

WOODCREST REAL ESTATE VENTURES

A Division of Woodcrest Homes, Inc.

July 7, 2020

El Dorado County
Board of Supervisors
330 Fair Lane
Placerville, CA 95667

SENT VIA USPS CERIFIED MAIL & ELECTRONIC MAIL TO EDC.COB@EDCGOV.US

RE: **DR19-0006** Cool General Retail (Dollar General)
DR-A20-0001 and **DR-A20-0002** Appeals to Project

Dear Members of the Board of Supervisors:

I, Steve Powell, President of Woodcrest Real Estate Ventures, am the applicant for the proposed General Retail Store which is to be occupied by Dollar General. As a new property owner and constituent of the county, I feel it necessary to submit a rebuttal to the Aloha Adams' (Cool Pilot Hill Advisory Committee) letter from July 3, 2020, and other public comments that have been forwarded to our office. Please see the following responses which correlate directly to the appellant's claims shown in *italics*:

1. *Appellant Claim: In my experience, the traffic through the five current streets or intersections is already at a barely tolerable level and adding traffic on and off Hwy 49 to Northside Drive will mean longer waits to access in either direction, possibly causing more accidents.*

Response: As noted in the approved traffic report, the five existing intersections do not exceed LOS D in either the "Existing" or "Existing Plus Project" analyses. Additionally, the traffic report cites the collision history for a three-year period (ending December 31, 2018) for the ¼ mile of SR49 approximately centered on the project, showing **only 1 rear-end collision**, which is less than half the statewide average for a rural three-lane road. It is unreasonable to use the assumption of a small increase in traffic as the basis for an argument that traffic accidents will increase on a section of road that sees less than 50% of the statewide average of accidents.

2. *Appellant Claim: The entrance to the Post Office, off Northside Drive, and to Dollar General are analyzed as two independent intersections in the Traffic Study and should be analyzed as a single complex intersection, probably producing worse LOS. Additionally, Northside Drive is not adequate for two-way traffic, think two dually trucks trying to pass??*

Response: The driveway entrances to the Post Office and Dollar General were analyzed using professional methods of analysis. The project has also been conditioned to provide a minimum road width of 24', consistent with private road standards in the County of El Dorado. This road width will allow the passage of two-way traffic similar to any other private road built to county standards within the County of El Dorado.

3. *Appellant Claim: During the initial meetings last Fall, the developer stated there would be a pedestrian walkway from Northside Drive to the Highway 49/193 intersection. However there is no reference to this in the final Traffic Study. This is a critical piece for pedestrian safety that has been left out and should be included.*

Response: During scoping of the project, the El Dorado County Department of Transportation determined that the addition of a sidewalk to Northside Drive was an "urbanized feature" that would not be consistent with the characteristics of roads in the area. If added, it would be the



only sidewalk within 10 miles (nearest sidewalk is in Coloma, CA along SR49). Additionally, the County's Active Transportation Plan, which was just approved in 2019, plans a Class II Bike Lane along SR49, which has been scoped into the project for either construction or cash-in-lieu. The Class II Bike Lane is for bicycle traffic only and does not provide for pedestrians. SR49 is not planned for pedestrian access.

4. *Appellant Claim: LOS of D is unacceptable in view of the amount of traffic that flows through the Highway 49/193 intersection and with the addition of potential traffic into and out of Dollar General that would cause unacceptable LOS at E. In my experience, leaving Northside Drive to access Highway 49 to the south is already a problem, causing wait time, without adding traffic generated by Dollar General.*

Response: The majority of road segments analyzed in the traffic report are operating at LOS D, with only the southbound portion of SR49 located north of Northside Drive operating at LOS E. Per General Plan Policy TC-X Table TC-2, **State Route 49 is allowed to operate at LOS F.** Current average wait times for westbound approach on Northside Drive to SR49 is 16.3 seconds (LOS C) and with the proposed project will be 18.5 seconds (**still LOS C**). For reference, the threshold to LOS D is "greater-than 25 seconds per vehicle and less-than/equal-to 35 seconds per vehicle", which would still be acceptable as noted in the traffic report.

5. *Appellant Claim: My additional concern is that current services for the area are already provided through the many local businesses that may suffer with possible closing. Addition of the Dollar General does NOT add anything to the area, it only adds cheap services that the area does not need. Bring the area a type of business that will add to the economy of the community, not take away from current businesses.*

Response: Although economic and social impacts are not considered under CEQA, we performed an economic analysis due to public comments at our voluntary community meetings. The economic analysis concluded that the Cool market area is a "sales leakage community" and that the Dollar General store would strengthen the retail base in the area. It also concluded that because the project would enhance the critical mass of commercial outlets, existing retailers are anticipated to have enhanced market demand due to greater visibility, and existing stores are anticipated to be able to coexist due to limited cross-over of actual consumable product availability.

The appellant vaguely hints at the true reason behind the appeal by incorrectly classifying Dollar General as providing "cheap services". Its apparent to us that the appeal is an attempt to delay the project in hopes that we will not go through with building it, and has been blatantly stated so on social media. This is nothing short of capitalistic bullying and tenant discrimination. Dollar General is a discount retail store that prides itself on providing goods to consumers at competitive prices. They commonly locate in market areas that are underserved by retail goods, which the economic analysis identifies Cool as.

6. *Appellant Claim: Lastly, but certainly not least important, is the recent article(s) that have surfaced on social media about Dollar General stores as magnets for crime and killing. If you have not read this article published by The New Yorker, I urge you to read it. My personal concern is that DG could cause these problems throughout the County, not just in Cool. Cool currently enjoys a safe living area, and we don't want this changed!*



Response: The New Yorker article, “How Dollar Stores Became Magnets for Crime and Killing”, is written about several discount retail stores in Dayton, Ohio, and St. Louis, Missouri. Two specific examples were for Dollar General stores in northwest Dayton and the Concord Township (a suburb of St. Louis), both of which are urbanized areas with populations of 141,143 and 37,834 respectively. These areas have population densities of 2,535 persons per square mile and 3,699 persons per square mile, respectively. The Cool area is a sharp contrast, which is in a tract of northern El Dorado County with a population of 5,412 and a density of 85 persons per square mile. (stats from <https://statisticalatlas.com/>). Comparing an urban mid-west city with rural California for the purpose of drawing conclusions on crime is flawed reasoning. While propaganda articles have been written lately that claim discount retail stores are either magnets for crime, or even creators of crime, the truth is far different. Retail Stores, and any Commercial or Residential Development, are reflections of the community that they are built in. This project is being proposed to serve the area. The customers that the proposed store is being built to serve are the existing residents of the Cool area, and the area visitors.

Additional public comments have mentioned that the project would create “Urban Decay”. County staff has noted that “urban decay is visible symptoms of physical deterioration that invite vandalism, loitering, and graffiti that is caused by a downward spiral of business closures and multiple long-term vacancies.” Despite the fact that urban decay is an economic impact, which is not considered under CEQA, Woodcrest had an economic analysis prepared. The general conclusion of the study can be summed up as “a rising tide raises all ships.” More specifically, the study found that the existing stores would “**not incur a risk of significant sales decline or closure.**”

Woodcrest has taken great care to make sure that all valid concerns were addressed during the planning of this project, which included studies and reports that were not required by the reviewing agencies. We performed three voluntary community meetings to gather input from community members and the merchant’s association, the primary focus of which was the design of the building to fit within the community. The final design, which is the subject of the Design Review Permit, reflects the input from these meetings and emulates the coveted “Boardwalk” project across SR49 from the proposed site.

As noted by county counsel during the Planning Commission hearing, the commercial retail use is allowed by-right and the discretionary application is limited to the Design Review. Traffic, which is the most prevalent concern of public comments, and the only subject of the appeal, was thoroughly studied, reviewed, and commented on by professionals including:

- a. **Kevin Yount, Senior Transportation Planner**, California Department of Transportation (Caltrans)
- b. **Amber Moran, Transportation Planner**, California Department of Transportation (Caltrans)
- c. **Ken Anderson, PE**, K.D. Anderson & Associates, Inc. – Traffic Engineering firm with 30 years of experience in all aspects of Transportation Engineering and Planning
- d. **Dave Spiegelberg, Senior Civil Engineer**, County of El Dorado, Department of Transportation
- e. **Natalie Porter, Senior Traffic Engineer**, County of El Dorado, Department of Transportation
- f. **Tia Raamot, Transportation Planner**, County of El Dorado, Department of Transportation
- g. **DKS Associates** – County of El Dorado Department of Transportation third party peer-reviewer



- h. **Rommel Pabalinas, Planning Manager**, County of El Dorado Planning Department
- i. **Evan Mattes, Senior Planner**, County of El Dorado Planning Department
- j. **Brian Grattidge, Senior Project Manager**, Dudek – County of El Dorado third party CEQA consultant

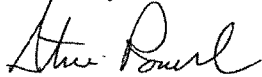
All comments were addressed in the final report and the conclusion that the project will not impact current the LOS's of road segments or intersections was approved by all reviewers.

While a recent court case ruled that lay testimony can be used to establish a fair argument, it restricted such testimony as only applicable on non-technical subjects. Traffic is not considered to be a non-technical subject, and therefore the review of the experts should be relied upon for determination of project compliance. Overturning the approval decision based on lay testimony is to ignore the expertise of professionals hired by the applicant, the discipline professionals in the employ of the county, the third party consultants hired by the county for peer-review, and the transportation experts at the California Department of Transportation.

All submitted plans and reports were prepared by licensed professionals and reviewed by county staff and other 3rd party professional reviewers. After thorough review, County Staff recommended approval of the project. The project was unanimously approved by the Planning Commission on May 28, 2020 in full support of the staff's recommendations.

I respectfully request that the Board of Supervisors deny the appeal and allow the project to proceed as approved and conditioned by the Planning Commission.

Sincerely,



Steve Powell

President

Woodcrest Real Estate Ventures

steve@woodcrestrev.com

CC: Sabrina Teller, Remy Moose Manley, LLP (email)
Breann Moebius, County of El Dorado (email)
James Williams, County of El Dorado Planning Commission (email)
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Brian Grattidge, Dudek (email)



November 26, 2019

Mr. Steve Powell, President
Woodcrest Companies
1410 Main Street, Suite C
Ramona, CA 92065

Re: Dollar General Economic Analysis in Cool, Unincorporated El Dorado County, California

Dear Mr. Powell:

ALH Urban & Regional Economics (ALH Economics) has prepared a brief economic analysis of the proposed Dollar General store in Cool, California, an unincorporated community in El Dorado County. The purpose of the analysis is to demonstrate the degree of potential market support for the store and an assessment of the potential for the store to coexist with existing retailers already nearby. To accomplish this analysis, ALH Economics engaged in the following tasks:

- Obtained information about the planned Dollar General store
- Reviewed Dollar General documents regarding store sales, operations, and typical market draw
- Visited the prospective store site and surrounding retail establishments
- Estimated the likely market area for Dollar General store draw
- Estimated market area retail demand
- Analyzed anticipated Dollar General sales in the context of market area demand
- Assessed the implications of Dollar General's operations at the proposed store site

A summary of the task findings follows. These findings are subject to the assumptions and general limiting conditions included at the end of the report. Select tables are included in the text, with exhibits presented in Appendix A. For general information purposes a description of ALH Economics and resume of the firm Principal, Amy L. Herman, is included in the Appendix B.

PROPOSED DOLLAR GENERAL STORE AND ENVIRONS

Dollar General is seeking to open a Dollar General store on a 1.69-acre site in Unincorporated El Dorado County, in Cool, California. The store is anticipated to total 9,100 square feet, of which approximately 7,259 square feet will comprise sales floor area. The balance of the space will comprise a range of uses, such as office, break room, restrooms, restroom corridor, storage area, etc. Typically, there will be 3 employees during a normal shift, with the expectation of 4-5 customers at a time during peak hours. Store hours are Monday through Sunday, 8 am to 10 pm.

The proposed Dollar General site is located at 1020 Northside Drive. The project site fronts on the east side of CA Highway 49 and the south side of Northside Drive, north of Highway 193. This location is near several clusters of existing commercial uses. One cluster comprises the Northside Center, which is across Northside Drive from the site and includes a small shopping center with a U.S. Post Office, a Chinese restaurant, and personal services, including Cool Nails & Salon, Cool Massage Therapy, and The Healing Shala. Cool Boat RV & Self Storage is further up Northside Drive from this center. The proposed Dollar General site is across CA Highway 49 from another commercial cluster, which includes several smaller strip centers or stand alone buildings with a mix of uses, including American River Pizza & Grill, JB's Outdoor Life (sporting goods), Cool Care Children's Center (childcare/preschool), Cool Animal Hospital, Cool Learning Center with before and after school programs, Cool Consultations (medical cannabis clinic), Timberline Realty, Cool General Store, Milestone Saloon, Los Establos Mexican Restaurant, Cool Florist & Gifts, Cher's Hair, Cool Feed & Ranch Supply, 76 Gas Station and convenience store, Cool Smoke Shop, Cool Bunz N' Beanz (pastries, sandwiches, burritos, coffee), Family Dentistry, JC Fit Personal Training, and The Garage – Automotive Service & Repair. This cluster also includes a couple of small retail vacancies.

Highway 193 intersects CA Highway 49 not far past the proposed Dollar General site. This road leads to Georgetown, about 12 miles to the east. The Cool Village Shopping Center is located at this intersection of CA Highway 49 and Highway 193. This shopping center is anchored by Holiday Market, a regional chain supermarket. Other center tenants include Cool Optometry, Mather Land Surveying, Iron Works Fitness, Cool Village Pharmacy, Subway, and Cool Beerwerks. Cool Physical Therapy and a vacant space comprise a separate building and Wells Fargo Bank also comprises a separate building. Some additional on-site construction is in progress at the center, but the nature of the construction is indeterminate. There is also a church on Highway 153 near the Cool Village Shopping Center.

There are several other commercial structures in the Cool environs, but the above overview generally describes the bulk of the commercial enterprises in the core portion of Cool, clustered at the intersection of CA Highway 49 and Highway 153.

DOLLAR GENERAL STORE OPERATIONS INFORMATION

Dollar General is a discount general merchandise retailer offering a broad selection of merchandise, including consumables, seasonal, home products, and apparel. The store merchandise includes high quality national brands from leading manufacturers as well as comparable quality private brand selections with prices at substantial discounts to national brands, including a Dollar General brand. The store's product offerings include most necessities, such as basic packaged and refrigerated food and dairy products, cleaning supplies, paper products, health and beauty care items, basic apparel, housewares, hardware and automotive supplies, among others. Across all Dollar General stores the average selling space is about 7,400 square feet. Through its broad merchandise offerings, Dollar General seeks to enable customers to fulfill their routine shopping requirements.¹

¹ See Dollar General Corp, Form 10-K, For the fiscal year ended February 1, 2019, pages 5 and 6 for most of the information in this paragraph.

Dollar General differentiates itself from other retailers by offering low prices in a small-store format. Dollar General locates its stores in a variety of rural, suburban, and urban communities, with approximately 75% serving towns of 20,000 or fewer people.²

As of February 2019, average annual net store sales totaled \$231 per square foot throughout the U.S. This figure generally comprised modest increases over prior year figures, which were \$227 in 2018, \$229 in 2017, \$226 in 2016, and \$223 in 2015.³ These net sales figures were calculated by Dollar General based on average selling square footage of Dollar General stores. Assuming a modest increase in sales through 2019 similar to past year increases, this results in a beginning year 2020 store sales estimate of \$233 per square foot. As average figures, these sales estimates most directly pertain to mature stores that have achieved stabilized sales. Typically, stores achieve stabilization over time, such as up to three years.

While the \$233 per square foot figure pertains to mature stores, this analysis conservatively assumes that the Cool Dollar General store will perform consistent with the retailer's national average. This results in a stabilized annual store sales estimate of \$1,691,451 in 2020 dollars (i.e., 7,259 square feet of sales area x \$233 per square foot), which rounds to \$1.7 million. As noted, this is a figure that typically pertains to mature, or stabilized, stores, not new stores during the initial ramp up period. As such, initial year sales at the proposed Cool store are likely to be lower than this \$1.7 million estimate, but the analysis is conservatively benchmarked to a stabilized estimate of sales.

As noted above, Dollar General categorizes store sales into four major merchandising categories – consumables, seasonal, home products, and apparel. The percentage of store sales occurring across these categories, and the type of merchandise represented, is summarized in Table 1.

Table 1. Dollar General Merchandise Categories

Category	Percent of Sales	Type of Merchandise
Consumables	77.5%	Paper and cleaning products, packaged food, perishables, snacks, health and beauty, pet, and tobacco products
Seasonal	11.9%	Decorations, toys, batteries, small electronics, greeting cards, stationery, prepaid phones and accessories, gardening supplies, hardware, automotive, and home office supplies
Home Products	5.9%	Kitchen supplies, cookware, small appliances, light bulbs, storage containers, frames, candles, craft supplies, and kitchen, bed, and bath soft goods
Apparel	4.7%	Casual everyday apparel for infants, toddlers, girls, boys, women and men, including socks, underwear, disposable diapers, shoes, and accessories

Source: Dollar General Corp., Form 10-K, For the fiscal year ended February 1, 2019, p 6.

² Ibid, page 6.

³ Ibid, page 23.

Based upon these store sales categories, and the \$1.7 million Cool store sales estimate, the Cool Dollar General store sales would be distributed by category as presented in Table 2. This information indicates that approximately \$1.3 million in store sales is estimated to comprise consumables, including food as well as non-food items. With respect to food items, based upon field visits to Dollar General stores in several California locations, these consumables do not include fresh produce such as fruits and vegetables. In addition, Dollar General carries a limited array of meats and cheeses, not including typical butcher or seafood counter food items. Further, while Dollar General sells beer and wine, these options are very limited, and the store does not sell other types of alcohol products such as hard liquor. Dollar General also does not sell the type of prepared food items typically found in a deli or hot food counter in a grocery store or some convenience markets.

Table 2. Estimated Distribution of Cool Dollar General Sales

Category	Percent of Sales	Sales
Consumables	77.5%	\$1,310,875
Seasonal	11.9%	\$201,283
Home Products	5.9%	\$99,796
Apparel	4.7%	\$79,498
	100.0%	\$1,691,451

Sources: Table 1; and ALH Urban & Regional Economics.

Thus, while Dollar General sells many food items, the options are limited, requiring consumers seeking a wider range of products to shop elsewhere.

MARKET AREA DEFINITION AND DEMOGRAPHIC CHARACTERISTICS

As noted earlier, Dollar General tends to locate stores in a variety of rural, suburban, and urban communities, with approximately 75% serving communities with populations of 20,000 or fewer. The Cool site area meets the definition of this type of community, as demonstrated below.

The proposed Cool Dollar General site is located 6.5 miles from the nearest shopping node in Auburn and 19 miles from the next nearest competitive node in Placerville. These are the nearest cities with substantial retail bases. The drive time from the site to the nearest shopping nodes in Auburn and Placerville are 16 and 29 minutes, respectively. In 2017, taxable retail sales in Auburn totaled \$601 million. This compared to \$387 million in Placerville. Since Cool is an unincorporated area, the State of California does not routinely report taxable retail sales for the community, but taxable retail sales in all of El Dorado County’s unincorporated areas in 2017 totaled \$1.1 billion. Taxable retail sales in the County’s unincorporated areas comprised 46% of all taxable retail sales. Cool is just one of many unincorporated communities in El Dorado County with an existing retail sales base, with other communities including Georgetown, El Dorado Hills, Cameron Park, and Shingle Springs. Thus, many communities contribute to the taxable retail sales reported for the entirety of the County’s unincorporated areas.

There are many ways a market area can be defined. This can include by city/cities, Zip Code, census block group or other census geographic designation, radius from a geographic site, or drive-time from a geographic site. For the purpose of this study, ALH Economics defined a market area for the proposed Dollar General store based on a geography served by four zip codes. This includes the zip code that encompasses Cool (95664) as well as the adjoining zip codes for the communities of Pilot Hill (95664), Lotus (95651) and Greenwood (95635). These El Dorado County communities are all comparatively closer to Cool versus Georgetown or Placerville, and thus their residents are deemed more likely to make convenience purchases in Cool than elsewhere. Alternative market area definition methods were examined, including drive-time, distance radius, and census tract aggregation. However, some methods captured too large an area (distance radius and census tract aggregation) or too small an area (drive-time radius). Hence the zip code method of market area definition seemed most apt for the purpose of this analysis.

ALH Economics obtained demographic estimates for the population base within the aggregated zip code area from Environics Analytics, which is a leader in the United States in providing demographic and economic data, including modeled data. Per Environics Analytics, in 2020 there will be an estimated 7,432 people and 3,054 households within the 4-Zip Code market area. The median household income for these households is about \$97,200, with an average of about \$115,600. Environics Analytics further projects that El Dorado County's 2020 population will total 191,790. Thus, the Dollar General store's 4-Zip Code market area population comprises a very small portion of the County's population base.

MARKET AREA RETAIL DEMAND

ALH Economics maintains a retail demand model that estimates household spending on retail. The model is based upon analysis of taxable statewide retail sales combined with an estimate of household spending on retail by income. The model assumes that households in a market area will make retail expenditures comparable to the pattern of retail sales in the State of California. Exhibit 1 in Appendix A presents the results of this analysis. This exhibit indicates that among the nine major retail categories tracked by the State of California Board of Equalization, household spending in 2018 was anticipated to be greatest for Food & Beverage sales at 17.2% of all retail spending and lowest for Home Furnishings & Appliances at 5.4% of all retail spending.

Pursuant to data published by the U.S. Bureau of Labor Statistics, 2017 Consumer Expenditure Survey, households in the income group with annual household incomes between \$15,000 to \$29,999 and \$200,000 and more throughout the United States spent an average of 60% to 17% of household income, respectively, on the type of retail goods tracked by the State of California Department of Tax and Fee Administration (formerly the Board of Equalization). The income bracket that best matches the proposed Cool Dollar General store market area demographics is the \$100,000 to \$149,999 bracket, where the average household income is \$120,288 and the percent of income spent on retail is 27%. Because the average market area household income is lower than the average within the bracket, and the percent of income spent on retail increases as income declines as shown in Exhibit 2, ALH Economics estimates that the market area households will spend on average 28% of income on retail goods pursuant to interpolation of the data findings.

Market area household retail and restaurant demand was estimated based upon this 28% share of income spent on retail and the estimated distribution of retail spending pursuant to Exhibit 1. The

results are presented in Table 3, which indicates total market area retail demand potential of \$98.9 million for the 4-Zip code market area. Not all this demand is in categories representative of Dollar General sales. The categories not reflected by Dollar General sales most notably include Motor Vehicles & Parts Dealers, Gasoline Stations, and Food Services & Drinking Places (e.g., restaurants and bars). While there is some overlap with Motor Vehicle Parts, the majority of this category is most likely measuring demand for automobile sales.

**Table 3. Estimated Cool Proposed Dollar General
Market Area Demand for Retail Goods and Restaurants (1)**

Retail Category	Distribution of Demand	Market Area Demand	
		Per HH	Total
Food & Beverage Stores	17.2%	\$5,579	\$17,038,216
General Merchandise Stores	11.8%	\$3,824	\$11,679,245
Motor Vehicle & Parts Dealers	15.6%	\$5,055	\$15,438,343
Food Services & Drinking Places	14.8%	\$4,786	\$14,616,789
Gasoline Stations	8.5%	\$2,757	\$8,419,073
Other Retail Group	12.7%	\$4,108	\$12,545,728
Clothing & Clothing Accessories	7.2%	\$2,337	\$7,136,078
Building Materials & Garden Equipment	6.7%	\$2,180	\$6,656,507
Home Furnishings & Appliances	5.4%	\$1,755	\$5,361,195
Retail Spending	100.0%	\$32,381	\$98,891,173

Source: ALH Urban & Regional Economics.

(1) The market area comprises a four zip code area encompassing Cool and nearby El Dorado County communities, including Pilot Hill, Lotus, and Greenwood.

Excluding the three categories of Motor Vehicles & Parts dealers, Gasoline Stations, and Food Services & Drinking Places results in a 4-Zip Code market area retail demand estimate of \$60.4 million for goods inclusive of the type of merchandise sold by Dollar General. Of note, the Other Retail Group category presented in Table 3 includes drug stores, health and personal care, gifts, art goods and novelties, sporting goods, florists, photographic equipment and supplies, musical instruments, stationery and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores. Many of these types of goods are sold at Dollar General, although not all of them.

Notably, the 4-Zip code market area comprises a primary market area for retailers and restaurants in Cool. However, additional demand is likely to be generated from beyond this area as well, as other area households traverse through the area on their way to or from their home or work locations. In addition, Cool is in an area of the state that attracts tourists and people vacationing nearby. All of these non-market area residents provide additional sources of actual or potential demand for Cool's retail offerings.

EXISTING COMPETITIVE STORES AND RETAIL SALES

Because it is in a small unincorporated area, reliable estimates of the retail sales achieved by retail outlets in the Cool market area are not available. The only available government-generated store-related data are from the U.S. Census Bureau, Zip Code Business Patterns for the Cool zip code of 95614, which includes information on retail outlets by type and size that include paid employees,

excluding government. Thus, owner-operated businesses with no employees are not included. The most recent data available are from 2016. This information includes only 7 retail outlet listings, with the largest comprising a "Supermarket" with 20-49 employees. This most certainly is the Holiday Market, located at the Cool Village Shopping Center. Three other retail outlets were noted as having 5-9 employees. These include outlets classified as "Nursery, Garden Center, and Farm Supply Stores," "Convenience Stores," and "Gasoline Stations with Convenience Stores." In all likelihood, these are the Cool Feed & Ranch Supply, Cool General Store, and 76 Gas Station, respectively. Finally, three outlets are noted as having 1-4 employees. These are classified as "Floor Covering Stores," "Cosmetics, Beauty Supplies, and Perfume," and "Tobacco Stores." ALH Economics is unsure what store might be classified as Floor Covering Store, unless it could be a store no longer present in the market since the Zip Code Business Patterns data are dated, from 2016, or it could be a business located outside the core area in Cool, but the other two stores likely refer to the Cool Village Pharmacy and the Cool Smoke Shop. While these data are of limited use, and do not shed any light on store sales, their levels of employment provide insight into the relative sizes of their enterprises, which indicate that the Holiday Market is the largest retail business in Cool and that the overall retail sector has relatively small employment base.

ALH Economics believes there are several stores in Cool that are likely to be somewhat competitive with Dollar General because of their sale of overlapping sales merchandise. These stores and some of the representative products they sell that overlap with Dollar General are presented in Table 4, below.

Table 4. Cool Stores With Merchandise Overlapping with Dollar General

Retail Store	Representative Overlapping Merchandise	Representative Unique Merchandise
Cool Smoke Shop	Bottled drinks, snacks (candy, chips, nuts), batteries, t-shirts, socks, cigarettes	Smoking, tobacco, and vaping supplies
76 Gas Station Convenience Store	Bottled drinks, beer, snacks, candy, motor oil, t-shirts	Ancillary to gas purchases; prepared hot food and sandwiches
Cool Feed & Ranch Supply	Pet food and treats, cat litter, other pet supplies	Specialty pet items, no overlapping brands
Cool Village Pharmacy	Vitamins, first aid supplies, candles, gift cards	Pharmaceuticals (prescription and over the counter), more specialized vitamins, gifts
Cool General Store	Bottled drinks, dairy products, canned goods, cleaning supplies, paper products, BBQ supplies, cereal, snacks, storage bags, first aid supplies	Liquor, more varied beer and wine options
Holiday Market	Frozen foods, dairy products, cereal, canned goods, laundry detergent, snacks, cookies, paper products, storage bags	Full-service grocery store items, including fresh produce and vegetables, deli items, meat, seafood

Source: ALH Urban & Regional Economics.

While they sell some overlapping merchandise with Dollar General, all of the stores listed in Table 4 have a primary merchandise focus that is unique from Dollar General. As a result, this will serve to minimize their potential competitiveness with Dollar General, despite the partial overlap in

merchandising. For some stores the merchandise overlap is minimal, while for other stores the overlap is greater. For example, Dollar General sells cat and dog food, treats, toys, supplies, and cat litter. Cool Feed & Ranch Supply also sells these products. However, Cool Feed & Ranch Supply sells premium brand food and treat products compared to the brands sold by Dollar General, such that there is no overlap in specific consumable product availability. Therefore, it is very unlikely that a Cool Feed & Ranch Supply customer would shop at Dollar General for these consumable products unless by necessity, given the former store's more limited hours of operation (close 6 pm M-F, 5 pm Sat., closed on Sun.). In similar fashion, a store like the Cool Smoke Shop would be unlikely to be highly competitive with Dollar General because its primary focus is to sell smoking supplies, including tobacco and vaping supplies, none of which are available at Dollar General, thus a customer at Cool Smoke Shop would be most likely to purchase the overlapping products as a matter of convenience when at Cool Smoke Shop, ancillary to the primary purpose of their shopping trip. ALH Economics believes the same is the case with purchases at the 76 Gas Station Convenience Store, as the primary reason shoppers are at this store is to purchase gasoline, so purchases at the Convenience store would in almost all likelihood occur at the same time as their gasoline purchase. As with the preceding stores, Cool Village Pharmacy also has a core focus unique from Dollar General, which is pharmaceuticals, especially prescription pharmaceuticals. In conclusion, while these four stores sell some goods common to Dollar General, their relatively low level of competitiveness with Dollar General is unlikely to result in a sales impact that would significantly impair store performance or profitability.

The two other stores included in Table 4 have a greater number of products for sale that overlap with Dollar General. These stores are the Cool General Store and Holiday Market. Yet, while these stores have a considerable amount of overlapping merchandise with Dollar General, like the preceding four stores they also have unique merchandising orientations relative to Dollar General. These include the Cool General Store, being one of only two purveyors of bottled hard liquor in Cool, with the area's widest variety of hard liquor as well as varied wine and beer options, and the Holiday Market, being a full-service grocery store comprising the only source of fresh fruits, vegetables, meat, seafood, and bakery products in the immediate area of Cool, plus many specialized food products, including gluten free. Nonetheless, these two stores are likely to be most competitive with Dollar General because a high percentage of the products sold at Dollar General (but most certainly not all) can also be found at these stores.

ALH Economics estimates the size of the Cool General Store, based on Google mapping software, to be 1,800 to 2,100 square feet. Valid sales performance figures for this store are not publicly available, so for the sake of analysis ALH Economics assumes a generic sales performance estimate of \$400 per square foot.⁴ This is a generalized figure based on sales per square foot performance for regional, small town/low density grocery store chains reported by Retail Maxim, an industry resource on retail store productivity. This is a proxy selected, in some part, because of its relevancy also to the other competitive store, the Holiday Market, although this store functions much like a liquor store given its unique product mix emphasizing hard liquor, wine, and beer. Pursuant to this sales estimate, and a size in the middle of the range of 1,950 square feet, ALH Economics estimates that Cool General Store annual sales total \$780,000. Based upon the preceding retail demand categories in

⁴ Figures reported by Hoovers.com and Buzzfile.com for this store include annual revenues of \$90,000 and \$93,200 (rounded), which ALH Economics believes are quite low, and thus are rejected as most likely invalid.

Table 3, the Cool General Store sales would reflect Food & Beverage store sales, although the store sells other merchandise that crosses into other retail categories, such as auto supplies (Motor Vehicle Parts), first aid (Other Retail), and work gloves (Clothing). Even comparing all of this \$780,000 sales estimate to the market area \$17.0 million demand in the Food & Beverage stores category indicates that significant additional market area demand remains for other Food & Beverage store sales, especially when one considers that the market area demand in Table 3 comprises only Cool's primary market area demand, and that additional demand originates seasonally from persons living outside the market area as well as tourism and people vacationing in the area.

ALH Economics estimates the size of the Holiday Market based on mapping software and other visual techniques, to be 25,000 square feet. As with the Cool General Store, sales performance for this store is not publicly available, so the same \$400 per square foot generic sales performance rate is assumed, resulting in a \$10.0 million annual store sales estimate. This figure comprises a large portion of the \$17.1 million of Food & Beverage demand estimated in Table 3. Yet, even with the addition of the Cool General Store sales, yet additional demand remains, indicating that Food & Beverage sales are leaking out of the Cool market area. These sales are likely leaking to the nearby communities of Auburn and Placerville, that have much more ample retail sectors.

In addition to the Cool market area's Food & Beverage demand that is not being adequately served by the Cool General Store and Holiday Market, it is highly likely that most of the market area's retail demand for other goods comprises leakage to other communities, since there are few shopping opportunities available in the Cool market area. This includes none to very little shopping opportunities available to meet market area shopping needs in other key retail categories such as general merchandise, clothing, home furnishings and appliances, and a range of other retail goods, such as sporting goods, and office supplies.

DOLLAR GENERAL RETAIL DEMAND CAPTURE RATE

Based upon its \$1.7 million store sales estimate, the proposed Cool Dollar General store will need to capture only a small portion of market area demand to achieve stabilized sales consistent with national Dollar General store performance standards. Across all categories of market area demand, this would be 1.7% of the \$98.9 million in the 4-Zip Code market area demand. However, demand for Dollar General merchandise will not originate from all categories of market area demand. Therefore, this capture rate increases to an overall 2.8% of the \$60.4 million 4-Zip Code market area demand for all retail excluding demand for Motor Vehicles, Gasoline, and Food Services & Drinking Places (e.g., restaurants). These figures are presented in Table 5, which also estimates potential market area capture rates in the specific demand categories most likely to correspond with Dollar General's store sales.

Table 5. Dollar General Cool Market Area Demand Capture Rate Analysis

Retail Category	Dollar General Sales (1)	Market Area Demand	Dollar General Capture Rate
Food & Beverage Stores	\$393,262 (2)	\$17,038,216	2.3%
General Merchandise Stores	\$917,612 (2)	\$11,679,245	7.9%
Motor Vehicle & Parts Dealers	\$0 (3)	\$15,438,343	0.0%
Food Services & Drinking Places	\$0	\$14,616,789	0.0%
Gasoline Stations	\$0	\$8,419,073	0.0%
Other Retail Group	\$201,283 (4)	\$12,545,728	1.6%
Clothing & Clothing Accessories	\$79,498	\$7,136,078	1.1%
Building Materials & Garden Equipment	\$0 (3)	\$6,656,507	0.0%
Home Furnishings & Appliances	\$99,796	\$5,361,195	1.9%
Total All Retail	\$1,691,451	\$98,891,173	1.7%
Total Less Motor Vehicles, Gas, and Rests.	\$1,691,451	\$60,416,969	2.8%

Source: ALH Urban & Regional Economics.

(1) See Table 2.

(2) For the sake of analysis, and based upon visual observation, the store's "Consumables" sales are anticipated to be divided between these two categories 30% food/70% general merchandise, as not all consumables are food or beverage-based products.

(3) Some sales anticipated in these categories, but they are anticipated to be nominal compared to the other retail categories.

(4) Corresponds with the "Seasonal" sales estimate.

The market area demand capture rates by retail category for the Dollar General 4-Zip Code market area range from 1.1% in Clothing & Accessories to 7.9% in General Merchandise. These percentage capture rates would drop when taking other factors into account, such as additional resident demand from beyond the 4-Zip Code market area and drive by traffic associated with tourism and vacationing. Notably, there is very little existing competition in or just beyond the market area to obtain some basic household necessities other than food and some sundry items. Therefore, in many of the categories listed, Dollar General will bring a mix of retail merchandise to the store's market area that is not already present. This will enable market area residents to reduce their travel time and the associated transportation costs (both personal and environmental) to obtain basic household necessities. This includes home furnishings and supplies such as towels, shower curtains, area rugs, vases, ironing boards, laundry baskets, and picture frames; electronics such as wall clocks, alarm clocks, and cell phones; and apparel such as baby and toddler clothes, women and men's underwear, and t-shirts.

There will, however, be potential sales merchandise overlap with the market area's two existing stores selling food items – Holiday Market and Cool General Store. The portion of Dollar General sales anticipated to be most competitive with these stores includes \$393,262 in Food & Beverage sales. Some of the Dollar General merchandise similar to these existing market area stores includes canned foods, baking goods, soda, first aid supplies, personal care products, cleaning supplies, pet supplies, and cooler items such as milk, cheese, butter, and sandwich meats. The Holiday Market, however, sells many products not represented at Dollar General, such as fresh and frozen meat, fresh and frozen seafood, an ample array of fresh produce, organic produce, gluten free foods, a broader range of items such as pasta and soups, freshly prepared hot foods, an expansive wine selection as well as hard liquor, and a broader range of beer than typically sold at Dollar General. The provision

of these more full-service grocery items indicates that market area shoppers will still need to frequent Holiday Market to purchase important weekly food items necessary to prepare healthy meals. This, combined with Holiday Market's seasonal appeal to tourist demand, will help insulate the store from the modest amount of competitive food item sales anticipated at Dollar General. Moreover, as a larger store with an established customer base, Holiday Market will have the ability to modify its product mix to maximize sales in products not available at Dollar General yet targeted to meet the needs of its loyal customers.

Similar to Holiday Market, Cool General Store sells some mix of products comparable to Dollar General but also products not available at Dollar General, or even Holiday Market, hence Cool General Store's market distinction as more of a liquor store with a convenience orientation. This is reinforced by the prominent placement of the word "Liquor" on the "Cool General Store" sign above the store's doorway. Already, Cool General Store and Holiday Market coexist in the same market, with the Holiday Market having more product overlap with Cool General Store than Dollar General will, since the Holiday Market sells some hard liquor and expanded wine and beer products not available at Dollar General. While Dollar General will duplicate some of the product offerings at both of these stores, it will also expand the offerings available substantially with its general merchandise products and seasonal items.

The retail demand estimates presented in Table 3 indicate many categories of retail spending in which there are scant retailers present in the Cool market area. Thus, products representative of some of these other categories can be added to existing inventories to insulate stores against potential sales losses resulting from Dollar General's Food & Beverage sales and maintain their broad market appeal, to both market area residents, residents in other communities beyond market area, and tourists and other persons vacationing in the area.

Lastly, at the same time Dollar General may exert competitive pressures on existing retailers, the store will add to the critical mass of retailing opportunities in Cool. Because of the relative lack of shopping opportunities in Cool, market area consumers are leaving the area to make purchases for goods not available in Cool and the general environs. At these times, consumers are also probably taking advantage of more cost effective grocery shopping opportunities available in these more heavily retailed areas. The presence of Dollar General will therefore help reduce the need for some of these out of community shopping trips, thus retaining more consumer dollars within the market area, which could ultimately increase the sales captured by a range of Cool retailers and restaurants.

CONCLUSION

In conclusion, this analysis demonstrates that Cool's market area is underserved by retail goods, including food sales. This indicates that the area is a sales leakage community. The Dollar General store can therefore help strengthen the retail base, enabling market area consumers to meet more of their retail shopping needs close to home. Even with absorption of Dollar General sales market area residents will still need to shop for many retail goods in locations with more ample shopping opportunities, especially in Auburn and Placerville, both of which have retailers offering a wide range of retail goods required by market area households, including food shopping, general merchandise shopping, home improvement stores, clothing stores, and others. However, because the Dollar General store will enhance the critical mass of commercial outlets in Cool, existing retailers and restaurants are anticipated to achieve greater visibility, which will result in enhanced market demand.

Because of Dollar General's relatively low sales volume, which will be divided among many retail categories, compounded by the market area's limited supply of existing retailers, it seems likely that Dollar General's capture of market area retail demand would not result in existing area stores losing a significant volume of existing sales through sales diversion. Thus, existing stores are anticipated to be able to coexist with the Dollar General store and thus not incur a risk of significant sales decline or closure.

CLOSING

ALH Urban & Regional Economics was pleased to prepare these findings pertinent to the proposed Dollar General store in Cool, California. Please let us know if you have any comments or questions on the analysis.

Sincerely,

ALH Urban & Regional Economics



Amy L. Herman
Principal

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

**APPENDIX A
REPORT EXHIBITS**

Exhibit 1
State of California Board of Equalization Taxable Retail Sales Estimate by Retail Category
2018

Type of Retailer	Total Taxable Sales (1)	State of California Taxable Sales Adjusted to Total Retail	Percent of Total
Motor Vehicle & Parts Dealers	\$89,696,668,865	\$86,983,283,145	15.6%
Home Furnishings & Appliances	\$31,099,159,205	\$30,206,241,172	5.4%
Building Materials & Garden Equipment	\$39,469,798,311	\$37,504,338,446	6.7%
Food & Beverage Stores	\$29,697,424,447	\$95,997,345,380 (2)	17.2%
Gasoline Stations	\$54,302,231,927	\$47,435,051,665	8.5%
Clothing & Clothing Accessories	\$42,233,560,412	\$40,206,357,448	7.2%
General Merchandise Stores	\$56,416,292,603	\$65,803,636,835 (3)	11.8%
Food Services & Drinking Places	\$85,226,196,681	\$82,354,452,662	14.8%
Other Retail Group	\$61,018,669,056	\$70,685,604,584 (4)	12.7%
Total (5)	\$489,160,001,507	\$557,176,311,337	100%

Sources: California Department of Tax and Fee Administration (CDTFA), "Statewide Taxable Sales by Type of Business, 2018"; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and ALH Urban & Regional Economics.

(1) Taxable sales are pursuant to reporting by the California Department of Tax and Fee

(2) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.

(3) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General

(4) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. Sedway Consulting estimates that 33.0% of drug store sales are taxable, based on discussions with the (former) California BOE and examination of U.S. Census data. In California, drug store sales in 2018 represented approximately 11.87% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.

(5) Totals may not add up due to rounding.

Exhibit 2
Household Income Spent on Retail (1)
United States
2017

Characteristic	All Consumer Units	Household Income Range							
		\$15,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 to \$99,999	\$100,000 to \$149,999	\$150,000 to \$199,999	\$200,000 and more
Average HH Income	\$73,573	\$22,315	\$34,685	\$44,771	\$59,382	\$83,829	\$120,288	\$170,234	\$306,051
Amount Spent on Retail (2)	\$22,911	\$13,370	\$17,130	\$18,277	\$22,028	\$25,418	\$33,044	\$40,565	\$52,002
Percent Spent on Retail (3)	31%	60%	49%	41%	37%	30%	27%	24%	17%

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2017, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

(1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization (now Department of Tax and Fee Administration).

(2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; personal care products and services; reading; and tobacco products and smoking supplies.

(3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Urban & Regional Economics.

APPENDIX B

FIRM QUALIFICATIONS AND PRINCIPAL RESUME

FIRM INTRODUCTION

ALH Urban & Regional Economics (ALH Economics) is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Since forming ALH Economics, Ms. Herman's client roster includes California cities, counties, and other public agencies; educational institutions; architectural, environmental, and other real estate-related consulting firms; commercial and residential developers; non-profits; and law firms. A select list of ALH Economics clients includes the following:

- the cities of Concord, Pleasanton, Tracy, Dublin, Inglewood, and Los Banos, the Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco, Alameda County Community Development Agency, the Alameda County Fair, Bay Area Rapid Transit District, and East Bay Community Energy;
- the University of California at Berkeley, The Primary School, The Claremont Colleges Services, Stanford Real Estate, and the University of California at Riverside;
- Group 4 Architecture, Research + Planning, Inc., Paul Halajian Architects; LSA Associates, Raney Planning and Management, Inc., Environmental Science Associates (ESA), First Carbon Solutions - Michael Brandman Associates, and Infrastructure Management Group, Inc.;
- Maximus Real Estate Partners, New West Communities, Build, Inc., Arcadia Development Co., Howard Hughes Corporation dba Victoria Ward LLC, Blu Homes, Inc., China Harbour Engineering Company, Kimco Realty, and Align Real Estate LLC;
- Ronald McDonald House and Hospital Council of Northern and Central California; and
- Gresham Savage Nolan & Tilden, PC, Remy Moose Manley, Pelosi Law Group, and Sedgwick LLP.

Throughout her more than 30-year career, Ms. Herman has managed real estate consulting assignments for hundreds of additional clients, including many California cities, corporations, residential, commercial, and industrial real estate developers, and Fortune 100 firms.

PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including commercial market analysis, fiscal and economic impact analysis, economic development and redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning over 30 years, Ms. Herman has supported client goals in many ways, such as to assess supportable real estate development, demonstrate public and other project benefits, to assess public policy implications, and to evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career, Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources.

Ms. Herman holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University. She pursued additional post-graduate studies in the Department of City and Regional Planning at the University of California at Berkeley. A professional resume for Ms. Herman follows.



AMY L. HERMAN
PRINCIPAL

ALH Urban & Regional
Economics
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SELECT OTHER CLIENTS

- Alameda County Fair
- Arcadia Development Company
- Catellus Development Corporation
- CenterCal Properties
- Claremont University Consortium
- City of Dublin
- Dudek
- Environmental Science Associates
- Equity One
- First Carbon Solutions (formerly Michael Brandman Associates)
- Gresham Savage Nolan & Tilden
- Howard Hughes Corporation
- City of Inglewood
- LSA Associates
- Maximus Real Estate Partners
- The Primary School
- Remy Moose Manley
- Ronald McDonald House
- Signature Flight Support
- Syufy Enterprises
- City of Tracy

Amy L. Herman, Principal of ALH Urban & Regional Economics, has provided urban and regional consulting services for approximately 35 years. During this time, she has been responsible for directing assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, economic development and redevelopment, feasibility analysis, location analysis, strategic planning, policy analysis, and transit-oriented development. Her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Urban & Regional Economics in 2011, Ms. Herman's professional tenure included 20 years with Sedway Group, inclusive of its acquisition by CB Richard Ellis and subsequent name change to CBRE Consulting. Her prior professional work experience includes five years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the land use consulting firm Land Economics Group, which was acquired by L&H.

Following are descriptions of select consulting assignments managed by Ms. Herman.

ECONOMIC IMPACT ANALYSIS

Alameda County. Prime consultant for a complex team that prepared a Local Development Business Plan for the newly launched East Bay Community Energy Community Choice Aggregation program for Alameda County. ALH Economics components included economic impact and financial analysis of the local development program components.

University of California. Conducted economic impact studies and frequent updates for five University of California campuses: Berkeley, Davis, Riverside, San Francisco, and San Diego. Prepared models suitable for annual updates by campus personnel.

Hospital Council of Northern and Central California. Prepared an analysis highlighting the economic impacts of hospitals and long-term care facilities in Santa Clara County. The analysis included multiplier impacts for hospital spending, county employment, and wages. Completed a similar study for the Monterey Bay Area Region.

Bay Area Rapid Transit District. Completed economic impact analysis of BART's operations in the San Francisco Bay Area region.

Various EIR Firms. Managed numerous assignments analyzing the potential for urban decay to result from development of major big box stores, shopping centers, and sports venues. The analysis comprises a required Environmental Impact Report component pursuant to CEQA.

FISCAL IMPACT ANALYSIS

Stanford Research Park. Analyzed historic and current fiscal contributions generated by the Stanford Research Park real estate base and businesses to the City of Palo Alto, Santa Clara County, and the Palo Alto Unified School District.

City of Concord. Structured and managed fiscal impact analysis designed to test the net fiscal impact of multiple land use alternatives pertaining to the reuse of the 5,170-acre former Concord Naval Weapons Station, leading to possible annexation into the City of Concord, California.

Kimco Realty. Prepared fiscal impact analysis of plans to renovate and redevelop part of Westlake Shopping Center and infill development of a 179-unit apartment project adjoining the shopping center.

Sycamore Real Estate Investments, LLC. Prepared a fiscal impact model for client implementation, to test the General Fund net fiscal impacts of alternative land use mixes.

Residential and Commercial Developers. Prepared fiscal impact studies for new development projects, including residential, office, and mixed-use projects, demonstrating the net fiscal impact on the respective city's General Fund and local school districts.

AMY L. HERMAN
Principal

ECONOMIC DEVELOPMENT AND PUBLIC FINANCE

Infrastructure Management Group. Contributed to due diligence analysis of the proposed Transbay Transit Center to support evaluation of requested bond loan adjustment requests to support project construction.

Alameda County. Managed numerous assignments helping Alameda County achieve its economic development goals for the County's unincorporated areas through surplus site disposition assistance, including market analysis and financial due diligence for residential and commercial mixed-use developments.

Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco. Managed financial analysis estimating the tax payments in lieu of property taxes associated with UCSF development of medical office space in the former Mission Bay Redevelopment Project area.

LAND USE POLICY

Union City Property Owner. Provided an independent analysis regarding the reasonableness of the City of Union City continuing to reserve a key development area for office and/or R&D development in the context of the General Plan Update.

Alameda County Community Development Agency. Provided analysis and input regarding the Ashland and Cherryland Business District Specific Plan requirements for non-residential floor space in mixed-use development sites over 10,000 square feet

DCT Industrial Trust (Subsequently acquired by ProLogis, Inc.). Performed economic analysis on a proposed change to the Newark Zoning Ordinance regarding permitted industrial uses. The analysis demonstrated the market, fiscal, and economic impacts that could result from the proposed zoning ordinance change.

City and County of San Francisco. Under direction of the San Francisco Planning Department, conducted analysis and literature review regarding residential and commercial displacement, especially they pertained to two planned Mission District mixed-income apartment projects.

DEVELOPMENT FEASIBILITY

China Harbour Engineering Company Ltd. (CHEC). Prepared a market assessment and development feasibility analysis for the potential development of a 5.54-acre parking lot at the West Oakland BART Station in Oakland, CA for CHEC, the development entity selected by BART to pursue joint development of the site pursuant to an Exclusive Right to Negotiate Agreement.

Align Real Estate, LLC. Prepared independent economic analysis of a proposed residential development in San Francisco on the site of several buildings, including one considered an historic resource pursuant to CEQA. The analysis tested several project alternatives, focusing on net developer margin as an indicator of financial feasibility.

Build, Inc. Conducted financial analysis comparing the development of a prospective San Francisco residential site as a "stand-alone" project compared to a larger "combined lot" project that would incorporate unused floor-area-ratio from an adjacent property.

Various Residential Developers. In support of fiscal impact studies, prepared residential market analysis examining historical development and pricing trends, absorption, and forecasting demand by product type. Prepared achievable pricing estimates by residential unit type and size.

EDUCATION

- Bachelor of Arts degree in urban studies, magna cum laude, Syracuse University.
- Master of Community Planning degree from the University of Cincinnati.
- Advanced graduate studies in City and Regional Planning at the University of California at Berkeley.