MEMORANDUM

To: John Ott, Blue Bus LP

From: David Zehnder, Amy Lapin, and Tom Martens

Subject: Nonresidential Feasibility Study for Plaza 2555, Davis; EPS #172100

Date: November 9, 2017

The property owner (Client) of the site on the northern side of the intersection of Cowell Boulevard and Research Park Drive (Project) in Davis, California (City) retained Economic & Planning Systems, Inc. (EPS) to conduct a Nonresidential Feasibility Study (Study) to determine whether nonresidential development on the site would be feasible. The feasibility of nonresidential development is largely determined by site characteristics, both independent from and relative to competitive sites, and the feasibility of vertical development, given market fundamentals.

Commercial development is infeasible at the site. Overall, Davis has a strong long-term position in the regional market to leverage its proximity to the University of California, Davis (UC Davis) and the local labor force to attract research and development (R&D), office, and other sought-after jobs.

However, spikes in construction costs have exceeded lease rate growth, and as a result, speculative development is practically nonexistent in the City despite strong long-term fundamentals. There are limited examples of active development moving forward in the City, primarily consisting of owner-user facilities developed as part of corporate business plans, not the speculative real estate market. These projects are indicative of long-term viability and will continue to assist in defining the City's market potential, which will lead to speculative development in the future. However, to realize such development, a site must be fundamentally strong in most market attributes.

The Project site fails to reflect the key locational characteristics that would capture improving market fundamentals in the future. While market conditions are temporal in nature, the subject site's poor location, configuration, and overall setting represent a structural problem that will not improve over time. Development interests would likely look elsewhere in the marketplace than locate at the Project site. Therefore, consideration of the site for other viable uses appears to be warranted.

The Economics of Land Use

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Study Overview

The approximately 6.5-acre vacant site is zoned Planned Development (PD) #7-95, which allows for office, light industrial, research, and other businesses or services deemed by the City Planning Commission to be of similar character.

This Study considers the characteristics of the site and the surrounding area and assesses these characteristics relative to competitive sites. In addition, this memorandum provides an overview of national and local market conditions, focusing on the office/R&D and light industrial/flex sectors to provide context for development of these uses in the City.

This Study also evaluates the financial feasibility of developing nonresidential land uses on the site by performing static residual land value pro forma analyses of office/R&D and light industrial/flex scenarios, potential uses that are consistent with the site's PD #7-95 zoning designation.

Site Characteristics

The vacant 6.50-acre site (net of right-of-way), located south of Interstate 80 (I-80) in the City, is composed of a 5.50-acre triangular parcel and a 0.995-acre linear parcel, denoted as Parcels 2 and 3 on Parcel Map 5100 (refer to **Map 1**). The site is located at the intersection of Cowell Boulevard and Research Park Drive, approximately 2 miles west of the Mace Boulevard interchange and about 1 mile east of the Richards Boulevard interchange. The site is about 1.5 miles from downtown Davis and 3 miles from the center of the UC Davis campus.

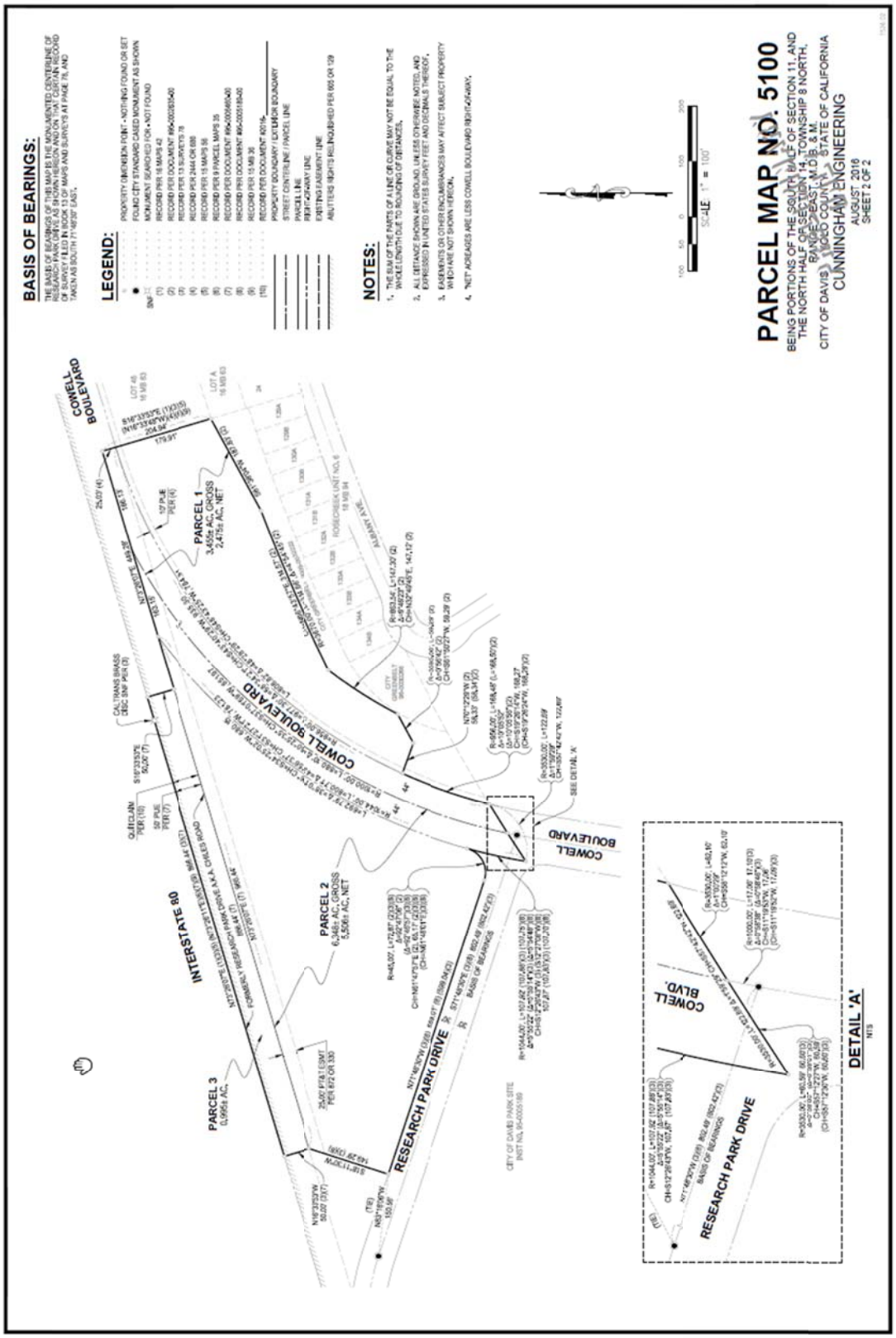
Aerial view of Site. Source: Google, September 2017.

According to the brokerage community, the size of the site is not large enough to attract multiple commercial tenants and it is too large for a single commercial user. Further, the triangular shape of the parcel may inhibit the efficient layout of rectilinear buildings, the standard and most cost-effective, construction design format for nonresidential uses.

Existing Zoning Designation

The site is zoned PD #7-95, which permits several commercial uses, including office for professional and administrative uses; custom/light manufacturing; light wholesale, storage, distribution, and vending; research services; and other establishments deemed of the same character as those above. Current zoning also allows for the following conditional uses: outdoor storage, day care, commercial recreation, animal care, communication services, public services,

Map 1


PARCEL MAP NO. 5100
BEING PORTIONS OF THE SOUTH HALF OF SECTION 11, AND THE NORTH HALF OF SECTION 14, TOWNSHIP 8 NORTH, RANGE 2 EAST, M.D.B. & M.
CITY OF DAVIS, YOLO COUNTY, STATE OF CALIFORNIA
CUNNINGHAM ENGINEERING
AUGUST 2016
SHEET 2 OF 2
BASIS OF BEARINGS:
LEGEND:
NOTES:
COWELL BOULEVARD
INTERSTATE 80
RESEARCH PARK DRIVE
PARCEL 1
3.455± AC, GROSS
2.475± AC, NET
PARCEL 2
6.246± AC, GROSS
5.506± AC, NET
PARCEL 3
0.995± AC.
DETAIL 'A'
SCALE: 1" = 100'

and social/health services. Current zoning for the site limits each building to a maximum of 15,000 square feet for non-office uses, including custom/light manufacturing; light wholesale, storage, distribution, and vending; and research services.

Adjacent Land Uses

The site is surrounded by a public park with ballfields, other vacant land with similar commercial zoning, vacant land zoned for hotel development, and residential development. Municipal ballfields, with a soccer field and three baseball diamonds, are located to the southwest of the site, across Research Park Drive. There are condominiums to the southeast, directly across Cowell Boulevard, and single-family dwelling units on both sides of Cowell Boulevard, beginning about 500 feet south of the site. A small commercial building occupied by a Comcast service center is located on an adjacent triangular parcel to the west of the site. Some light industrial/flex/commercial buildings are located on Cowell Boulevard beginning approximately 1,500 feet east of the intersection with Research Park Drive (the intersection is roughly aligned with the center of the site), with a strip of vacant land between those uses and the site. Single-family residential dwelling units are located to the south of the strip of vacant land. University Research Park is located west of the ballfields, across Pole Line Road, approximately 800 feet from the site.

I-80 is located immediately north of the site. In general, commercial users of freeway-proximate sites rely on visibility from the freeway to attract customers. The site has limited visibility for eastbound traffic, impeded by the berm for the Pole Line Road overcrossing; visibility for westbound traffic is limited by the freeway median. The existing trees on the northern property line further compromise visibility for vehicular traffic in both directions.

View of existing multifamily residential across Cowell Blvd from the site (facing southeast from intersection of Cowell Blvd and Research Park Drive). Source: EPS, September 2017.

History of the Site

The site has been under the Client's joint ownership with a business partner since 2004. Before that time, the business partner's family owned the property for more than 100 years. It is a significant finding that the Client and previous property owners have never received any interest from a potential buyer or tenant. Further, no commercial brokerage firm has ever indicated a serious interest in promoting the site to accommodate currently allowable uses. This lack of interest from the development and brokerage community supports the conclusion that the site does not possess desirable characteristics for nonresidential uses.

Nonresidential Site Criteria

Potential users of nonresidential space generally are looking for certain characteristics when they select a location. A site that does not meet these criteria or that compares unfavorably to other potential sites is not a competitive site for tenants or users. As described below, the site does not meet desired site criteria or compares unfavorably to competitive sites that could accommodate uses allowable under the site's PD #7-95 zoning designation, including office/R&D and light industrial/flex. This Study also evaluates the site related to other nonresidential uses not explicitly allowed under the current zoning designation but potentially contemplated, including commercial service, vehicle dealerships, and retail and neighborhood commercial. In summary, the site does not meet desired site characteristics for both allowable and other potential nonresidential uses.

Office/R&D Uses

Office users who are able to pay rents high enough to support new construction are seeking quality office/R&D space to attract and retain knowledge workers. Knowledge workers generally require highly amenitized sites with connectivity to an array of commercial and service uses, including synergistic office/R&D uses, restaurants, and retail. These types of uses are primarily located in existing or new innovation park/districts, downtowns, and other nodes of commercial and service activity.

Other specialized office/R&D users are interested in Davis because of the presence of UC Davis. These users tend to seek space that is close to the UC Davis campus to facilitate connections to research activity (technology transfer) and other resources.

The site is not located in an area with a critical nucleus of other offices, academic users, restaurants, retail, or other services desired by employees. The site also is not located immediately adjacent to UC Davis. Potential office users would choose other sites with these desired characteristics before they would choose the Project site, therefore, rendering the site less competitive.

Light Industrial/Flex Uses

Light industrial uses tend to be dependent on the movement of goods, which makes proximity to freeway access and distance from residential uses advantageous. Users of light industrial space tend to be more cost-sensitive than office users, and they are seeking to attract different kinds of labor, who may not be as mobile as higher paid office workers, and are not a sizeable component of the resident labor force in Davis because of housing costs.

The site does not compare favorably to other competitive sites for light industrial uses in the region. For example, Woodland and West Sacramento have established industrial areas where it is easier to facilitate the movement of goods with limited impact on each city's residential uses. Those areas also are more proximate to the target labor pool for light industrial businesses, making it easier to attract workers with a shorter commute. Finally, the land prices in Woodland and West Sacramento are lower, so the overall cost of rent in those places is lower than it is in Davis, making Davis less attractive to potential light industrial tenants.

Commercial Service

Commercial service uses seek immediate freeway access and visibility. There are many existing commercial services located adjacent to the Mace Boulevard and Richards Boulevard freeway exits. The site is farther from freeway access and thus compares unfavorably to its competition.

Vehicle Dealers

New vehicle dealerships are very disciplined in their site-selection criteria. For example, dealerships require collocation with other dealerships; freeway accessibility; sufficient lighting for nighttime business activities; areas to test drive vehicles; and architectural, urban design, and signage features to promote their brand. The site does not meet most of the site criteria considered by dealerships. The site would not offer the ability to collocate with other dealerships, it is not immediately accessible from the freeway, and visibility from the freeway is limited.

Retail and Neighborhood Commercial

National chain retail tenants thrive in clusters of one or more large anchor tenants and multiple smaller in-line and retail pad tenants. Similarly, independent retail tenants seek locations that are visible and accessible by consumers, allowing retailers to capitalize on a critical mass of pass-by vehicular, bicycle, or pedestrian traffic. In addition, independent retail tenants typically do not generate sufficient sales volumes to support the rents necessary to make construction of new retail space financially feasible.

The parcel size and location outside of any existing or future commercial node will not be sufficient to attract many retail tenants. Further, two existing retail nodes at El Macero Center and Oakshade Town Center are well-maintained, have high occupancy rates, and appear to adequately serve the proximate residential market.

Underlying National and Local Market Conditions

This section provides a concise summary of national and local nonresidential market conditions to provide context for developing these uses in the City. **Table 1** provides an overview of market performance indicators in the City relative to proximate, competitive cities and the larger region.

National Commercial Market Conditions

National macroeconomic indicators have been strong. While the first half of 2016 was somewhat volatile, the last half of the year resulted in a notable expansion of real gross domestic product in the United States. The economic expansion continued through the first half of 2017, with the second quarter posting the strongest growth in the past 2 years. Notably, economic growth in key markets, such as San Francisco, has been well above historic peaks and likely will continue to drive growth in the United States. The growth largely is being driven by technology enterprises, which will in turn continue to drive demand for tech-oriented office/R&D space.[1]

[1] "Economic and Fiscal Impact Analysis of Proposed Innovation Centers in Davis," prepared by EPS, September 8, 2015.

Table 1
City of Davis Commercial Rezone Analysis
Regional Market Performance Indicators

Item	City of Davis	City of Woodland	City of West Sacramento	Yolo County	Greater Sacramento Region [1]
Office/R&D [2] [3]					
2016 Q4 Leasable Sq. Ft.	1,932,531	1,236,748	2,405,120	5,605,050	108,156,346
Annual Avg. Change in Sq. Ft.	40,801	(18,463)	41,309	86,347	1,138,697
2016 Q4 Vacancy Rate	10.1%	7.5%	9.5%	9.8%	16.6%
Annual Avg. Vacancy	8.8%	7.9%	12.7%	10.6%	13.2%
2016 Q4 Lease Rate (Gross, Direct and Sub.)	$1.98	$1.47	$1.80	$1.77	$1.74
Annual Avg. Change in Lease Rate	0.59%	4.88%	1.32%	1.85%	0.24%
Annual Avg. Net Absorption	14,503	1,521	15,618	31,583	384,154
Annual Avg. Sq. Ft. Constructed	15,325	0	2,320	17,645	318,590
Light Industrial/Flex [2] [4]					
2016 Q4 Leasable Sq. Ft.	834,304	16,048,190	18,848,246	36,172,689	165,111,504
Annual Avg. Change in Sq. Ft.	(25,874)	4,401	113,710	92,465	564,760
2016 Q4 Vacancy Rate	8.0%	13.2%	6.8%	9.9%	12.1%
Annual Avg. Vacancy	7.7%	12.7%	7.2%	9.8%	10.5%
2016 Q4 Lease Rate (All Svc. Types, Direct and Sub.)	$0.96	$0.30	$0.41	$0.37	$0.41
Annual Avg. Change in Lease Rate	(0.30%)	1.08%	0.82%	1.47%	1.21%
Annual Avg. Net Absorption	(37,060)	(128,471)	42,818	(120,589)	(21,027)
Annual Avg. Sq. Ft. Constructed	0	8,854	58,116	66,969	229,536

market sum

Source: CoStar; EPS.

[1] Includes counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba.
[2] Annual average items analyzed from 2002-2016.
[3] Reflects a range of building types from office to flex that would be appropriate for R&D-oriented space.
[4] Reflects several use subcategories ranging from flex to light industrial users, including flex showroom, flex telecom hotel/data, light distribution, and light manufacturing.

This demand for additional tech-oriented office/R&D space likely will continue to be concentrated in the Bay Area, with spillover demand along the Interstate 880 (I-880)/I-80 corridors near office/R&D centers.

Local Commercial Market Conditions

The City is a desirable community with many desirable attributes, including a technically skilled, predominantly knowledge-based labor force; proximity to the Bay Area, with generally lower average price points; a major research university with renowned academic programs and research initiatives; and a high quality of life for residents and businesses, including a thriving downtown retail district, numerous park and recreation amenities, and well-regarded public schools.

Nevertheless, Davis has struggled to demonstrate consistent demand for commercial space.[2] Previous research conducted in 2015 for the proposed Innovation Centers in the City indicated that over the past decade, there has been 1 business per year, on average, that expressed interest in a Davis location but, in most cases, did not ultimately locate in Davis.

Each of these deals required between 100,000 square feet and 150,000 square feet of space. And in many instances, these deals had some unique tie to UC Davis, either through research or alumni relationships.

These data highlight the difficulty of large-scale commercial development in Davis. They indicate that future office/R&D demand will be driven primarily through UC Davis areas of research and industry clusters present in the City (i.e., clean energy technology, agriculture and food production, life sciences and health services, information and communications technology, and advanced manufacturing and materials). This source of potential new office/R&D demand underscores the importance of creating land development opportunities near UC Davis and in existing and new nodes in the City.

Small and medium enterprises seeking space in the City also require locations with attributes that allow them to attract and retain employees. Generally, office/R&D users seek locations with connectivity to a mix of uses, including synergistic businesses, commercial uses, and services.

The following sections provide additional context on market performance indicators for the office/R&D and light industrial/flex markets in the City relative to proximate cities and the larger region.

Market Performance Indicators

The office sector in the City has been and continues to be a strong sector. Over the past decade (2007–2016), the inventory of R&D-suited office and flex space has grown from 1.6 million square feet to nearly 1.9 million square feet, adding more than 320,000 square feet over the period at an average annual growth rate of 2.1 percent. It is noteworthy, however, that no new office/flex R&D space was added during the last calendar year (2016), and there are no speculative office buildings under construction or being planned. Local real estate brokers note a tightening market, with plentiful choices for small businesses but few existing buildings for lease

[2] Ibid.

that can accommodate medium and large companies. There are no offerings of space larger than 25,000 square feet in the City. As mentioned previously, demand appears to be focused on sites or existing buildings that will provide at least 100,000 square feet of space. The site is unable to meet demands for larger space.

Light industrial/flex uses are much less prevalent than office in the City and are significant uses in Yolo County's two other urban nodes of Woodland and West Sacramento.[3] As of the fourth quarter 2016, the City contains about 834,000 square feet of light industrial/flex space, representing only about 2 percent of total light industrial/flex space in Yolo County. Compared to office, these uses tend to require larger floorplates, truck access, and adequate yard space for lay-down needs. As a result, the Project site is inappropriate for these types of uses because of its size, zoning size limitation, configuration, and adjacent use sensitivities.

Financial Feasibility Analysis

EPS prepared a pro forma feasibility analysis to test the feasibility of developing new office/R&D or light industrial/flex space on the site. As described below, the residual land value, which accounts for estimated construction costs and a capitalized building value for development on the Project site, is not sufficient to support construction of new office/R&D or light industrial/flex space. A significant increase in achievable rents is needed to result in a financially feasible project. The site's distance from downtown, other commercial amenities, the UC Davis campus, and the freeway exits at Richards and Mace Boulevards inhibit its ability to achieve the required rent increases necessary for feasibility. Additional information is presented in **Appendix A**.

Conclusions

The office and R&D outlook is expected to improve over time, with continued increases in construction costs being a key factor. Only locations exhibiting maximum ability to house a variety of industries, and importantly, the ability to provide a blend of large and small firms, are likely to achieve lease rate premiums supporting new development. The site is not one of those locations; indeed, new supply such as that proposed in the Mace Ranch Innovation Center project stands the highest probability to realize these market fundamentals. To attract and retain employees, office users seek highly amenitized sites with connectivity to an array of commercial and service uses (e.g., retail, restaurants, coffee shops, fitness centers), which are limited in this location.

[3] Light industrial/flex market performance indicators encompass a range of building types from light industrial to flex, including flex showroom, flex telecom hotel/data, light distribution, and light manufacturing.

APPENDIX A:

Financial Feasibility Analysis

FINANCIAL FEASIBILITY ANALYSIS

Table A-1 presents the financial model that compares the feasibility of these development scenarios. This type of analysis, called a residual land value analysis, models the revenues achieved by operating and selling a particular building to arrive at an estimated building value. The residual land value analysis also models the cost of constructing the building, including hard construction costs, soft costs, and associated municipal fees. To arrive at the residual land value, the total costs are subtracted from the total building value, reflecting the portion of the building's total value that can be attributed to the land on which it stands. The resulting residual land value analysis, if positive, can be compared to comparable recent land sales to determine if a nonresidential development plan would be economically feasible, given existing market conditions.

The attached analysis provides the development scenario land use assumptions and revenues and incomes, based on current, average market rents and other assumptions, including an assumed vacancy rate and ongoing operating expenses. The building's value is derived by dividing its net operating income by an assumed market capitalization rate.

Project costs also are calculated, considering the hard and soft costs associated with new construction, site improvements, tenant improvements, and cost contingency assumptions. Permit and development impact fees also are included as new construction will be subject to current City fees.

The total project costs are subtracted from the building's value to arrive at a residual land value. The residual land value then is compared to recent sales of comparable land. **Table A-2** details properties included in the comparable set. The development scenarios produce positive residual land values (estimated building value exceeds costs), but the positive residual land values represent a small fraction of recent comparable land sales, indicating these commercial office and industrial/flex uses are not financially feasible under current market conditions. These scenarios would require a significant increase in achievable rents to result in a financially feasible project. The site's distance from downtown, other commercial amenities, the UC Davis campus, and the freeway exits at Richards and Mace Boulevards inhibit its ability to achieve the required rent increases necessary for feasibility.

It should be noted that the property's size does not warrant potential cost savings associated with economies of scale achievable for much larger projects. In addition, the site's triangular shape could impact development costs to the extent it inhibits the efficient layout of rectilinear buildings.

Table A-1
City of Davis Commercial Rezone Analysis
Pro-Forma Feasibility: Residual Land Value Analysis and Comparable For Sale Land Listings

Item	Source	New Commercial Construction	
		Office/R&D	Light Industrial/Flex
DEVELOPMENT PROGRAM ASSUMPTIONS			
Site Acres	[1]	6.5	6.5
Density (Floor Area Ratio [FAR] or Dwelling Units/Acre)		0.35	0.35
Gross Building Area (Square Feet)		99,114	99,114
Efficiency Ratio	[2]	90%	95%
Gross Leasable Area (Square Feet)		89,203	94,159
REVENUE ASSUMPTIONS			
Avg. Gross Lease Rate/Month	[3]	$2.50	$1.10
Avg. Gross Lease Rate/Year		$30.00	$13.20
Gross Potential Income/Year		$2,676,085	$1,242,893
Less Vacancy	[4]	10.0%	10.0%
Effective Gross Income (EGI)		$2,408,476	$1,118,603
Less Operating Expenses (% of EGI)	[5]	25.0%	5.0%
Total Operating Expenses		($602,119)	($55,930)
Net Operating Income (NOI)		**$1,806,357**	**$1,062,673**
NOI/Gross Building Square Foot		**$18.23**	**$10.72**
Capitalization Rate	[6]	6.86%	6.61%
Building Value		$26,331,737	$16,076,751
Less Disposition Cost (Perc. of Building Value)		3.0%	3.0%
Net Building Value		**$25,541,785**	**$15,594,448**
Value/Gross Building Square Foot		**$257.70**	**$157.34**

Table A-1
City of Davis Commercial Rezone Analysis
Pro-Forma Feasibility: Residual Land Value Analysis and Comparable For Sale Land Listings

Item	Source	New Commercial Construction	
		Office/R&D	Light Industrial/Flex
COST ASSUMPTIONS			
Hard Costs			
Direct New Building Construction Costs/Gross Building SF	[7]	$125.00	$106.00
Total Direct Building Construction Costs		$12,389,281	$10,506,110
Direct Site Improvement and Intract Costs/Acre	[8]	$115,000	$115,000
Total Direct Site Improvement Costs		$747,615	$747,615
Tenant Improvement Costs/GLA SF (net of tenant responsibility)	[8]	$60.00	$0.00
Total Tenant Improvement Costs		$5,352,169	$0
Total Hard Costs		**$18,489,065**	**$11,253,725**
Soft Costs			
Marketing/Leasing (4% of Hard Costs)		$739,563	$450,149
Other Soft Costs (11% of Hard Costs)		$2,033,797	$1,237,910
Total Soft Costs (15% of Hard Costs)		**$2,773,360**	**$1,688,059**
Subtotal Hard and Soft Costs		**$21,262,425**	**$12,941,784**
Contingency Costs			
Contingency as % of Hard and Soft Costs		5%	5%
Total Contingency Costs		**$1,063,121**	**$647,089**
Municipal Fees			
Nonresidential Permit and Processing Fees (per SF)		$4.96	$4.03
Nonresidential Development Impact Fees (per SF)		$9.25	$3.15
Total Nonresidential Fees (per SF)	[9]	$14.21	$7.18
Total Municipal Fees		**$1,407,918**	**$711,244**
Subtotal Costs (Hard, Soft, Contingency, Fee Costs)		**$23,733,464**	**$14,300,117**
Developer Profit (7% of Subtotal Costs)		**$1,661,342**	**$1,001,008**
Total Costs		**$25,394,806**	**$15,301,125**
Cost/Gross Building Square Foot		**$256.22**	**$154.38**

Table A-1
City of Davis Commercial Rezone Analysis
Pro-Forma Feasibility: Residual Land Value Analysis and Comparable For Sale Land Listings

Item	Source	New Commercial Construction	
		Office/R&D	Light Industrial/Flex
FINISHED LAND VALUE			
Residual Land Value (Total Building Value less Total Costs)		$146,978	$293,323
Per Acre		**$22,609**	**$45,120**
Per SF of Land		**$0.52**	**$1.04**
Comparable Land Sales	[10]		
Per Acre		**$624,646**	**$624,646**
Per SF of Land		**$14.34**	**$7.75**
RLV as % of Comparable Land Sale		*3.62%*	*13.36%*

RLV

Source: City of Davis; LoopNet; ParcelQuest; Cushman & Wakefield; BAE; Andy Plescia/Goodwin Consulting Group; EPS.

[1] Obtained from Parcel Map prepared by Cunningham Engineering, dated August 2016.
[2] Efficiency ratio based on typical industry standards.
[3] Commercial lease rates obtained from current properties for lease in the City and surrounding area listed on LoopNet, as of October 2017.
[4] Commercial vacancy rates based on historical averages in the region obtained from CoStar.
[5] Operating expense assumptions based on typical industry standard assumptions.
[6] Integra Realty Resources, Inc. 2017 Annual Viewpoint Commercial Real Estate Trends Report. Assumes West Region capitalization rates for Suburban Class B Office and Flex Industrial.
[7] Based on RSMeans Online Square Foot Estimator for commercial uses, and RSMeans 33rd printed edition for warehouse, adjusted for Sacramento and inflated to 2017 dollars.
[8] Estimate based on data collected from developers of office and industrial space in the Sacramento region.
[9] Nonresidential fee estimates per square foot in Davis based on information collected for EPS's September 2015 Innovation Center report and current fee data provided by the City of Davis, as of September 2017.
[10] Comparable land sales sourced from LoopNet, CoStar, and ParcelQuest for commercial and industrial properties in and surrounding Davis between 2015-2017. Refer to **Table A-1** for detailed information on included properties.

Table A-2
City of Davis Commercial Rezone Analysis
Comparable Land Sales

Property [1]	City	Sale Date	Sale Price	Acres	Sale Price per Acre	Sale Price per Land Sq. Ft.
Office/R&D Properties						
3160 Gold River Drive	Rancho Cordova	8/14/2015	$2,601,000	3.89	$668,638	$15.35
1680/1700 Research Park Drive	Davis	10/28/2016	$4,194,600	6.20	$676,548	$15.53
Cowell Boulevard	Davis	7/15/2016	$3,009,998	6.02	$500,000	$11.48
1421 Eureka Road	Roseville	3/29/2016	$4,639,140	7.10	$653,400	$15.00
Weighted Average					**$624,646**	**$14.34**
Light Industrial/Flex Properties						
8240 Folsom Boulevard	Sacramento	6/15/2016	$1,128,179	4.66	$242,098	$5.56
1401 Parkway Boulevard	West Sacramento	1/5/2017	$2,250,000	5.92	$380,068	$8.73
10801 Capital Center Drive	Rancho Cordova	6/23/2017	$1,509,000	3.95	$382,025	$8.77
2800 Nicolaus Road	Lincoln	9/26/2017	$1,178,460	3.40	$346,606	$7.96
Weighted Average					**$337,699**	**$7.75**

land comp

Source: LoopNet; CoStar; ParcelQuest; EPS.

[1] Comparable land sale information obtained from LoopNet, CoStar, and ParcelQuest databases for properties between 3 and 8 acres sold between 2015 and 2017 in the Sacramento Region. Data accessed in October 2017.