANTEE: Natomas Sacramento L.P. (St. Anton)

LOCATION: South side of Club Center Drive, 400 feet east of Danbrook Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1730-001

SALE PRICE: \$ 1,648,000

BONDS: \$ 696,887

TOTAL PRICE: \$ 2,344,887

SIZE (GROSS DEVELOPABLE AREA): 10.138 Acres

PRICE/G.D.A.: \$231,297

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: Club Center Drive

STREET IMPS.: C, G & S

ZONING: R-2B (HDR)

REMARKS: Buyer proposed the development of a 206-unit, affordable apartment complex. Purchase agreement executed May, 2001. Buyer ultimately got approvals to construct 212 units.

DATA PROPERTY: 18

SALE DATE: 9/13/02

RECORDING DATA: 20020913-2009

GRANTOR: Sacramento Properties Holdings, Inc.

GRANTEE: Fairfield Natomas LP

LOCATION: East side of Truxel Road, one-tenth of a mile south of Del Paso Road, North Natomas.

ASSESSOR'S PARCEL NO.: 225-0070-105

SALE PRICE: \$ 2,949,710

BONDS: \$ 866,648

TOTAL PRICE: \$ 3,816,358

SIZE (GROSS DEVELOPABLE AREA): 18.550 Acres

PRICE/G.D.A.: \$205,734

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Terracina Drive

STREET IMPS.: C, G & S on Truxel  
and Del Paso Roads

ZONING: R-2B/EC-50

REMARKS: Property purchased for development of a 384-unit apartment complex. Contract initially executed in September, 2000 and redone in September, 2001.

DATA PROPERTY: 19

SALE DATE: 11/27/01

RECORDING DATA: 20011127-1005

GRANTOR: Winncrest Natomas LLC

GRANTEE: Westlake Villas, LLC

LOCATION: East side of Westlake Parkway, opposite Vista Cove Circle, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1480-002, 003, 042

SALE PRICE: \$ 2,375,000

BONDS: \$ 749,884

TOTAL PRICE: \$ 3,124,884

SIZE (GROSS DEVELOPABLE AREA): 12.340 Acres

PRICE/G.D.A.: \$253,232

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: L-Shaped

ACCESS: Westlake Parkway

STREET IMPS.: C, G & S

ZONING: R-3 (PUD)

REMARKS: Buyer obtained a special use permit for a 285-unit apartment complex during the escrow period. Purchase contract executed in early-2001.

DATA PROPERTY: 20

SALE DATE: 11/20/01

RECORDING DATA: 20011120-1378

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Systems Capital Real Property Corporation

LOCATION: East side of Truxel Road, opposite Natomas Crossing Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1250-027

SALE PRICE: \$ 1,387,000

BONDS: \$ 181,725

TOTAL PRICE: \$ 1,568,725

SIZE (GROSS DEVELOPABLE AREA): 3.086 Acres

PRICE/G.D.A.: \$508,336

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Triangular

ACCESS: Truxel Road

STREET IMPS.: C, G & S

ZONING: EC-65

REMARKS: Property purchased for development of a Chevron/McDonald's facility. Contract executed in the spring-2000.

DATA PROPERTY: 21  
SALE DATE: 09/17/01 RECORDING DATA: 20010917-1043  
GRANTOR: Alleghany Properties, Inc.  
GRANTEE: Natomas Crossing Fund  
LOCATION: Northwest corner of Truxel Road and Natomas Crossing Drive, North Natomas.  
ASSESSOR'S PARCEL NO.: 225-1250-029

SALE PRICE: \$ 958,320  
BONDS: \$ 194,150  
TOTAL PRICE: \$ 1,152,470

SIZE (GROSS DEVELOPABLE AREA): 3.297 Acres PRICE/G.D.A.: \$349,551 UTILITIES: All Available  
TOPOGRAPHY: Level SHAPE: Rectangular ACCESS: Natomas Crossing Drive, et al.  
STREET IMPS.: C, G & S ZONING: EC-40

REMARKS: Property purchased for development of a strip retail center. Contract executed in the spring-2000.

DATA PROPERTY: 22  
SALE DATE: 11/09/01 RECORDING DATA: 20011109-0500  
GRANTOR: The Cambay Group, Inc.  
GRANTEE: Natomas - Truxel, LLC  
LOCATION: West side of Truxel Road, one-tenth of a mile north of Arena Boulevard, North Natomas.  
ASSESSOR'S PARCEL NO.: 225-0070-064 (portion)

SALE PRICE: \$ 1,247,428  
BONDS: \$ 409,640  
TOTAL PRICE: \$ 1,657,068

SIZE (GROSS DEVELOPABLE AREA): 4.091 Acres PRICE/G.D.A.: \$405,052 UTILITIES: All Available  
TOPOGRAPHY: Level SHAPE: Rectangular ACCESS: Truxel Road  
STREET IMPS.: C & G ZONING: EC-40

REMARKS: Property purchased for a retail center. Purchase contract executed in mid-2000.

DATA PROPERTY: 23

SALE DATE: 3/29/02

RECORDING DATA: 20020329-0556

GRANTOR: The Cambay Group, Inc.

GRANTEE: Gurmukh Gosal

LOCATION: Southeast corner of Del Paso Road and El Centro Road, North Natomas.

ASSESSOR'S PARCEL NO.: 225-0080-056

SALE PRICE: \$ 1,250,000

BONDS: \$ 507,969

TOTAL PRICE: \$ 1,757,969

SIZE (GROSS DEVELOPABLE AREA): 7.441 Acres

PRICE/G.D.A.: \$236,254

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Duckhorn Drive

STREET IMPS.: None

ZONING: EC-65

REMARKS: Property purchased for a mixture of retail and office uses. Purchase contract executed in mid-2000.

DATA PROPERTY: 24

SALE DATE: Escrow

RECORDING DATA: N/A

GRANTOR: Winncrest Natomas, LLC

GRANTEE: Donahue Schriber

LOCATION: Northwest corner of Del Paso Road and El Centro Road, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1480-001

SALE PRICE: \$ 2,582,672

BONDS: \$ 667,724

TOTAL PRICE: \$ 3,250,396

SIZE (GROSS DEVELOPABLE AREA): 10.800 Acres

PRICE/G.D.A.: \$300,963

UTILITIES: All Available

TOPOGRAPHY: Generally level

SHAPE: Rectangular

ACCESS: Del Paso Road and  
El Centro Road

STREET IMPS.: Complete

ZONING: NC (PUD)

REMARKS: Property being purchased for development of a shopping center. Contract executed April, 2002.



DATA PROPERTY: 25

SALE DATE: 08/15/00

RECORDING DATA: 20000815-0220

GRANTOR: Lennar Winncrest, LLC

GRANTEE: Park Place Market, LLC

LOCATION: Northeasterly quadrant of the Del Paso Road/Natomas Boulevard intersection, North Natomas.

ASSESSOR'S PARCEL NO.: 225-0440-061

SALE PRICE: \$ 1,939,460

BONDS: \$ 946,402

TOTAL PRICE: \$ 2,885,862

SIZE (GROSS DEVELOPABLE AREA): 12.309 Acres

PRICE/G.D.A.: \$234,451

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: Natomas  
Boulevard and  
Del Paso Road

STREET IMPS.: C, G & S

ZONING: NC

REMARKS: Property purchased for joint-venture development of a shopping center. Joint venture announced in April, 1999.

DATA PROPERTY: 26

SALE DATE: Escrow

RECORDING DATA: N/A

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Confidential until close of escrow.

LOCATION: Southwest corner of Truxel Road and Arena Boulevard, North Natomas.

ASSESSOR'S PARCEL NO.: Portions of 225-1250-002, 005

SALE PRICE: \$ 4,181,760

BONDS: \$ 676,680

TOTAL PRICE: \$ 4,858,440

SIZE (GROSS DEVELOPABLE AREA): ±14.700 Acres

PRICE/G.D.A.: \$330,506

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Arena Boulevard,  
et al.

STREET IMPS.: Incomplete

ZONING: SC & C-1 (PUD)

REMARKS:

DATA PROPERTY: 27

SALE DATE: 4/18/00

RECORDING DATA: 2000-0025772

GRANTOR: Alice F. Epperson, Trustee

GRANTEE: Frank and Charlotte Snopko

LOCATION: Northeast quadrant of the Interstate 80/Sierra College Boulevard freeway interchange, Rocklin, Placer County.

ASSESSOR'S PARCEL NO.: 045-042-050

SALE PRICE: \$ 1,527,795

BONDS: \$ 0

TOTAL PRICE: \$ 1,527,795

SIZE (GROSS DEVELOPABLE AREA): 5.121 Acres

PRICE/G.D.A.: \$298,339

UTILITIES: All Available

TOPOGRAPHY: Gently rolling

SHAPE: Generally rectangular

ACCESS: Granite Drive

STREET IMPS.: None

ZONING: C-2

REMARKS: Property purchased by investors and currently in escrow for shopping center development. Property has ±683 feet of freeway frontage and good visibility.

DATA PROPERTY: 28

SALE DATE: 4/12/00

RECORDING DATA: 2000-0024502

GRANTOR: The Upton Company, LLC

GRANTEE: Frank and Charlotte Snopko

LOCATION: Northeast quadrant of the Interstate 80/Sierra College Boulevard freeway interchange, Rocklin, Placer County.

ASSESSOR'S PARCEL NO.: 045-042-045

SALE PRICE: \$ 1,655,000

BONDS: \$ 28,456

TOTAL PRICE: \$ 1,683,456

SIZE (GROSS DEVELOPABLE AREA): 7.402 Acres

PRICE/G.D.A.: \$227,433

UTILITIES: All Available

TOPOGRAPHY: Gently rolling

SHAPE: Generally rectangular

ACCESS: Granite Drive

STREET IMPS.: None

ZONING: C-2

REMARKS: Property purchased by investors and currently in escrow for shopping center development. Property has ±271 feet of freeway frontage but somewhat limited visibility.

DATA PROPERTY: 29

SALE DATE: 1/6/03

RECORDING DATA: 2003-0001464

GRANTOR: Samuel N. and Suzanne C. Harrosh

GRANTEE: M & S, LLC

LOCATION: Southeast corner of Granite Drive and Dominguez Road, Rocklin, Placer County.

ASSESSOR'S PARCEL NO.: 045-020-043

SALE PRICE: \$ 3,489,090

BONDS: \$ 142,533

TOTAL PRICE: \$ 3,631,623

SIZE (GROSS DEVELOPABLE AREA): 11.900 Acres

PRICE/G.D.A.: \$305,178

UTILITIES: All Available

TOPOGRAPHY: Level to rolling

SHAPE: Irregular

ACCESS: Granite Drive

STREET IMPS.: Curb, gutter, and  
sidewalk

ZONING: PD-C  
(Commercial)

REMARKS: Property purchased for development of an automobile dealership, although a portion will be listed for sale and resold. Property has ±593 feet of freeway frontage and good visibility.

DATA PROPERTY: 30

SALE DATE: 1/11/00

RECORDING DATA: 20000111-1128

GRANTOR: Pacific Star Capital, LLC

GRANTEE: Village RV, Inc.

LOCATION: Southeast quadrant of the Interstate 5/Laguna Boulevard freeway interchange, Elk Grove.

ASSESSOR'S PARCEL NO.: 119-0120-082, 083

SALE PRICE: \$ 3,685,175

BONDS: \$ 1,476,259

TOTAL PRICE: \$ 5,161,434

SIZE (GROSS DEVELOPABLE AREA): 24.128 Acres

PRICE/G.D.A.: \$213,919

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Harbour Point Drive

STREET IMPS.: Complete

ZONING: TC (Highway Travel Commercial)

REMARKS: Property purchased by a prospective, partial user that subsequently decided to subdivide, develop, and market the entire property. Property's freeway frontage and visibility are limited by shape and berms, respectively.

DATA PROPERTY: 31

SALE DATE: 9/25/02

RECORDING DATA: 2002-0113869

GRANTOR: Keller Equities Blue Oaks LLC

GRANTEE: Rocklin Retail, LLC

LOCATION: Northeast quadrant of the State Highway 65/Blue Oaks Boulevard highway interchange, Rocklin (Placer County).

ASSESSOR'S PARCEL NO.: 365-020-009, et al.

SALE PRICE: \$ 9,126,500

BONDS: \$ 3,908,951

TOTAL PRICE: \$ 13,035,451

SIZE (GROSS DEVELOPABLE AREA): 62.107 Acres

PRICE/G.D.A.: \$209,887

UTILITIES: All Available

TOPOGRAPHY: Gently Rolling

SHAPE: Irregular

ACCESS: Lonetree  
Boulevard

STREET IMPS.: Complete

ZONING: LI/BP/C

REMARKS: Property purchased for development of a highway-oriented retail/office complex. Good highway visibility and accessibility.

DATA PROPERTY: 32

SALE DATE: 12/28/99

RECORDING DATA: 1999-0110045

GRANTOR: Minnesota Mining And Manufacturing Company

GRANTEE: Richland Roseville, Ltd.

LOCATION: Northeast corner of Eureka Road and North Sunrise Avenue, Roseville (Placer County).

ASSESSOR'S PARCEL NO.: 048-460-007

SALE PRICE: \$ 12,000,000

BONDS: \$ 0

TOTAL PRICE: \$ 12,000,000

SIZE (GROSS DEVELOPABLE AREA): ±85.000 Acres

PRICE/G.D.A.: \$141,176

UTILITIES: All Available

TOPOGRAPHY: Gently rolling to  
sloping

SHAPE: Irregular

ACCESS: North Sunrise  
Avenue, Eureka  
Road, and Rocky  
Ridge Drive.

STREET IMPS.: C&G

ZONING: PD 178 (Research and Development)

REMARKS: Reported area excludes environmentally sensitive portions of the property that are not developable. Buyer's initial plans called for a mixture of retail commercial and office uses (requires a rezoning, etc.), and some portions of the property will be resold.

DATA PROPERTY: 33

SALE DATE: 1. 07/17/00, 2. 11/29/00 RECORDING DATA: 1. 2000-0051281  
2. 2000-0100560

GRANTOR: Crocker Properties, Inc.

GRANTEE: Sunset Corporate Center LLC, et al.

LOCATION: South side of Sunset Boulevard, four-tenths of a mile east of State Highway 65, Rocklin  
(Placer County).

ASSESSOR'S PARCEL NO.: 017-280-040, 050, 051, 052, 053, 061

SALE PRICE: \$ 11,990,000

BONDS: \$ 5,143,614

TOTAL PRICE: \$ 17,133,614

SIZE (GROSS DEVELOPABLE AREA): ±113.120 Acres

PRICE/G.D.A.: \$151,464

UTILITIES: All Available

TOPOGRAPHY: Level to rolling

SHAPE: Irregular

ACCESS: Sunset Boulevard  
and West Oaks  
Boulevard

STREET IMPS.: C, G & S

ZONING: BP/C, BP

REMARKS: Reported area excludes floodplain/wetlands areas and right-of-way for West Oaks Boulevard.  
Developable area zoned for a mixture of office and supporting retail commercial uses at the time of  
sale.

DATA PROPERTY: 34

SALE DATE: Listing RECORDING DATA: N/A

GRANTOR: Tuey F. Fong, et al. (Fong Ranch)

GRANTEE: N/A

LOCATION: Northeast quadrant of the Interstate 80/Truxel Road freeway interchange, North Natomas.

ASSESSOR'S PARCEL NO.: 225-0160-086

LISTING PRICE: \$ 25,000,000

BONDS: \$ T.B.D.

TOTAL PRICE: \$ 25,000,000

SIZE (GROSS DEVELOPABLE AREA): 126.400 Acres

PRICE/G.D.A.: \$197,785

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: Gateway Park  
Boulevard

STREET IMPS.: None

ZONING: EC-50/LI

REMARKS: Property is reportedly in escrow well below the listing price. Commercial and other uses have  
been proposed. Project approvals prior to the close of escrow are the buyer's responsibility.

DATA PROPERTY: 35

SALE DATE: 11/12/02

RECORDING DATA: 20021112-2992

GRANTOR: California State Automobile Association

GRANTEE: Venture Oaks Hotel, LLC

LOCATION: West side of Venture Oaks Way, two-tenths of a mile south of Gateway Oaks Drive, South Natomas.

ASSESSOR'S PARCEL NO.: 274-0320-081

SALE PRICE: \$ 700,000

BONDS: \$ 18,000

TOTAL PRICE: \$ 718,000

SIZE (GROSS DEVELOPABLE AREA): ±2.110 Acres

PRICE/G.D.A.: \$340,284

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: Venture Oaks Way

STREET IMPS.: Complete

ZONING: OB-PUD

REMARKS: Property purchased without entitlements for a proposed hotel project (Pleasant Spring Suites), which is an allowed use in the OB-PUD zone with a Special Permit and site plan approval.

DATA PROPERTY: 36

SALE DATE: 12/27/01

RECORDING DATA: 20011227-0326

GRANTOR: Hilton Hospitality, Inc.

GRANTEE: 42 Natomas Park Drive, LLC

LOCATION: East side of Natomas Park Drive, one-tenth of a mile south of West El Camino Avenue, South Natomas.

ASSESSOR'S PARCEL NO.: 274-0042-042

SALE PRICE: \$ 980,100

BONDS: \$ 35,950

TOTAL PRICE: \$ 1,016,050

SIZE (GROSS DEVELOPABLE AREA): 3.000 Acres

PRICE/G.D.A.: \$338,683

UTILITIES: All Available

TOPOGRAPHY: Level and somewhat above street grade

SHAPE: Irregular

ACCESS: Natomas Park Drive

STREET IMPS.: C, G & S and Landscaping

ZONING: C-2 (See Remarks)

REMARKS: Property purchased for the construction of a ±45,000 square-foot office building, which required a rezoning to OB. Purchase contract executed in July, 2001.

DATA PROPERTY: 37

SALE DATE: 9/17/02

RECORDING DATA: 20020917-0320

GRANTOR: The Cambay Group, Inc.

GRANTEE: Jim and Karen Platzer

LOCATION: East side of East Commerce Way, seven-tenths of a mile south of Del Paso Road, North Natomas.

ASSESSOR'S PARCEL NO.: 225-0070-100, 101

SALE PRICE: \$ 1,356,000

BONDS: \$ 321,733

TOTAL PRICE: \$ 1,677,733

SIZE (GROSS DEVELOPABLE AREA): 7.392 Acres

PRICE/G.D.A.: \$226,966

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: East Commerce Way

STREET IMPS.: C, G & S

ZONING: EC-40 (PUD)

REMARKS: Purchase contract executed in the summer-2001. The buyer is an owner/user, and will develop daycare and travel agency facilities on the property.

DATA PROPERTY: 38

SALE DATE: Escrow

RECORDING DATA: N/A

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Confidential until close of escrow.

LOCATION: Southwest corner of Truxel Road and Natomas Crossing Drive, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1250-009

SALE PRICE: \$ 1,208,354

BONDS: \$ 264,621

TOTAL PRICE: \$ 1,472,975

SIZE (GROSS DEVELOPABLE AREA): 7.469 Acres

PRICE/G.D.A.: \$197,212

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Natomas Crossing Drive and Innovator Drive

STREET IMPS.: Complete

ZONING: EC-40 (PUD)

REMARKS: Buyer is an owner/user. Close of escrow contingent on proposed land use being approved by the City of Sacramento.

DATA PROPERTY: 39

SALE DATE: 11/20/02

RECORDING DATA: 20021120-2792

GRANTOR: Sacramento Properties Holdings, Inc.

GRANTEE: Jack Meissner (Trustee)

LOCATION: Southeast corner of Del Paso Road and Truxel Road, North Natomas.

ASSESSOR'S PARCEL NO.: 225-0070-104

SALE PRICE: \$ 2,900,095

BONDS: \$ 597,513

TOTAL PRICE: \$ 3,497,608

SIZE (GROSS DEVELOPABLE AREA): ±15.200 Acres

PRICE/G.D.A.: \$230,106

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: Del Paso Road

STREET IMPS.: Partially complete

ZONING: EC-50 (PUD)

REMARKS: Property purchased for development of an office complex. Contract executed July, 2002.

DATA PROPERTY: 40

SALE DATE: 10/30/02

RECORDING DATA: 20021030-1908

GRANTOR: Alleghany Properties, Inc.

GRANTEE: Natomas Crossing Phase I, LLC and Arena Boulevard, LLC (Panattoni).

LOCATION: Southeast corner of Truxel Road and Arena Boulevard, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1250-025

SALE PRICE: \$ 2,136,182

BONDS: \$ 597,977

TOTAL PRICE: \$ 2,734,159

SIZE (GROSS DEVELOPABLE AREA): 15.239 Acres

PRICE/G.D.A.: \$179,419

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: Truxel Road

STREET IMPS.: C, G & S

ZONING: EC-65

REMARKS: PUD-type, office development (up to 245,000 square feet) proposed. No freeway visibility. Purchase contract executed February, 2002.



DATA PROPERTY: 41  
SALE DATE: 12/4/02 RECORDING DATA: 20021204-0260  
GRANTOR: The Cambay Group, Inc.  
GRANTEE: Florian G. and Lori Barth  
LOCATION: Northeast quadrant of the East Commerce Way/Arena Boulevard intersection, North Natomas.  
ASSESSOR'S PARCEL NO.: Portion of 225-0070-099 and 225-0070-102, 103

SALE PRICE: \$ 2,677,091  
BONDS: \$ 1,095,780  
TOTAL PRICE: \$ 3,772,871

SIZE (GROSS DEVELOPABLE AREA): 19.081 Acres PRICE/G.D.A.: \$197,729 UTILITIES: All Available  
TOPOGRAPHY: Level SHAPE: Irregular ACCESS: East Commerce Way and Arena Boulevard  
STREET IMPS.: Complete ZONING: EC-40 (PUD)  
REMARKS: Property purchased by investors. Purchase agreement signed November, 2002.

DATA PROPERTY: 42-1  
SALE DATE: 03/23/01 RECORDING DATA: 20010323-0530  
GRANTOR: Wickland Oil Company  
GRANTEE: County Builder LLC  
LOCATION: Northwest corner of Northgate Boulevard and Stadium Lane, Northgate industrial district.  
ASSESSOR'S PARCEL NO.: 237-0011-070-071 and 072

SALE PRICE: \$ 435,000  
BONDS: \$ 30,730  
TOTAL PRICE: \$ 465,730

SIZE (GROSS DEVELOPABLE AREA): 2.529 Acres PRICE/G.D.A.: \$184,156 UTILITIES: All Available  
TOPOGRAPHY: Level to gently rolling SHAPE: Irregular ACCESS: Northgate Boulevard and Stadium Lane  
STREET IMPS.: Complete ZONING: MP  
REMARKS: Property was on the market for years prior to the sale. The buyer proposed a speculative office project but resold the site in October, 2001. No freeway visibility.

DATA PROPERTY: 42-2  
SALE DATE: 10/18/01 RECORDING DATA: 20011018-0843  
GRANTOR: County Builder LLC  
GRANTEE: Local Union 400 of the Operative Plasters' & Cement Masons' International Association of the United States and Canada  
LOCATION: Northwest corner of Northgate Boulevard and Stadium Lane, Northgate industrial district.  
ASSESSOR'S PARCEL NO.: 237-0011-070-071 and 072

SALE PRICE: \$ 542,000  
BONDS: \$ 30,520  
TOTAL PRICE: \$ 572,520

SIZE (GROSS DEVELOPABLE AREA): 2.529 Acres PRICE/G.D.A.: \$226,382 UTILITIES: All Available  
TOPOGRAPHY: Level to gently rolling SHAPE: Irregular ACCESS: Northgate Boulevard and Stadium Lane  
STREET IMPS.: Complete ZONING: MP

REMARKS: Purchased by a user for office development. Property was under contract approximately three months prior to the close of escrow. No freeway visibility.

DATA PROPERTY: 43  
SALE DATE: 11/26/02 RECORDING DATA: 20021126-3313  
GRANTOR: Sacramento Northgate L.P.  
GRANTEE: Lily Company  
LOCATION: North side of National Drive, two-tenths of a mile east of Sierra Point Drive, Northgate industrial district.  
ASSESSOR'S PARCEL NO.: 225-0943-016

SALE PRICE: \$ 512,756  
BONDS: \$ 44,348  
TOTAL PRICE: \$ 557,104

SIZE (GROSS DEVELOPABLE AREA): 3.353 Acres PRICE/G.D.A.: \$166,151 UTILITIES: All Available  
TOPOGRAPHY: Level SHAPE: Rectangular ACCESS: National Drive  
STREET IMPS.: C, G & S ZONING: M-1

REMARKS: Property has no freeway visibility.

DATA PROPERTY: 44

SALE DATE: 4/11/02

RECORDING DATA: 20020411-2169

GRANTOR: Winncrest Natomas LLC

GRANTEE: Lakeview Estates Investors, LLC

LOCATION: Southwest corner of Bayou Way and Tarboro Lane, North Natomas.

ASSESSOR'S PARCEL NO.: 225-1480-054

SALE PRICE: \$ 1,084,644

BONDS: \$ 279,768

TOTAL PRICE: \$ 1,364,412

SIZE (GROSS DEVELOPABLE AREA): 4.850 Acres

PRICE/G.D.A.: \$281,322

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Irregular

ACCESS: Bayou Way

STREET IMPS.: Complete per sale contract

ZONING: M-1

REMARKS: Freeway-visible site purchased for development of a mini-storage facility. Contract executed in February, 2002.

DATA PROPERTY: 45-1

SALE DATE: 12/12/00

RECORDING DATA: 20001212-1043

GRANTOR: Metropolitan Life Insurance Company

GRANTEE: Benjamin S. and Gail E. Catlin

LOCATION: North side of North Freeway Boulevard, one-tenth of a mile east of Lennane Drive, Northgate industrial district.

ASSESSOR'S PARCEL NO.: 225-0944-019, 020

SALE PRICE: \$ 1,190,000

BONDS: \$ 56,940

TOTAL PRICE: \$ 1,246,940

SIZE (GROSS DEVELOPABLE AREA): 5.200 Acres

PRICE/G.D.A.: \$239,796

UTILITIES: All Available

TOPOGRAPHY: Level

SHAPE: Rectangular

ACCESS: North Freeway Boulevard

STREET IMPS.: C, G & S

ZONING: MP

REMARKS: Speculative purchase for office development. Freeway-visible site.

DATA PROPERTY: 45-2  
SALE DATE: 02/14/01 RECORDING DATA: 20010214-1229  
GRANTOR: Benjamin S. and Gail E. Catlin  
GRANTEE: Marquez Brothers Properties, LLC  
LOCATION: North side of North Freeway Boulevard, one-tenth of a mile east of Lennane Drive,  
Northgate industrial district.  
ASSESSOR'S PARCEL NO.: 225-0944-019, 020

SALE PRICE: \$ 1,415,700  
BONDS: \$ 56,940  
TOTAL PRICE: \$ 1,472,640

SIZE (GROSS DEVELOPABLE AREA): 5.200 Acres PRICE/G.D.A.: \$283,200 UTILITIES: All Available  
TOPOGRAPHY: Level SHAPE: Rectangular ACCESS: North Freeway  
Boulevard  
STREET IMPS.: C, G & S ZONING: MP

REMARKS: Purchased by a motivated buyer (user) desiring freeway-visible location and good freeway  
accessibility (±40-day escrow):

DATA PROPERTY: 46  
SALE DATE: Current Offer RECORDING DATA: N/A  
GRANTOR: Winncrest Natomas II  
GRANTEE: Not Disclosed  
LOCATION: Southeast corner of Bayou Way and Tarboro Lane, North Natomas.  
ASSESSOR'S PARCEL NO.: 225-1480-055

SALE PRICE: \$ 1,509,354  
BONDS: \$ 444,932  
TOTAL PRICE: \$ 1,954,286

SIZE (GROSS DEVELOPABLE AREA): 7.460 Acres PRICE/G.D.A.: \$261,969 UTILITIES: All Available  
TOPOGRAPHY: Level SHAPE: Rectangular ACCESS: Tarboro Lane  
STREET IMPS.: Complete ZONING: M-1

REMARKS: Current offer on a freeway-visible site. Owner may elect not to sell and instead develop this  
and some adjacent properties.