

Appendix M

Urban Decay Analysis

**El Dorado Hills
Costco Wholesale Warehouse
and Fuel Facility
Urban Decay Analysis**

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I. EXECUTIVE SUMMARY

INTRODUCTION

The purpose of this study is to assess the economic impacts of a proposed Costco warehouse store and fuel facility in El Dorado Hills, a census designated place in Unincorporated El Dorado County, California (the "Project"). The Project is planned to include a 165,000-square-foot Costco warehouse plus a 16-pump fuel facility with 32 handles. An Environmental Impact Report (EIR) is being prepared for the Project. ALH Urban & Regional Economics ("ALH Economics") is preparing the EIR's urban decay analysis. As such, this study estimates the potential impacts of the Project on existing retailers in the market area pursuant to diverted sales from existing retailers. The study estimates the extent to which the opening of the Costco warehouse and fueling facility and other cumulative retail projects may or may not contribute to urban decay in the market area resulting from potential store closures attributable to existing retailer sales diversions.

SUMMARY OF FINDINGS

Project Sales and Market Area

ALH Economics estimates that stabilized Project sales will total \$297 million in pre-tax sales. Of the annual sales amount, 84% is generally estimated to be generated by retail consumers versus 16% generated by wholesale consumers, i.e., businesses that purchase items wholesale from Costco, and then resell the items as part of their business operations. Of the retail consumer amount, 85% is estimated to be generated from within the Project's market area. Development of the El Dorado Hills warehouse and fuel facility is intended by Costco to take pressure off its existing Folsom facilities located east of the Project site and enhance member shopping experiences. Therefore, many of the sales anticipated to be achieved in El Dorado Hills are assumed to be shifted from the Folsom warehouse and fuel facility. Consequently, \$111.5 million in consumer retail sales are estimated to be competitive with other retailers in the market area.

Given the broad range of products sold by Costco, these consumer retail sales will occur in numerous retail categories, including motor vehicles & parts, home furnishings & appliances, building materials & garden equipment, food & beverages, gasoline, clothing & accessories, general merchandise, food services & drinking places, and other retail. The other retail category is broad and encompasses a wide range of retailers such as office supply, pet supply, sporting goods, book stores, and jewelry.

The Project's market area includes about 2/3 of El Dorado County extending eastward from the county's western boundary, but short of South Lake Tahoe, and south/southeast to include a major portion of Amador County (excluding Kirkwood and other nearby areas far to the east and Comanche North Shore and Buena Vista in the southern part of the County). This is the geographic area for which the El Dorado Hills Costco Warehouse and Fuel Facility will be the closest Costco operations.

Market Area Sales Base and Retail Leakage

The market area's retail sales base is estimated to total close to \$2.9 billion in 2024. The El Dorado County portion of the market area sales base comprises a significant share at \$2.3 billion (i.e., 80%). Analysis indicates that the market area portion of El Dorado County is characterized overall by a modest amount of retail leakage, amounting to 8% of the area's demand. This means that across all retail categories, 8% of estimated household spending leaves the county and is spent elsewhere. Thus, almost \$237 million in local demand leaves the area. In contrast, Amador County, with a much smaller sales base, is characterized overall by retail attraction, much of which is likely attributable to tourist sales. Overall, when pairing market area retail sales with estimated retail demand generated by market area households, the market area has an aggregate level of 11% retail sales attraction, totaling \$325 million. By dollar volume, attraction is greatest in the other retail group category, food & beverage stores category, and gasoline stations. These categories correspond to the categories comprising the greatest amount of the El Dorado Hills Costco sales. Thus, the majority of Costco sales will be in strong market area retail sales categories, with the potential for Costco sales to strengthen these attraction categories. There are additionally four leakage categories in the market area, including home furnishings & appliance stores, motor vehicles & parts dealers, clothing & clothing accessories stores, and food services & drinking places. Costco sales will have the potential to reduce existing leakage in these categories.

Project Sales Achieved Through Retail Sales Recapture

The enhanced shopping opportunities provided by Costco will serve to help recapture existing retail leakage in select retail categories. Given the volume of Costco sales in the four leakage categories, and the amount of estimated leakage, all of the Costco sales in these leakage categories are assumed to comprise recaptured leakage, with no resulting impact on existing market area retailers. Even with this capture a large amount of leakage in the market area's four leakage categories will remain, totaling \$367 million.

Sales Impacts

Net of the share of Project sales anticipated to be generated by consumers outside the market area and after consideration of recaptured leakage and some sales fluctuation associated with the normal ebb and flow of economic cycles, the study estimates potential sales impacts will occur among the market area's food stores and gasoline stations. These impacts are estimated as 2.5% to 7.5% of the market area's food & beverage store sales (or \$15.9 to \$47.9 million) and 2.9% to 7.9% of the market area's gasoline station sales (or \$10.3 to \$28.2 million). For both retail categories, the minimum sales impacts reflect the idea that there will be some economic cycles and sales fluctuations over time, while the maximum sales impacts reflect the perspective that, in this instance, all of the impacts are related to the new El Dorado Hills Costco.

Food Stores. The market area has at least 28 stores with significant food sales, including conventional grocery stores, discount food stores, general merchandise stores, and niche stores. This does not include relatively smaller convenience-oriented stores as Costco will not compete with a store that satisfies a shopper's need for a quick, convenience item. Costco will also not be directly competitive with any single one of the 28 stores selling food because of the nature of Costco product sales. This includes Costco's merchandising strategy associated with its product mix and depth and checkout procedures. Because Costco carries a relatively small number of products

(4,000 stock keeping units per warehouse across all products, not just food, versus 31,795 for the average grocery store) shoppers making food and food-related purchases at Costco will still need to shop at other stores to purchase the full complement of food supplies needed to equip their household. These Costco retail merchandising factors will likely contribute to the dispersal and lessening of potential food store sales impacts resulting from the Project. Because of the comparatively limited number of products available for purchase, the bulk nature of the products, and the bagging and purchasing procedures implemented at Costco, the potential for sales to be diverted away from any of the existing retailers selling food products to an extent so severe as to cause store closure is highly unlikely.

There are numerous existing food stores distributed across a large geographic area. Because existing and anticipated Costco members are also distributed across a relatively large geographic area, shopping pattern changes away from existing stores will also be widely distributed. For stores that may experience sales impacts attributable to Costco's food sales, adaptation is a hallmark of the retail sector, meaning stores can modify their merchandising mix and customer service strategies to be more resistant to prospective sales impacts. Retailing is highly dynamic, with the nature of competition continuously changing. Thus, retailers regularly modify their strategies to distinguish themselves in the market and to retain market share. The actual performance of the market area grocery stores and other stores selling food products is not available. However, most stores appear to have robust performance with a dedicated customer base. Therefore, ALH Economics concludes that given the potential to implement adaptive strategies, no single store engaged in food sales is likely to experience sales declines sufficient to result in store closure.

Gasoline Stations. There are at least 47 gas stations in the market area, with 116 fueling stations and 232 handles. A same day price comparison with Costco indicated that about 40% of the El Dorado County gas stations had some gas prices equal to or less than Costco's prices. This comparison included only gas stations located 5 or more miles from the Costco Project site.

The market area's existing gas stations have many features that set them apart from Costco, providing a competitive advantage. These include gas availability 24/7 (i.e., open 50% more hours than Costco's Folsom fuel facility, and 40% more than at the planned Costco El Dorado Hills fuel facility),¹ a wider range of gas product availability, the presence of convenience stores to satisfy travel-related shopping needs, restroom availability, and select amenities, such as car wash stations, repair services, and smog checks. Another notable difference between Costco gasoline sales and the market area gas stations is the fact that only Costco members can purchase gas at Costco gas stations. Because of this, the existing gas stations all have access to a broader customer base while also providing more amenities and services.

The estimated gasoline sales impacts will be dispersed throughout the market area. To some extent the impacts could be greatest closest to the Project site, as it would be easier for Costco members to redirect their gasoline purchase trip from stations closer rather than more distant from Costco. However, even gas stations further from Costco are likely to experience sales diversions depending

¹ Per the Project Description on file with El Dorado County Planning and building Department, the Fuel Facility hours will be 5:00 am to 10:00 pm daily. See "EDH 52 North and Costco South Overall Commercial Center CEQA Project Description, March 18, 2022 (revised December 18, 2024)," 12/14/24, page 6.

upon how well consumers can time their purchases coincident with a shopping trip to the Costco warehouse.

The timing of gasoline purchases are often dictated by need, not by choice, and a Costco member who lives or works at the perimeter of the market area will often need to pump gas into their vehicle when in a location distant from the Costco fuel facility. Nevertheless, it is possible that gas stations with higher gas prices in the area near the Costco might encounter a more competitive marketplace, with a disproportionate decline in customer sales. However, Costco gas lines can be long, and time-stressed consumers will choose to purchase gas at other locations rather than go an extra distance to wait in line behind other gasoline customers. In addition, the longer hours at market area gas stations and presence of amenities relative to Costco will comprise comparative market area gas station advantages. Therefore, ALH Economics concludes that the gasoline sales impacts will likely be dispersed to the extent that no single or small set of gas stations will bear the brunt of the sales impacts and risk closure as a result.

Cumulative Project Impacts

ALH Economics identified five potential cumulative development projects in the market area with retail components comprising at least 25,000 square feet of retail space. The five projects have total retail potential of 550,646 to 711,382 square feet, with most also encompassing other land uses, especially residential. One project is requesting a land use change. If this happens, then the cumulative retail space total will drop to 475,330 to 636,066 square feet. The projects are located between 1.7 and 30 miles of the El Dorado Hills Costco site. All but one of the projects is in El Dorado County. One of the cumulative projects is under construction with 132,126 square feet, one project is approved, and three projects are under review.

The El Dorado Hills Costco Project is anticipated to have the greatest impact on the market area's food & beverage and gasoline station retail sectors. Thus, any food store and gasoline station sales generated by cumulative projects would add to these prospective impacts. However, based on the size of cumulative project retail components, and constituent buildings, it is unlikely that any cumulative project will include a food store. Moreover, it is too speculative at present to forecast the retail uses at the three cumulative projects that are under review. In addition, none of the cumulative projects appear at this time to include plans for new gas station development.

This probable lack of food store and gas station development indicates there will likely not be any cumulative project impacts in these retail categories. While El Dorado Hills Costco sales may compete with sales in other retail sectors, those impacts are low enough to likely be absorbed in the normal course of doing business in the market area. The same is likely the case among the cumulative projects, as even with Costco's recapture of existing market area leakage some leakage will still remain. Therefore, the cumulative projects are not anticipated to significantly increase or change the market area impacts associated with the El Dorado Hills Costco Project.

URBAN DECAY DETERMINATION

Definition of Urban Decay

For the purpose of this analysis, urban decay is defined as, among other characteristics, visible symptoms of physical deterioration that invite vandalism, loitering, and graffiti that is caused by a

downward spiral of business closures and long term vacancies. This physical deterioration to properties or structures is so prevalent, substantial, and lasting for a significant period of time that it impairs the proper utilization of the properties and structures, and the health, safety, and welfare of the surrounding community. The manifestations of urban decay include such visible conditions as plywood-boarded doors and windows, parked trucks and long term unauthorized use of the properties and parking lots, extensive gang and other graffiti and offensive words painted on buildings, dumping of refuse on site, overturned dumpsters, broken parking barriers, broken glass littering the site, dead trees and shrubbery together with weeds, lack of building maintenance, homeless encampments, and unsightly and dilapidated fencing.

Urban Decay Conclusion

Based on the above description of urban decay, ALH Economics' analysis examined whether there was sufficient market demand to support the Project without affecting existing retailers so severely as to consequently lead to a downward spiral toward decay. Specifically, the analysis considered whether or not physical deterioration would likely result from the opening of the Project and other cumulative retail developments. ALH Economics' urban decay conclusion is based on consideration of current market conditions, findings regarding diverted sales, the backfilling potential of existing store spaces, and the existence of regulatory controls.

In addition, the urban decay conclusion assumes the existing Folsom Costco warehouse and fuel facility will not close following development and opening of the new El Dorado Hills Costco project. This assumption is based on the expectation that the diversion of sales from Folsom to El Dorado Hills will take pressure off Costco's existing Folsom facilities, providing members at both warehouses with a better shopping experience. Data and information from Costco about comparable experiences in other communities where new Costco facilities were built close to existing facilities supports this expectation.

Overall, field research, market research, and interviews with market participants indicate that current market conditions are relatively strong, except for some older properties with absent and/or lackluster owner interest. The market area's retail inventory is generally in good to excellent condition, with well-located properties garnering market interest and backfilling with new retail tenants. Vacant retail properties in some markets with weak or weakening conditions often transition to alternate uses. Such conversions do not appear to be happening in the market area, demonstrating the presence of a generally healthy retail sector.

The study analysis estimated that market sales impacts are only likely to transpire in the food & beverage stores and gasoline station retail sectors. This is attributable to existing retail sales leakage in other key retail sectors matching Costco merchandising categories. Even with absorption of this leakage yet additional retail sales leakage is anticipated to remain in the market area. Given the large size of the market area and number of competitive food stores and gas stations, the analysis concluded that no single food store or gas station is likely to experience Project-induced sales declines sufficient to trigger store closure. However, even if any existing market area retailers were to close as a consequence of the Project and its sales impacts, retail leakage in other categories could comprise opportunities for new retailers to enter the marketplace focused on satisfying unmet market area retail demand. Moreover, there are existing governmental regulatory controls in the market area's jurisdictions designed to manage or avoid nuisances such as graffiti, broken windows, overgrown vegetation, and dilapidated building exteriors. Enforcement

of these ordinances can help prevent physical deterioration due to any long-term closures of retail spaces. Thus, if any market area retail properties experience prolonged vacancy following the operations of the Project and any cumulative projects, implementation of the existing regulations will likely support abatement of conditions contributing to urban decay and deterioration.

Based upon all these findings in combination, ALH Economics concludes that the Costco Project and the identified cumulative projects will not cause or contribute to urban decay.

II. INTRODUCTION

STUDY BACKGROUND

Costco Wholesale Corporation (“Costco”) is seeking to open a Costco Wholesale Member Warehouse retail store (warehouse) and fuel facility in El Dorado Hills, a census designated place in Unincorporated El Dorado County (the “Project”). The warehouse is planned to include 165,000 square feet of building area plus a 16-pump facility with 32 handles, on an approximately 43.26-acre site. The site is located across the north and south sides of Silva Valley Parkway, just north of U.S. Highway 50.

The primary reason Costco is seeking to open a warehouse and fuel facility in El Dorado Hills is to take pressure off Costco’s existing Folsom facilities located approximately 5.1 miles east of the Project site. By opening a new nearby warehouse and fuel facility Costco hopes to provide members at both warehouses with a better experience. The Folsom Costco is currently operating over ideal capacity with demand generated by members from Folsom and El Dorado County.²

An Environmental Impact Report (EIR) for the Project is being prepared for El Dorado County. To support this effort and comply with the California Environmental Quality Act (“CEQA”), ALH Urban & Regional Economics (“ALH Economics”) was asked to prepare findings regarding the potential for the proposed Project to cause urban decay. The decision by the Fifth District Court of Appeal in *Bakersfield Citizens for Local Control v. The City of Bakersfield* indicated that CEQA requires a lead agency to consider and analyze the potential for the introduction of planned retailers to result in adverse physical impacts on the environment by causing a chain reaction of store closures and long-term vacancies, otherwise referred to as a condition of “urban decay.”

This study addresses the concerns voiced in the Bakersfield decision by considering the potential impact of the warehouse and fuel facility in conjunction with the introduction of other retail developments in the Project’s identified market area. The key indicator from a CEQA perspective is impacts on the existing environment, which in the context of an urban decay analysis includes existing stores and commercial real estate conditions, as measured by the current baseline. The Notice of Preparation (NOP) for the EIR was released in March 2025. This timeframe comprises the baseline reflected by existing conditions discussed in this report.

The field work upon which this study is based was completed in Spring and early Summer 2025. Accordingly, ALH Economics assumes no responsibility for market events pertinent to the market area, more general environs, or the Project site occurring after those dates.

STUDY TASKS

ALH Economics engaged in numerous tasks to complete this assignment. These tasks included the following:

- Identified the Project’s market area, i.e., the area from which the majority of Project shoppers are anticipated to originate;

² See <https://edhapac.org/wp-content/uploads/2019/03/Fact-Sheet-FAQ-Costco-FINAL.pdf>.

- Conducted fieldwork to review the Project site and evaluate existing market conditions;
- Estimated the planned Project's sales;
- Estimated market area retail sales;
- Conducted retail sales leakage analyses for the Project's market area and constituent county areas;
- Estimated the Project's impacts on existing relevant retailers;
- Identified planned retail projects in the market area;
- Assessed the cumulative impacts of planned retail projects in the market area and other relevant areas; and
- Assessed the extent to which opening of the Costco wholesale warehouse and the cumulative projects may or may not contribute to urban decay.

The findings pertaining to these tasks are reviewed and summarized in this report, with analytical findings presented in the exhibits in Appendices A and B. Figures referenced in the text are presented on the page following the first reference.

REPORT ORGANIZATION

This report includes eight chapters, as follows:

- I. Executive Summary
- II. Introduction
- III. Projected Costco Sales
- IV. Market Area Definition
- V. Retail Sales Base Characterization
- VI. Project Sales Impacts
- VII. Cumulative Projects
- VIII. Urban Decay Determination

This report is subject to the appended Assumptions and General Limiting Conditions.

III. PROJECTED COSTCO SALES

A description of the planned Project and ALH Economics' estimates of the total retail sales generated by the Project are presented below, including sales generated by retail category. This estimate is necessary to facilitate analysis of the Project's urban decay impacts.

COSTCO PROJECT DESCRIPTION AND SALES COMPOSITION

The 165,000-square-foot Costco warehouse inclusive of a tire center and fuel facility will be located north of U.S. Highway 50, straddling Silva Parkway. The fuel facility will comprise a 16-pump facility with 32 handles. Close to the site across U.S. Highway 50 there is a significant retail node, with close to 600,000 square feet of retail space in two major shopping centers plus four gas stations. These shopping centers include the 448,256-square-foot El Dorado Hills Town Center, anchored by Target, and the 134,679-square-foot Market Place at Town Center, anchored by Nugget and Ace Hardware.

Costco is a membership warehouse store, where members are required to purchase a membership and renew it annually if they seek to continue shopping at Costco. As such, only members will be able to make purchases at the El Dorado Hills Costco Project. There are different types of memberships, available at different pricing levels. These include the following:

- Gold Star Membership, for \$65.00 a year, available for individuals who want to purchase products mainly for personal use;
- Business Membership, for \$65.00 a year, available for business owners and managers, which allows the purchase of products for business, personal, and resale use; and
- Executive Membership, for \$130.00 a year, includes a 2% reward on purchases up to \$1,250 a year as well as additional benefits and greater discounts on select Costco services. This membership level is available to both households and businesses.³

In 2024, the national division between household and business membership was 84% and 16%, respectively.⁴ All of these memberships include a household card. The household figure is inclusive of the Executive Memberships.

Costco merchandise is not targeted to the average consumer. Many Costco items are only available in bulk. This includes mostly foodstuffs and other items one could purchase at a grocery store, such as two loaves of sliced bread bundled together, a case of kidney bean cans, 15 rolls of paper towels, and a 3 lb. can of ground coffee. It is not possible at Costco to purchase an individual-sized pastry, a quart of milk, a small spice jar, a dozen eggs, or just a pound of butter. Costco food sales are clearly targeted toward large families, restaurants, event organizers, and other consumers with extensive storage capacity. Accordingly, Costco is not the type of store where the average household consumer will stop by once or twice a week to round out the pantry and purchase ingredients for intimate family dinners. Even many non-food items or business-oriented products are also only available in bulk, such as a case of printer paper versus just one ream, a box of 500 business envelopes, or a large package of batteries rather than a two- or four-pack.

³ Costco.com

⁴ Costco Wholesale 2024 Annual Report, Fiscal Year Ended September 1, 2024, page 6.

In addition, Costco typically carries only one brand at a time of certain items, such as canned peaches or tomato sauce. Thus, selection is not the hallmark of Costco. In fact, Costco typically carries less than 4,000 active items per warehouse, or SKUS (stock-keeping units) for sale.⁵ This compares to 120,000 for the typical Walmart supercenter⁶ and 31,704 on average at a traditional supermarket.⁷ To counterbalance the limited variety of merchandise, Costco strives to keep a unique mix of new, limited volume merchandise flowing through the stores, so shoppers can expect to encounter some new merchandise with every visit.

Costco is further distinguished from the average retailer pursuant to its payment options and how it assembles items purchased by customers. Costco warehouses accept cash, checks, debit cards, and only Visa credit cards. No other major credit cards are accepted for the payment of merchandise.⁸ These methods of payment may limit Costco’s customer base. Once a customer has made purchases, Costco does not provide bags or bagging services. Some items are loaded into packing boxes by Costco cashiers, but the balance of goods are either reloaded back into the shopping cart by the Costco cashiers or can be placed into bags provided by the customer. This approach may further limit Costco’s customer base among customers accustomed to merchandise bagging.

Costco presents information in its corporate materials regarding the average distribution of sales at all Costco warehouse stores. This information is presented in categories that conform to categorization by Costco. These categories, and the percent distribution of sales, are summarized in Table 1, below.

Table 1
Costco Warehouse
Costco Retail Categories and Sales Distribution

Costco Sales Category	Percent
Foods and Sundries	40%
Non-Foods	26%
Fresh Foods	14%
Ancillary & Other	20%
Total	100%

Source: Costco Wholesale 2024 Annual Report, Fiscal Year Ended September 1, 2024. Calculated from sales data reported on page 60.

This sales information is presented in Exhibit 1, which develops and expands this information in ways conducive to analyzing the Costco Project’s prospective impacts relative to other existing retailers. This is accomplished by matching Costco’s categories with categories used by the State of California Department of Tax and Fee Administration (CDTFA) which is the primary public source of taxable retail sales data and trends in California. This is necessary because CDTFA data are the

⁵ Ibid, page 5.

⁶ <http://en.wikipedia.org/wiki/Walmart>

⁷ http://www.fmi.org/facts_figs/?fuseaction=superfact

⁸ <https://www.forbes.com/advisor/credit-cards/what-credit-cards-does-costco-accept/>

most comprehensive resource available to provide a basis for evaluating the existing retail sales base by geography.

ALH Economics spread the Costco sales percentages presented in Table 1 among the State of California Department of Tax and Fee Administration’s reporting categories. This was accomplished through several means, including the following:

- Reviewing Costco’s category descriptions included in its most recent and previous Annual Reports and qualitatively matching the referenced types of goods with the appropriate CDTFA category;
- Conducting field work to an existing representative Costco warehouse and assessing the distribution of warehouse products by type of good and CDTFA retail category;
- Reviewing select information presented by Costco regarding the amount or percentage of store sales in key retail categories, such as a Costco reference to 12% of net sales typically comprising gasoline sales;⁹ and
- Using the preceding information to quantitatively spread the Costco category sales among the CDTFA retail sales categories.

The results of the distribution of Costco sales into the CDTFA categories are presented in Exhibit 1 and summarized below in Table 2.

Table 2
Costco Warehouse
CDTFA Retail Categories and Sales Distribution

Costco Sales Category	Percent
Motor Vehicle & Parts Dealers	3.1%
Home Furnishings & Appliances	8.6%
Building Materials & Garden Equipment	1.5%
Food & Beverage Stores	49.1%
Gasoline Stations	12.0%
Clothing & Clothing Accessories	3.2%
General Merchandise Stores	8.1%
Food Services & Drinking Places	1.3%
Other Retail Group	13.2%

Source: Exhibit 1.

These sales distribution assumptions were used as a basis for distributing the estimated Costco Project sales among the relevant retail sales categories and by type of consumer. As noted, the largest portion of estimated Costco sales, 49.1%, is in the food & beverage category, which includes all food items and both alcoholic and non-alcoholic beverages. This sales category dominates all estimated sales, with the next largest categories comprising other retail at 13.2% and gasoline sales at 12%. The other retail sales category is a broad category, and includes such goods as pharmacy, health and personal care, gifts, art goods and novelties, sporting goods, florists, photographic supplies, musical instruments, stationary and books, and office and school supplies.

⁹ Costco Wholesale 2024 Annual Report, Fiscal Year Ended September 1, 2024, page 5.

COSTCO WAREHOUSE SALES

Total Sales

For the purpose of the study, ALH Economics developed a total Project stabilized sales estimate. This estimate is based on a per square foot sales figure of \$1,800. This figure was developed based on analysis of several sources, including Costco Wholesale's Annual Reports and industry internet resources, such as Statista and Gurufocus.com. Applying this sales figure to the total warehouse square footage results in an annual sales estimate of \$297 million.

The following analysis, which provides the basis for the urban decay analysis, assumes the Project sales at this \$297 million performance level. In the retail industry many stores ramp up to their stabilized sales levels over time, as the retailer becomes more established in the market. This analysis, however, conservatively assumes the maximum sales will be achieved during the Project's first full year of operations rather than several years later after it has become established in the marketplace and solidified a customer following.

Sales by Retail Category

The Project's \$297 million sales estimate is distributed in Exhibit 2 among the CDTFA retail categories. This distribution is based upon the estimated distribution of sales calculated in Exhibit 1 and summarized in Table 3, presented in millions of dollars.

Table 3
Costco Warehouse
CDTFA Retail Categories and Sales, in \$ millions

Costco Sales Category	Sales
Motor Vehicle & Parts Dealers	\$9.2
Home Furnishings & Appliances	\$25.5
Building Materials & Garden Equipment	\$4.6
Food & Beverage Stores	\$145.9
Gasoline Stations	\$35.6
Clothing & Clothing Accessories	\$9.4
General Merchandise Stores	\$23.9
Food Services & Drinking Places	\$3.9
Other Retail Group	\$39.1
Total	\$297.0

Source: Exhibit 2.

This table indicates that approximately \$146 million in sales generated by the Project is likely to be for food & beverage items. The next largest categories are other retail at \$39.1 million and gasoline at \$35.6 million. The other double-digit sales categories include home furnishings & appliances with \$25.5 million in sales and general merchandise with \$23.9 million in sales.

Store Sales by Type and Location of Consumer

Not all the estimated Project sales will be competitive with existing retail operations, especially retailers within the Costco market area. There are several factors contributing to this competitiveness profile, discussed below.

Sales Redirected from Costco's Folsom Warehouse. The El Dorado Hills Costco is located just 5.1 miles east of Costco's existing Folsom warehouse and fuel facility. There are no other Costco operations anywhere else east of Folsom, since the next closest warehouse to the east is in Carson City, Nevada, approximately 105 miles east of Folsom, and 100 miles east of El Dorado Hills. This means that the new El Dorado Hills location will comprise a more convenient, closer shopping location for many existing Folsom shoppers originating from east of Folsom. Hence there is an expectation that many of the existing Folsom sales will be redirected to El Dorado Hills. While these redirected sales will be new to the El Dorado Hills Costco, they will not comprise new sales to Costco or new expenditures made by Costco shoppers. Costco also anticipates that a small percentage of sales at the Rancho Cordova Costco will also be transferred to El Dorado Hills.

The transportation engineering and planning consulting firm Kittelson & Associates prepared a transportation analysis for the Project that includes analysis of projected vehicle miles traveled (VMT) by Project patrons and number of existing and projected member visits. Their analysis is grounded in proprietary data provided by Costco, including data pertaining to Folsom warehouse and fuel facility shoppers (but not Rancho Cordova). Based on ALH Economics' analysis of Kittelson & Associates' findings, where ALH Economics generally equates demand with the number of warehouse trips, but allocating more weight to primary trips given the expectation these trips will entail higher sales, ALH Economics assumes that 54% of the El Dorado Hills Costco warehouse sales are anticipated to be shifted, or redirected, from the Folsom warehouse.¹⁰ Thus, 46% of projected Project sales are estimated to be net new to Costco. Since gasoline purchases are more convenience-oriented, and locally based, a much lower 7% of gasoline sales are estimated to be shifted, or redirected, also with the same weighted sales approach applied to food sales. This assumption is also derived from the Kittelson & Associates analysis. Both the warehouse and fuel facility estimated shifts are slightly conservative, as they do not take into account the small shift from Rancho Cordova to El Dorado Hills (which Costco estimates at less than 5%).¹¹

Application of these estimated sales shifts indicates that \$153 million of the estimated \$297 million in El Dorado Hills Costco sales are estimated to be net new sales to Costco, and comprise new retail expenditures by consumers (see Exhibit 2).

Costco Business vs. Household Shoppers. Costco's membership includes business and household members. Some business members include businesses that purchase items wholesale from Costco, and then resell the items as part of their business operations. Businesses with resale licenses do not pay sales tax on the purchased items. Thus, sales made under these circumstances are not considered taxable retail sales. As such, these sales are not competitive with the existing retail base, the size of which is estimated based upon taxable retail sales reported by the State of California Department of Tax and Fee Administration (see Chapter V).

¹⁰ Note, primary trips comprise trips planned with Costco as an explicit destination.

¹¹ This less than 5% sales transfer from Rancho Cordova to El Dorado Hills was provided to ALH Urban & Regional Economics by Costco.

In its annual reports Costco presents information about the composition of its membership base. This includes the aforementioned Gold Star, Business, and Executive Membership categories. Information presented in Costco's 2024 Annual Report indicates that Business Membership totaled 17.9% of total membership in 2022, 17.2% in 2023, and 16.4% in 2024. Costco materials indicate that many business members also shop at Costco for their personal needs, but these materials do not indicate the share of total business member purchases that are personal.

For the sake of the analysis, ALH Economics assumes that the percentage of resale volume will comprise 16%, consistent with the national proportion of Business Membership. Therefore, the analysis assumes that 16% of Project sales will be to wholesale customers, i.e., customers whose typical purchases are not reported as retail purposes, and 84% will be to household and business customers that qualify to pay sales tax on taxable items. The exception to this assumption is gasoline sales, all of which are allocated to retail consumers, as all of these sales are assumed to be taxed, and this is the same as a consumer-based taxable retail sales purchase.

Based upon the assumption split between retail and business customers, Exhibit 2 presents further information about the disaggregation of the estimated net new Costco Project sales. Assuming that 84% of sales are generated by household retail consumers, the Project sales competitive with other retailers totals \$131.2 million. The balance of the sales, or \$18.8 million, is assumed to be generated by wholesale customers and is not competitive with the retail base. There is actually a strong likelihood that these sales might ultimately be reflected themselves in the retail sales base, as they are resold in the course of the operations conducted by the business members.

Customer Geographical Origin. The customers that will shop at the El Dorado Hills Costco will come from a large geographical area. The following chapter defines and discusses the market area for the Project. For the purpose of this section it suffices to say that a market area comprises the area from which the majority of shoppers originate. It does not, however, include the area from which **all** shoppers originate. Therefore, the portion of sales contributed by shoppers outside the market area are not competitive with sales within the market area since, at worst, they will be diverted away from retailers that would otherwise be frequented by the out-of-market-area shoppers. By definition, these retailers will be located in a variety of locations not within the Costco market area. Consideration of how the outside market area customer shopping affects the Costco sales relevant to the urban decay analysis is discussed in the following chapter.

IV. MARKET AREA DEFINITION

This report chapter discusses the approach to examining the Project's market area, which is the area from which the majority of shoppers is anticipated to originate. This chapter defines the Project's anticipated market area based on this approach and provides general information regarding locations of major retail corridors and nodes within the market area.

PROJECT MARKET AREA DEFINITION

ALH Economics engaged in several activities to define the Project's market area, i.e., the area from which the majority of shoppers will originate. These included fieldwork in the El Dorado Hills area, identification of the location of existing Costco warehouses, and review of VMT Analysis information and graphics prepared for the Project.

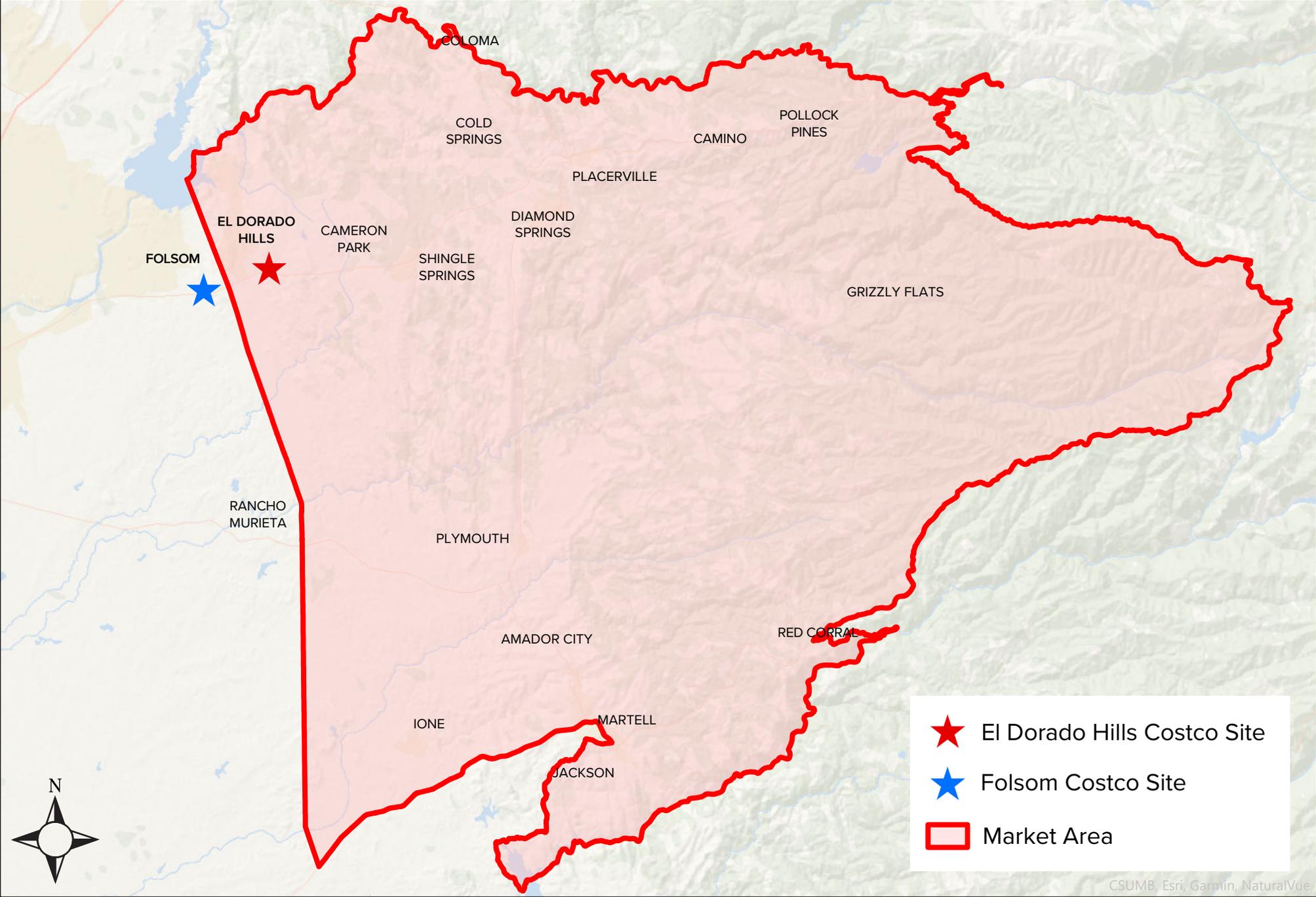
Typically, the definition of a market area is based on the principle that most consumers will travel to the shopping destination most convenient to their homes given the type of goods available. In this instance, given Costco's focus on selling heavily discounted, bulk products, the market area definition is premised upon the expectation that Costco will achieve a large consumer draw. One of the main determinants of the market area, therefore, was consideration of the next nearest Costco warehouses, and the geographic area located in closest proximity to the planned El Dorado Hills warehouse. This was accomplished by mapping the locations of the nearest Costco warehouses and then determining travel time and distance from various map locations to the El Dorado Hills site and other Costco warehouses. The four most relevant warehouses for this purpose are located in: Folsom, 5 miles west of the El Dorado Hills site; Loomis, 19 miles northwest of the site; Lodi, 51 miles southwest of the site; and Carson City, Nevada, approximately 100 miles east of the El Dorado Hills site.¹²

Another prominent guide to definition of the market area are projections and analysis of vehicle trips to the new Costco location. These are included in "El Dorado Costco CEQA Analysis [Draft], February 14, 2025, prepared by Kittelson & Associates. Graphic information included in this report, as well as supplemental graphic information provided upon request, were based on information about existing Folsom warehouse and fuel facility shoppers provided by Costco to Kittelson & Associates.

Combining the existing Costco warehouse locational information with the Kittelson & Associates presentation resulted in a market area definition that includes about 2/3 of El Dorado County extending eastward from the county's western boundary, but short of South Lake Tahoe, and south/southeast to include a major portion of Amador County (excluding Kirkwood and other nearby areas to the extreme east and Comanche North Shore and Buena Vista in the southern part of the County). A map of this area is presented in Figure 1. The area reflected in Figure 1 comprises an agglomeration of select El Dorado County and Amador County census tracts. For areas not defined on a geopolitical basis, such as cities or counties, census tracts provide a strong basis for defining a market area. This is because census tracts are defined to capture population nodes but are generally small enough to allow customization of an area. An additional benefit is the greater ability to obtain

¹² For the purposes of measuring distances the El Dorado Hills Costco Project site is the intersection of Silva Valley Parkway and Clarksville Road.

FIGURE 1. EL DORADO HILLS COSTCO PROJECT MARKET AREA



CSUMB, Esri, Garmin, NaturalVue

0 2.5 5 10 Miles

and analyze data at the census tract level while retaining the potential for replication by interested parties. Because of the relatively sparse population base in portions of both counties, some of the census tracts are large, with some encompassing areas inside and outside of the market area. In cases where a census tract was deemed not fully within the market area, the definition includes the census tract if at least one-half or more of the census tract is located in the market area. In most cases these are the largest and least populated census tracts, thus minimizing the potential to overstate the size of the market area population base. This is counter-balanced by the exclusion of census tracts where less than one-half the area overlapped with the market area. A list of the resulting census tracts is located in the Appendix, in Exhibit B-1. In addition, the cities and unincorporated areas per county located in the Market Area are identified in Exhibit 3 for El Dorado County and Exhibit 4 for Amador County. These exhibits demonstrate that South Lake Tahoe in El Dorado County is the largest city or area in the market area counties that is not within the Project's market area.

ESTIMATE OF SALES GENERATED FROM WITHIN THE MARKET AREA

ALH Economics estimates that market area residents will generate 85% of the retail consumer sales for the planned El Dorado Hills Costco warehouse and that consumers traveling from outside the market area (e.g., travelers to and through the region) will generate the remaining 15% of revenues. The estimated percentage of wholesale consumers from within the market area is higher, at 90%, with 10% originating from outside the market area. Thus, of total warehouse sales, \$111.5 million are estimated to be generated by household consumers located within the market area, and \$16.9 million are estimated to be generated by wholesale business customers within the market area. These sales estimates are delineated in Exhibit 5.

This distribution of sales is consistent with findings published by major research organizations, such as the Urban Land Institute (ULI) and the International Council of Shopping Centers (ICSC), which indicate that a retail store's trade area generally supplies 70% to 90% of the store's sales, while the remaining 10% to 30% of sales are attributed to consumers residing outside of the related market area. For example, ULI states the following in its *Shopping Center Development Handbook, Third Edition*:

"A site generally has a primary and a secondary trade area, and it might have a tertiary area. The primary trade area should generally supply 70 to 80 percent of the sales generated by the site. These boundaries are set by geographical and psychological obstacles."¹³

ULI is a nonprofit research and education organization representing the entire spectrum of land use and real estate development disciplines. Among real estate, retail, and economic development professionals, this organization is considered a preeminent educational forum.

Information published by the International Council of Shopping Centers (ICSC), a trade association for the shopping center industry, also provides background about market area definitions. In the publication *Developing Successful Retail in Secondary & Rural Markets*, the ICSC says:

"A trade area is the geographic market that you will be offering to potential retailers as a consumer market. ... Defining a retail trade area is an art and a science. In general, a trade area should reflect the geography from which 75-90 percent of retail sales are generated.

¹³ *Shopping Center Development Handbook, Third Edition*, Urban Land Institute, 1999, page 44.

Different stores can have different trade areas based on their individual drawing power and the competitive market context.”¹⁴

El Dorado Hills is along a major transportation route to one of California’s most popular tourist destinations – Lake Tahoe. Analysis of countywide tourist spending supports the 15% outside market area support for consumer retail spending. Dean Runyan Associates annually prepares a study for Visit California, a nonprofit organization that partners with the state’s travel industry to promote California as a tourist destination, which estimates the economic impact of travel in the state. Many results are presented on a county by county basis, including estimates of the percent of taxable sales that are generated by travel.¹⁵ The most recent study, published in May 2025, indicated that travel-generated taxable sales comprised 17.2% of El Dorado County’s taxable sales and 14.5% of Amador County’s taxable sales in 2024.¹⁶ The weighted average between the two counties is 16.8%. Thus, the 15% figure for consumer retail sales is a reasonable estimate of outside market area sales support.

MARKET AREA DEMOGRAPHICS

Based on the market area definition, approximately three-quarters of the combined population and household base of El Dorado and Amador counties is within the El Dorado Hills Costco market area. Given the disparity in the relative size of each county’s demographic base, the majority of the market area’s population is located in El Dorado County. Thus, the market area’s average household size, average household income, and median household income is very comparable to the corresponding figures in El Dorado County (see Table 4).

Table 4. Summary Demographic Characteristics, 2025

Demographic Characteristic	El Dorado County	Amador County	Market Area (1)
Population	188,656	41,134	175,676
Households	74,644	15,991	67,688
Average HH Size	2.5	2.3	2.5
Average HH Income	\$161,661	\$107,536	\$161,755
Median HH Income	\$112,508	\$79,850	\$111,311

Sources: Claritas, Demographic Quick Facts, El Dorado County, Amador County, and Select Census Tracts; and ALH Urban & Regional Economics.

(1) The Market Area includes 33/50+ census tracts in El Dorado County and 8/10 census tracts in Amador County. See Exhibit B-1.

Overall, in 2025, the market area is estimated to have a 175,676 population count and 67,688 households. Average market area household income is estimated at \$161,755.

Despite recent modest growth in El Dorado and Amador counties (approximately 2% from 2020 to 2024 per the State of California Department of Finance), growth is projected to be limited over the next five years, between 2025 and 2030.¹⁷

¹⁴ Developing Successful Retail in Secondary & Rural Markets, International Council of Shopping Centers in cooperation with National Association of Counties, 2007, page 7.

¹⁵ This report is "The Economic Impact of Travel, California: 2024p Calendar Year; State, Regional, & County Impacts," May 2025, Prepared for Visit California, by Dean Runyan Associates.

¹⁶ Ibid, page 25.

¹⁷ As projected by Claritas, a national provider of demographic and economic data and projections.

KEY MARKET AREA SHOPPING NODES AND RETAIL SALES

The market area has several existing retail nodes, with El Dorado Hills and Placerville comprising the largest in the El Dorado County portion of the market area. The retail in these areas is generally located close to Highway 50, which stretches from Sacramento to South Lake Tahoe and beyond. El Dorado Hills and Placerville each have general merchandise retailers, with Target in El Dorado Hills and Target and Walmart in Placerville. There are numerous shopping centers in both areas, primarily neighborhood and community shopping centers, with many grocery stores and other complementary retail, such as hardware, mattresses, pharmacy, clothing/shoes, and restaurants. The lion's share of retail in El Dorado Hills was built during the early 2000's while most of Placerville's major retail was built prior to 2000. There are also a couple of retail nodes in Cameron Park, located between El Dorado Hills and Placerville. The retail centers in Cameron Park are also generally older, with most built prior to the 2000's. Retail tenants in Cameron Park include more grocery stores, pharmacies, Petco, and other small shop retailers. This portion of the market area also has other, small pockets of retail, such in Pollack Pines. There are many gas stations distributed throughout El Dorado County's portion of the market area, including in Shingle Springs, east of Cameron Park, and Diamond Springs, further east of Shingle Springs, but west of Placerville.

There is comparatively much less retail in the Amador County portion of the market area. This portion of the market area has many additional grocery stores, a recently remodeled Walmart, and numerous big box and other major retailers, such as Lowes, Petco, Staples, Big 5, Tractor Supply, and Dollar Tree. This retail is generally located along Highway 49, through Plymouth, Amador City, Sutter Creek, Martell, and Jackson. The largest portion of Amador County's market area retail is located in Martell and Jackson. State Route 124 is a relatively short state highway (about 10 miles) that runs through lone, west of Jackson, where another small amount of retail is located. As with the rest of the market area, the majority of the retail centers are older, with only one significant center (the largest with over 200,000 square feet) built after 2000. There are also gas stations in this portion of the market area, but comparatively less than in El Dorado County.

V. RETAIL SALES BASE CHARACTERIZATION

This chapter analyzes the retail sales leakage and sales base composition of the portion of El Dorado County in the market, Amador County, and the Project's market area. The analysis focuses on the extent to which each area captures resident household spending as well as sales generated from outside the area. This analysis provides a characterization of the sales performance of the relevant retail sales bases, an estimate of the size of the sales bases, and an estimate of existing demand for retail. ALH Economics conducts this analysis as a building block towards determining the extent to which the Project may or may not divert sales away from existing market area retailers.

METHODOLOGY

Approach

ALH Economics uses a retail model that estimates retail spending potential for an area based upon household counts, income, and consumer spending patterns. The model then computes the extent to which the area is or is not capturing this spending potential based upon taxable sales data published by the State of California Department of Tax and Fee Administration (DTFA). This analysis can be most readily conducted for cities, groupings of cities, or counties, consistent with the geographies reported by the DTFA.

For any study area, retail categories in which spending by locals¹⁸ is not fully captured are called "leakage" categories, while retail categories in which more sales are captured than are generated by residents are called "attraction" categories. This type of study is generically called a retail demand, sales attraction, and spending leakage analysis. Generally, attraction categories signal particular strengths of a retail market while leakage categories signal particular weaknesses. ALH Economics' model, as well as variations developed by other urban economic and real estate consultants, compares projected spending to actual sales.

For the purpose of generating a Retail Demand, Sales Attraction, and Spending Leakage Analysis for the Project's market area and other germane areas ALH Economics obtained taxable retail sales data for calendar year 2024 and adjusted the taxable sales to reflect total sales. Sales data were obtained for El Dorado County, Amador County, and select constituent cities. Using these retail sales data, combined with household counts estimated by the State of California and by Claritas Inc., (a national provider of demographic and economic data) and household income estimates provided by Claritas, Inc., ALH Economics conducted Retail Demand, Sales Attraction, and Spending Leakage Analyses. These analyses compared total estimated household spending to actual retail sales in the portion of El Dorado County in the market area, in Amador County, and in the market area. Sales estimates for the market area were assumed to comprise the summation of sales in the portion of El Dorado County in the market area and sales in Amador County. This study assumes that the majority of all Amador County taxable sales are generated by establishments located in the portion of Amador County in the market area.

¹⁸ In this context locals refers to households and businesses. While the model is driven off household counts, they are a proxy for all spending, as the sales base included in the analysis includes all taxable sales, regardless of how they are generated.

Demographic Characteristics

ALH Economics' Retail Demand, Sales Attraction, and Spending Leakage Analysis requires household count and average household income inputs for the area of analysis. Demographic data assumptions for the market area were presented earlier in Table 4. Household counts for El Dorado County, South Lake Tahoe, and Amador County were all obtained from the State of California Department of Finance. Average household incomes for El Dorado and Amador counties were estimated by Claritas, also in Table 4. The relevant average household income estimates are \$161,661 for El Dorado County, \$107,536 for Amador County, and \$161,755 for the market area.

RETAIL SALES BASES

Approach to Estimation

ALH Economics estimated sales for El Dorado County less South Lake Tahoe, Amador County, and the market area by utilizing city and county DTFA data. DTFA publishes taxable sales figures for counties and major cities; its most recent full-year taxable sales figures are for 2024. These are the data points reflected in this report.

Because DTFA presents data corresponding with only taxable sales, ALH Economics included adjustments to gross the estimated sales up to total sales. This involved sales adjustments for non-taxable sales for food, pharmacy, and a portion of general merchandise store sales that include food sales. ALH Economics estimates that 70% of food store sales and 67% of drug store sales are non-taxable based on discussions with the DTFA and other industry research, including U.S. Census publications. In addition, sales of grocery items at non-drug store general merchandise stores are non-taxable and are estimated at 35% of sales for this subset of the retail category based on analysis of the U.S. Economic Census for General Merchandise Stores.¹⁹ Finally, the DTFA combines drug stores sales in the "other retail group" sales. Thus, the analysis assumes a portion of this category's sales are pharmaceutical sales, in keeping with the statewide percentage of 5.5%. Consequently, the CDTFAs taxable sales figures for the food stores, general merchandise, and other categories are adjusted upward to reflect non-taxable transactions.

Market Area Sales Base

The market area sales base is estimated to comprise the sales base for El Dorado County less South Lake Tahoe and Amador County. The sales estimates for these areas are presented in Exhibits 6 and 7, respectively. The results indicate that the El Dorado County portion of the market area has an estimated \$2.3 billion sales base and Amador County has an approximately \$570 million sales base. As shown in Table 5, the combined market area sales base is therefore almost \$2.9 billion. Of this total, 80% is generated by the El Dorado County portion of the market area, with just 20% contributed by Amador County. The retail categories with the largest sales are food & beverage stores at nearly \$640 million and other retail group at about \$580 million. Many other sales categories range from \$265 to \$360 million, with only two below this level, at \$72 million for clothing & clothing accessories and \$45 million for home furnishings & appliances.

¹⁹ Per the U.S. Economic Census data, General Merchandise stores encompass a mix of department stores, discount department stores, warehouse clubs and Supercenters, variety stores, and other general miscellaneous stores.

Table 5. El Dorado Hills Costco Market Area Sales Base

Type of Retailer	Market Area Sales (1)	Share of Sales by County	
		El Dorado	Amador
Motor Vehicle & Parts Dealers	\$328,246,110	94%	6%
Home Furnishings & Appliances	\$44,548,860	84%	16%
Building Materials & Garden Equipment	\$265,689,745	74%	26%
Food & Beverage Stores	\$639,438,217	74%	26%
Gasoline Stations	\$357,453,917	82%	18%
Clothing & Clothing Accessories	\$71,749,758	87%	13%
General Merchandise Stores	\$284,962,168	73%	27%
Food Services & Drinking Places	\$292,446,546	80%	20%
Other Retail Group	\$580,802,160	83%	17%
Total	\$2,865,337,481	80%	20%

Sources: Exhibit 6 and Exhibit 7.

(1) Comprises the summation of taxable and non-taxable sales for El Dorado County less South Lake Tahoe and for Amador County, as a proxy for market area sales.

RETAIL LEAKAGE AND ATTRACTION FINDINGS

Market Area Constituent Counties

Retail Demand, Sales Attraction, and Spending Leakage Analyses were prepared for the market area portion of El Dorado County (see Exhibit 8), Amador County (see Exhibit 9), and the market area (see Exhibit 11). As a key component of the market area analysis, market area retail demand was also estimated (see Exhibit 10). The retail demand, sales attraction, and spending leakage findings are all annual estimates.

The analysis for the market area portion of El Dorado County indicates that overall, the area is characterized by a modest amount of retail leakage, amounting to 8% of the area’s demand. Thus, almost \$237 million in local demand leaves the area. The levels of attraction and leakage for this area vary widely, with most categories characterized by leakage, ranging from -18% to -51% of demand, but a few characterized by attraction, ranging from 15% to 44% of demand. One category, food & beverage stores, is at relative equilibrium between supply and demand, with effectively no attraction or leakage. The categories with the great volume of leakage include food services & drinking places (restaurants) with -\$183 million in leakage, motor vehicles & parts dealers with -\$112 million in leakage, clothing & clothing accessories with -\$100 million in leakage. The general merchandise category, which is one of the categories most relevant to Costco, also has leakage, amounting to -\$60 million.

Unlike the El Dorado County portion of the market area, Amador County is overall characterized by retail attraction. But to put this in perspective, the retail base in the El Dorado County portion of the market area is four times the size of Amador County’s retail base. Further, as noted earlier, in 2024 an estimated 14.5% of Amador County’s retail sales comprised tourist dollars. This compares to Amador County’s 20% overall attraction. Thus, much of this county’s retail sales attraction is likely due to tourists traveling to and through the county. Attraction in Amador County is most pronounced in food & beverage stores, with \$82 million in attraction and the other retail group, with \$51 million in attraction. The building materials & garden equipment, general merchandise store, and gasoline

station categories are also attraction categories. Leakage in Amador County is greatest in motor vehicles & parts dealers totaling -\$54 million, and somewhat comparable among the other leakage categories of home furnishings & appliance stores, clothing & clothing accessories stores, and food services & drinking places, ranging from -\$14 million to -20 million a year.

Market Area

The combined partial El Dorado County and all Amador County sales bases are estimated to comprise the market area sales base. Therefore, to assess how this sales base contributes to the market area’s assessment of retail sales attraction and leakage it is necessary to also estimate market area spending, or demand for retail.

Market Area Demand. The retail sales demand generated by the market area is estimated in Exhibit 10. Based on the market area’s \$161,755 average annual household income, the demand analysis assumes annual retail spending of 26% of income on categories comparable to the ones reported by the CDTFA. This amount totals \$41,900 per household. This average spending is allocated by retail category consistent with the sales distribution pattern throughout the State of California, resulting in per category spending estimates ranging from \$2,272 on home furnishings & appliances to \$7,221 on food and beverage stores. Net of an estimated 10.5% of overall spending on e-commerce, ranging from 0% to 25% of category spending, the market area’s 67,688 households are estimated to annually spend just over \$2.5 billion on brick & mortar store retail goods.

Retail Leakage and Attraction Findings. The market area demand estimate is paired with the market area sales base in Exhibit 11 to assess the overall state of retail attraction and leakage in the market area. The aggregate findings are summarized below in Table 6.

Table 6. El Dorado Hills Costco Market Area Retail Sales Attraction and Spending Leakage Summary, 2024

Type of Retailer	Market Area Retail Sales Attraction/(Leakage)	
	Amount	Percent
Motor Vehicle & Parts Dealers	(\$92,512,084)	-22%
Home Furnishings & Appliances	(\$70,804,734)	-61%
Building Materials & Garden Equipment	\$98,595,019	37%
Food & Beverage Stores	\$165,300,898	26%
Gasoline Stations	\$115,923,095	32%
Clothing & Clothing Accessories	(\$92,029,122)	-56%
General Merchandise Stores	\$16,913,863	6%
Food Services & Drinking Places	(\$126,887,637)	-30%
Other Retail Group	\$310,863,292	54%
Total	\$325,362,591	11%

Source Exhibit 11.

Overall, the market area has an aggregate level of 11% retail sales attraction. By dollar volume, attraction is greatest in the other retail group category, food & beverage stores category, and gasoline stations, each with attraction over \$100 million. These categories correspond to the categories comprising the greatest amount of the El Dorado Hills Costco sales, equal to 74% of all sales (see percentages in Table 2). Thus, the majority of Costco sales will be in strong market area retail sales

categories, with the potential for Costco sales to strengthen these attraction categories. There are four retail leakage categories in the market area, i.e., motor vehicle & parts dealers, home furnishings & appliances, clothing & clothing accessories, and food services & drinking places. Another 16% of Costco sales will occur in these existing market area retail leakage categories, with Costco sales having the potential to reduce existing market area leakage.

VI. PROJECT SALES IMPACTS

The following analysis more fully examines the extent to which El Dorado Hills Costco operations would attract new sales to the market area and/or divert sales from existing retailers. If some sales are diverted, the maximum level of impact on existing market area retailers is identified.

APPROACH

ALH Economics has developed an analytic approach that estimates the impact of the Project's incremental sales on existing retailers. For this analysis, the approach assumes that if the Costco Project is adding sales to a category in an amount greater than any potential recaptured market area leakage in the category, *then at worst*, the amount of sales in that category in excess of any recaptured leakage will be diverted away from existing market area retailers. This is a conservative assumption given that diverted sales could also occur among other retailers beyond the market area boundaries. The analysis referenced in this chapter is presented in Exhibit 12.

RECAPTURED LEAKAGE POTENTIAL

One potential source of demand for new retail space such as the Project is the share of market area residents' shopping that occurs outside of the market area, comprising the estimated retail leakage. In other words, given the identification of retail leakage, market area households clearly spend some proportion of their incomes at retail stores outside the market area. If the addition of the Costco makes the market area a more convenient shopping destination, local and regional demand could increase through the recapture of these sales.

As summarized in Exhibit 11, the market area experiences \$382 million in annual retail sales leakage. This is counterbalanced by \$708 million in retail attraction, with the net results of \$325 million in attraction. Four retail categories contribute to the identified leakage. This leakage is in addition to recaptured leakage and other sales already accounted for in Exhibit 2, which estimated the share of El Dorado Hills Costco sales anticipated to be transferred from the existing Folsom warehouse and fuel facility.

Recaptured Leakage

The enhanced market area shopping opportunities provided by the El Dorado Hills Costco warehouse and fuel facility will serve to help recapture existing retail leakage. The amount of recaptured leakage will depend upon the estimated amount of Costco sales in the associated retail category and the depth of the estimated retail leakage. The analysis assumes that if estimated Project sales are less than 25% of the estimated leakage, then 100% of the Project's sales are anticipated to be absorbed through leakage. If the Project sales are equal to 25% to 50% of the leakage, then 50% of the Project sales are anticipated to be absorbed through leakage. If the Project sales comprise more than 50% of the estimated leakage then only 25% or less of the Project sales are anticipated to be absorbed through leakage. These thresholds were developed because they generally appear reasonable.

For the four retail leakage categories identified in Exhibit 11 the Costco sales are well below the 25% threshold associated with 100% of sales achieved through recapture. The greatest percentage is 12% for the home furnishings & appliance stores category, with 1% to 3% for the other three leakage categories of motor vehicles & parts dealers, clothing & clothing accessories stores, and food services

& drinking places. Thus, as shown in Exhibit 12, all of the Costco sales in these leakage categories are assumed to comprise recaptured leakage, with no resulting impact on existing market area retailers. These sales total \$15.4 million, comprising 14% of total Project sales. The \$15.4 million in recaptured leakage also comprise only 4% of all existing market area leakage.

Remaining Leakage. Exhibit 12 indicates that after the Project’s absorption of retail leakage a large amount of leakage in the market area’s four leakage categories will still remain, totaling \$367 million. This remaining leakage indicates that when retailers are poised to make new investments, the market area as a whole has the potential to support a greater critical mass of retail than is currently supported. In addition, the potential for yet other retailers to gain support from the market area will be enhanced after the Project opens, due to the greater market visibility and draw achieved by Costco.

ESTIMATED MARKET AREA SALES IMPACTS

Absent the share of Project sales anticipated to be generated by consumers outside the market area and the recaptured leakage, Exhibit 12 indicates the potential for \$98 million in sales to be diverted from market area retailers. This sales volume, which comprises 3.4% of the market area’s retail sales base, includes all of the Project’s anticipated sales in the market area’s attraction categories of building materials & garden equipment, food & beverage stores, gasoline stations, general merchandise, and other retail group. For these sales attraction categories the analysis conservatively assumes that any Project sales generated by market area residents absent sales redirected from the Folsom Costco warehouse and fuel facility will occur to the detriment of retailers in the market area.

As shown in Exhibit 12 and summarized in Table 7, the sales base impacts for categories with estimated impacts range from a low of 0.6% in building materials & garden equipment to a high of 7.9% in gasoline stations. Three of the categories have impacts below 3% while only two have greater impacts, i.e., the 7.9% gasoline sales impacts and 7.5% food & beverage store impacts. These would comprise maximum impacts, as are all of the impacts that total \$98 million. Alternatively, ALH Economics assumes that in the normal course of doing business some retailers should anticipate the potential need to absorb annual fluctuations in sales, including nominal sales declines or fluctuations up to 3% - 5%. This reflects the type of economic changes retailers should anticipate given the ebb and flow of retail sales and swings in the local economy, comprising minimum impacts. The range of impacts above 5% is summarized in Table 7 and are labeled minimum impacts.

Table 7. El Dorado Hills Costco Market Area Sales Base Impact, 2024 Dollars

Type of Retailer	Sales Base Impact Less Leakage		Sales Base Impact Above 5% of Sales Base	
	Maximum Impact		Minimum Impact	
	Amount	Percent of Sales Base	Amount	Percent of Sales Base
Motor Vehicle & Parts Dealers	\$0	0.0%	\$0	0.0%
Home Furnishings & Appliances	\$0	0.0%	\$0	0.0%
Building Materials & Garden Equipment	\$1,502,941	0.6%	\$0	0.0%
Food & Beverage Stores	\$47,911,300	7.5%	\$15,939,389	2.5%
Gasoline Stations	\$28,173,420	7.9%	\$10,300,724	2.9%
Clothing & Clothing Accessories	\$0	0.0%	\$0	0.0%
General Merchandise Stores	\$7,863,724	2.8%	\$0	0.0%
Food Services & Drinking Places	\$0	0.0%	\$0	0.0%
Other Retail Group	\$12,829,195	2.2%	\$0	0.0%
Total	\$98,280,580	3.4%	\$26,240,113	0.9%

Source Exhibit 12.

Based on the findings summarized in Table 7, two of the retail categories have maximum impacts above 5%. These are food & beverage stores and gasoline stations. Because of the magnitude of these impacts, the following impact analysis focuses on these two retail sectors. For both, the minimum sales impacts reflect the idea that there will be some economic cycles and sales fluctuations over time, while the maximum sales impacts reflect the perspective that, in this instance, all of the impacts are related to the new Costco.

FOOD SALES IMPACTS

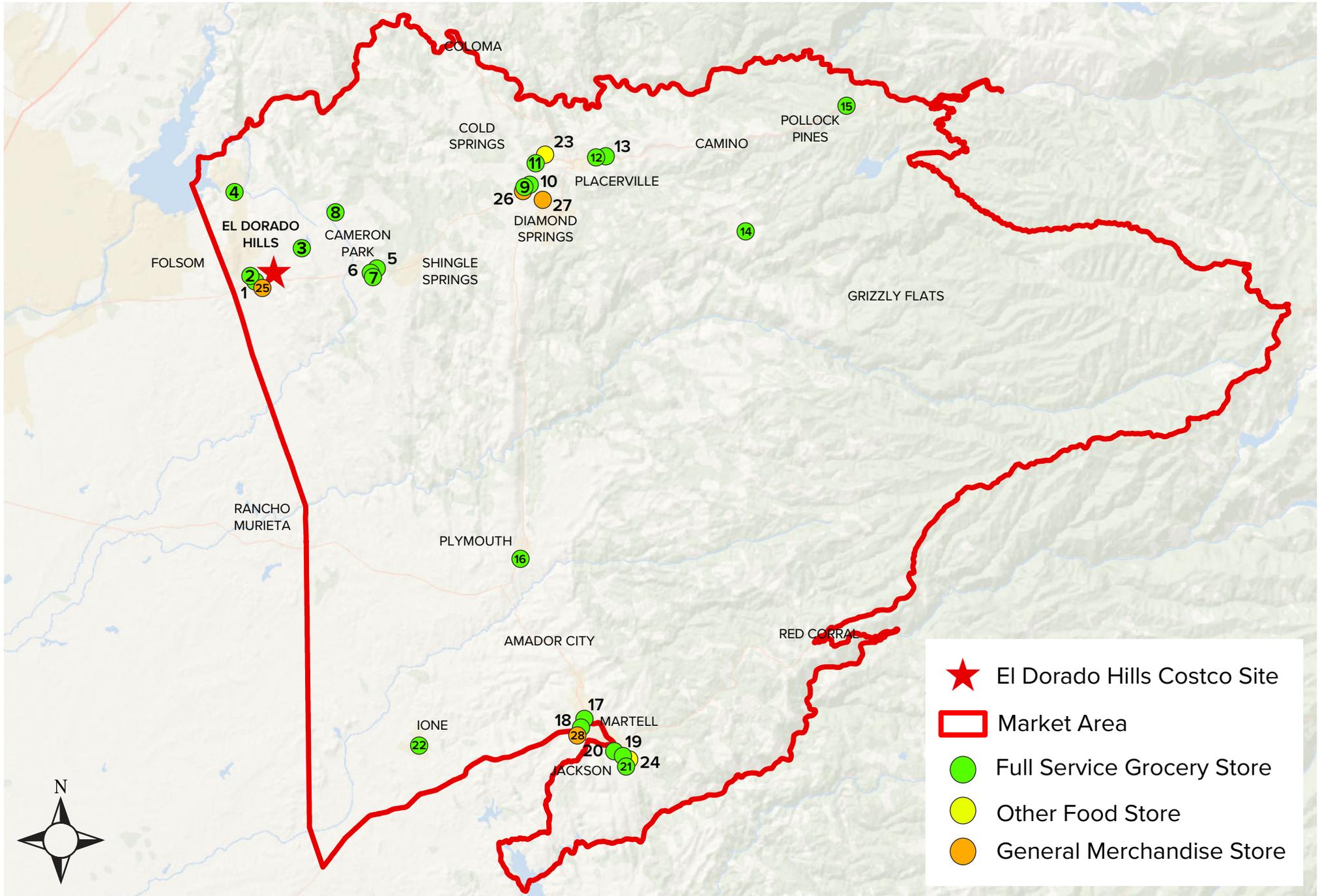
Relative to the market area, the almost \$48 million sales impact in food & beverage store sales totals 7.5% of the sales base. After assuming 5% of this impact could be absorbed pursuant to average, or typical retail sales fluctuations, the remainder is a 2.5% impact, or just about \$16 million. Thus, the range of food stores impacts is approximately \$16 million to \$48 million.

ALH Economics identified 28 supermarkets, food stores, and general merchandise stores selling food products in the market area. These would be the stores most competitive with the Project's grocery component. The market area's relatively smaller convenience-oriented stores are not included because Costco will not compete with a store that satisfies a shopper's need for a quick, convenience item. The 28 identified stores are referenced in Exhibit 13 and are presented in three categories, by county: full service grocery stores; other food stores; and general merchandise stores. The market area store locations are mapped in Figure 2.

Many of the identified market area stores may experience a share of the estimated food sales impacts following Costco's opening. Given the store formats of these retailers relative to the proposed Project, ALH Economics believes it is most meaningful to classify these retailers by market orientation.

- **Discount Stores and General Merchandise Stores** are characterized by lower-than-average price points. Sometimes, these are characterized by bulk items, which allow the customers to get more for their dollar relative to most other grocery stores. In the market area, Grocery Outlet is the primary discount food store by virtue of its pricing levels and store format. Costco's grocery component is most similar to the Discount supermarket format. General Merchandise stores selling significant quantities of food items and other items typically found in a grocery store also have the feel of a discount store. In the market area this includes two Walmart stores and two Target stores.
- **Conventional Stores** are full-service grocery stores that offer most or all of the following: a fresh bakery; fresh meat and seafood; frozen foods including frozen meat; fresh produce; a deli counter; and prepared foods. Other specialties sometimes include organic foods, a flower selection, a pharmacy, or a coffee bar. The largest share of the market area food stores are conventional groceries, such as Safeway, Bel Air, Save Mart, and Cost Less Food Company. Some Conventional stores also have a more upscale orientation, such as Nugget Markets and Raley's O-N-E Market.
- **Niche Stores** typically have average to higher prices and a unique product orientation. Many brands sold at these stores are not stocked at the more conventional stores. There is usually an emphasis on fresh foods, gourmet products, and locally grown, organic foods. These stores may sell a mix of more unique non-grocery products as well, such as natural home remedies and specialty gift items. In the market area this category includes Placerville Food Co-op and Gold Trail Natural Foods.

FIGURE 2. EL DORADO HILLS COSTCO PROJECT MARKET AREA - GROCERY STORES



0 2.5 5 10 Miles

Factors Offsetting Individual Store Impacts

ALH Economics visited many of the market area grocery stores to ascertain their market orientation and assess the degree to which they might experience sales impacts attributable to Costco. The nature of Costco product sales will serve to minimize the potential for significant sales impacts on any specific store. Factors influencing this include Costco's merchandising strategy, specifically its product mix and depth and checkout procedures.

Product Mix and Depth. Costco's merchandising strategy aims to provide its members with a broad range of high-quality merchandise at consistently low prices. Costco seeks to limit most items to fast-selling models, sizes, and colors. Accordingly, Costco carries less than 4,000 active stock keeping units (SKUs) per warehouse in its core warehouse business. This is significantly less than other broadline retailers,²⁰ which comprise companies that offer a wide range of products and merchandise categories under one roof. Other brick and mortar examples of broadline retailers include Target, Walmart, Dollar General, and Dollar Tree.²¹ Even much smaller Dollar General not long ago carried 11,000 – 12,000 SKUs per store,²² although recent efforts have involved some SKU reduction to make space for in-demand inventory.²³

As noted previously, the core merchandise categories in a Costco warehouse are as follows: Foods and Sundries; Non-Foods; Fresh Foods; and Ancillary & Other. Because of Costco's wide range of product offerings, there is very little depth in any one type of product, limiting the potential to draw demand away from any specific retail store or type of retailer. Yet, food and food-related products comprise the largest general category of goods typically sold by Costco. This suggests that if any particular type of store would be impacted by Costco sales, it would be grocery stores. However, there are a number of factors endemic to a Costco food shopping experience that could minimize impacts on existing food and beverage retailers, or especially a specific food store. Many of Costco's consumable products are offered for sale in case, carton, or multiple pack quantities only,²⁴ including many foodstuffs and other items one could purchase at a grocery store, such as two loaves of sliced bread bundled together, a case of kidney bean cans, 15 rolls of paper towels, and a 33.9-ounce can of ground coffee. It is not possible at Costco to purchase an individual-sized pastry, a quart of milk, a small spice jar, a dozen eggs, or just a pound of butter. Costco food sales are clearly targeted toward large families, restaurants, event organizers, and other consumers with extensive storage capacity. Accordingly, Costco is not the type of store where the average household consumer will stop by once or twice a week to round out the pantry and purchase ingredients for intimate family dinners. Therefore, individual local businesses that do serve the market for more individualized grocery purchases are not likely to be significantly affected by Costco.

In addition, given the very limited number of SKUs, selection is not the hallmark of Costco, as there is often only one brand at a time available of certain items, such as canned peaches or tomato sauce. Product depth is especially limited. For example, only a few varieties of soup may be for sale at a time. In contrast, in 2024 the average grocery store offered 31,795 products.²⁵ This is nearly 8 times

²⁰ These statements and information can be found here: Costco Wholesale Corp, 10-K, For the fiscal year ended September 1, 2024, page 5.

²¹ See <https://www.cfraresearch.com/insights/broadline-retail-trends-and-outlook/>

²² See <https://www.foodnavigator-usa.com/Article/2023/12/12/dollar-general-to-cut-skus-including-food-to-improve-margins-manage-shrink#>

²³ See <https://www.supplychaindive.com/news/dollar-general-sku-reduction-inventory-management/750207>

²⁴ Costco Wholesale Corp, 10-K, Ibid

²⁵ <https://www.fmi.org/our-research/food-industry-facts>

more products available in the entirety of a Costco warehouse, which includes more than just food products. In contrast to Costco's few varieties of soup, a traditional grocery store will have shelves filled with multiple brands and multiple varieties. The same applies to many other products, such as canned beans, canned fish, bread, cookies, etc.

Checkout Procedures. Costco is further distinguished from the average retailer pursuant to its payment options and how it assembles items purchased by customers. Costco warehouses accept cash, checks, certain debit cards, and certain (but not all) credit cards, including Costco cobranded cards.²⁶ These methods of payment may limit Costco's customer base. Once a customer has made purchases, Costco does not provide bags (to minimize costs and waste) or bagging services. Some items are loaded into packing boxes by Costco cashiers, but the balance of goods are either reloaded back into the shopping cart by the Costco cashiers or can be placed into bags provided by the customer. This approach may further limit Costco's customer base among customers accustomed to merchandise bagging, including by store clerks.

Sales Impact Implications

These Costco retail merchandising factors will likely contribute to the dispersal and lessening of potential food store sales impacts resulting from the Project. Because of the comparatively limited number of products available for purchase, the bulk nature of the products, and the bagging and purchasing procedures implemented at Costco, the potential for sales to be diverted away from any of the existing retailers selling food products to an extent so severe as to cause store closure is highly unlikely, despite the maximum estimated food stores impact of \$48 million. Many factors are likely to moderate this maximum impact.

There are a large number of stores distributed across a large geographic area, identified as at least 28. Because existing and anticipated Costco members are also distributed across a relatively large geographic area, shopping pattern changes away from existing stores will also be widely distributed. However, most shoppers will need to continue shopping elsewhere to purchase the full complement of food supplies needed to equip their household. Moreover, existing stores can adapt their merchandising mix and customer service strategies to be more resistant to prospective sales impacts, regardless of the source (e.g., the Project or other major retailer). Retailing is highly dynamic, with the nature of competition continuously changing. Thus, retailers regularly modify their strategies to distinguish themselves in the market and to retain market share.

The estimated \$16 million to \$48 million in food store sales impact will occur among a wide range of existing stores, as Costco appeals to a wide range of shoppers. Therefore, discount grocery stores as well as conventional grocery stores alike are anticipated to incur some sales losses as shoppers replace some of their regular store shopping trips with Costco shopping trips. The actual performance of the market area grocery stores and other stores selling food products is not available. However, most stores appear to have robust performance with a dedicated customer base.

To approximate a general idea of where food store impacts might be concentrated, ALH Economics prepared an analysis sorting the stores identified in Exhibit 13 into three categories defined by distance from the El Dorado Hills Costco site. The categories were defined by the natural breaks in distance, with the First Tier including stores located 1.5 to 6.0 miles from the Costco site, the Second Tier including stores 13.5 to 17.6 miles from the Costco site, and the Third Tier including stores 22.5

²⁶ Costco Wholesale Corp, 10-K, Ibid

to 31.2 miles from the Costco site. A Fourth Tier is also identified, as a catchall tier to include other food-selling stores in the market area that were not substantial enough on their own to be included in the Exhibit 13 representative inventory. The First Tier stores include 9 stores in El Dorado Hills and Cameron Park, The Second Tier stores include 8 stores in Placerville, and the Third Tier stores include 11 stores, comprising 9 in Amador County and two relatively distant stores in Placerville and Pollock Pines.

The First through Third Tiers were paired with the size of the market area population closest to each tier and then weighted by proximity. The population estimates are not exact, but they encompass the population counts identified earlier in Exhibits 3 and 4 for communities in El Dorado and Amador counties, respectively. For the First Tier the population counts include El Dorado Hills, Cameron Park, and Shingle Springs. For the Second Tier the population counts include Placerville, Diamond Springs, and the other El Dorado County market area locations except Pollock Pines. Finally, the Third Tier includes the Amador County population within the market area plus Pollock Pines.

As shown in Exhibit 14, the market area's population is distributed 51% in the First Tier, 18% in the Second Tier, and 31% in the Third Tier. The analysis also assumes that 10% of the market area population is served by the generalized Fourth Tier stores (primarily to allocate 10% of the impact to these stores). The population counts in the First through Third Tiers were then weighted based on proximity to the new Costco site, recognizing the likelihood that persons living closer to the Costco site may have a greater propensity to shop at Costco than those living further away. These weights ranged from a high of 2 applied to the First Tier population to a low of 1 applied to the Third Tier population. The resulting weighted populations were then used to calculate estimated shares of diverted sales from each Tier, and then averaged across the number of food-selling stores in each tier. These shares are 64% for the First Tier, 17% for the Second Tier, and 20% for the Third Tier. These are percentage shares of the impacts less the Fourth Tier allocation, or 90% of the minimum and maximum impacts.

The prospective store impact results displayed in Exhibit 14 indicate a per store average impact ranging as follows:²⁷

- \$1.0 million to \$3.1 million among the First Tier stores in El Dorado Hills and Cameron Park;
- \$300,000 to just under \$900,000 million among the Second Tier stores in Placerville; and
- \$200,000 to almost \$800,000 among the Third Tier stores in Amador County.²⁸

Expressed in this manner, it seems highly unlikely that all 9 stores in El Dorado Hills and Cameron Park would experience a \$3.1 million annual sales loss attributable to the economic impacts of the El Dorado Hills Costco. All of the stores in this tier are well-established and appear to be strong performers based on visual observation. The same is generally true for the stores in the Second and Third tiers, such that the respective maximum average impacts of \$900,000 and \$800,000 per store are unlikely to occur. Individual store impacts may be uneven, but the lower estimates of \$300,000 to \$1.0 million per store depending upon tier seem more likely given the inherent differences in store merchandising strategies between Costco and the market area's more traditional food stores and general merchandise stores selling food products. Thus, ALH Economics concludes that given the potential to implement adaptive strategies, and the differences in merchandising strategies, no single store engaged in food sales is likely to experience sales declines sufficient to result in store closure.

²⁷ Results are generally rounded to the nearest \$100,000.

²⁸ With the exception of two El Dorado County stores also located in this tier.

GASOLINE STATION IMPACTS

Prevalence of Market Area Gas Stations

Relative to the market area, the approximately \$27.5 million maximum sales impact in gasoline stations totals 7.7% of the sales base. After assuming 5% of this impact is absorbed pursuant to average, or typical retail sales fluctuations (including most likely the price of gasoline given its relative volatility compared to other consumer products), that leaves a minimum 2.7% impact, or \$9.7 million (see Exhibit 12).

Exhibits 15 and 16 identify 34 gas stations in the El Dorado County portion of the market area, with a total of 71 fueling stations and 142 handles. Exhibit 17 identifies an additional 13 gas stations in the Amador County portion of the market area, with 45 fueling stations and 90 pumps. Therefore, there are at least 47 gas stations in the market area with 116 fueling stations and 232 pumps.²⁹ This compares to the 16 fueling stations and 32 handles at the proposed El Dorado Hills Costco fueling facility. Hence the Project will increase the market area's gasoline handle inventory by 14%.

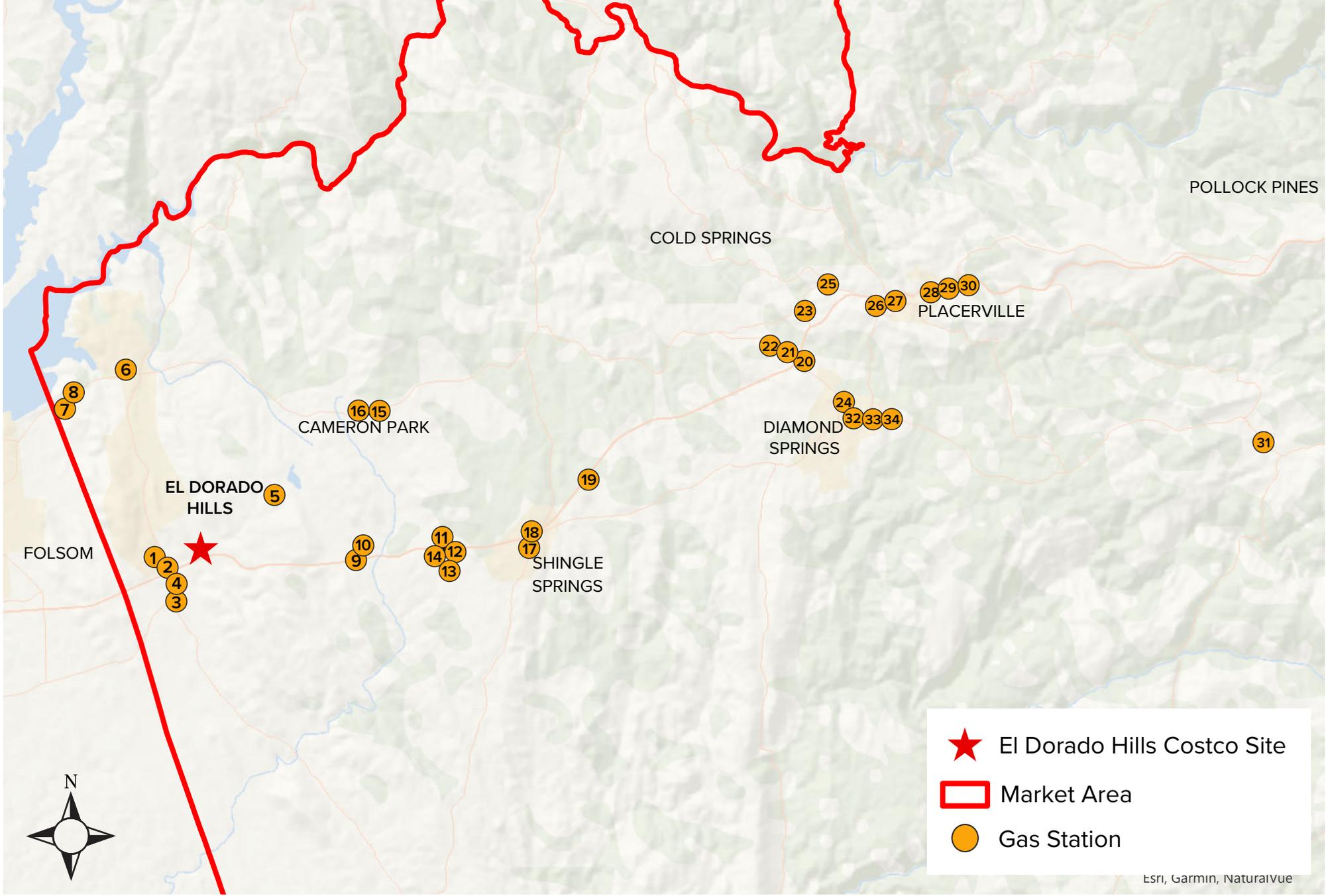
These gas stations are geographically mapped in Figure 3 (El Dorado County) and Figure 4 (Amador County). ALH Economics visited all the gas stations listed in Exhibits 15-17 and gathered key operating information, including number of fueling stations and pumps, price of gasoline, name and relative size of the gas station's convenience store (if any), hours of operation for the gas pumps and store, and unique gas station features. The gas stations were visited over multiple days. For each of those days the gas prices at the Costco in Folsom were also gathered for comparison purposes.

Market Area Gas Station Characteristics

The gasoline price comparison information indicates that in the El Dorado County portion of the market area, 13 of the 34 gas stations had at least some gasoline price equal to or lower than the Costco price on the survey day. These included only gas stations 5 or more miles from the Project site (6 gas stations are less than 5 miles from the Project and 27 are located 5 – 17.3 miles distant, with one outlier around 24.5 miles away). In addition to some selective low gas prices, gas was available for purchase 24/7 at every El Dorado County gas station. This is equivalent to gas availability 168 hours per week. In contrast, Costco fuel facility hours are more limited, with gas available for purchase 108.5 hours per week. Thus, the El Dorado County gas stations are open more than 50% more hours than the Costco fuel facility. This is a significant distinction between Costco and the market area gas stations, with consumers having comparatively more flexibility in when they can purchase gasoline from market area gas stations. Further distinguishing these gas stations from Costco is the presence of a convenience store at every El Dorado County gas station. At 12 of these gas stations, the store hours were also 24/7; hours at the other 22 gas station convenience stores typically extend from 5:00 or 6:00 am to 10:00 or 11:00 pm. Finally, about 40% of the El Dorado County gas stations have yet additional features not present at the planned Project. These primarily include car wash stations with some also offering repair services and smog checks.

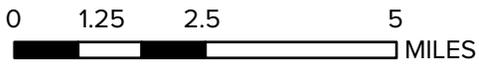
²⁹ These gas stations are representative, and yet additional gas stations may be present in the market area.

FIGURE 3. EL DORADO HILLS COSTCO PROJECT MARKET AREA
EL DORADO COUNTY GAS STATIONS

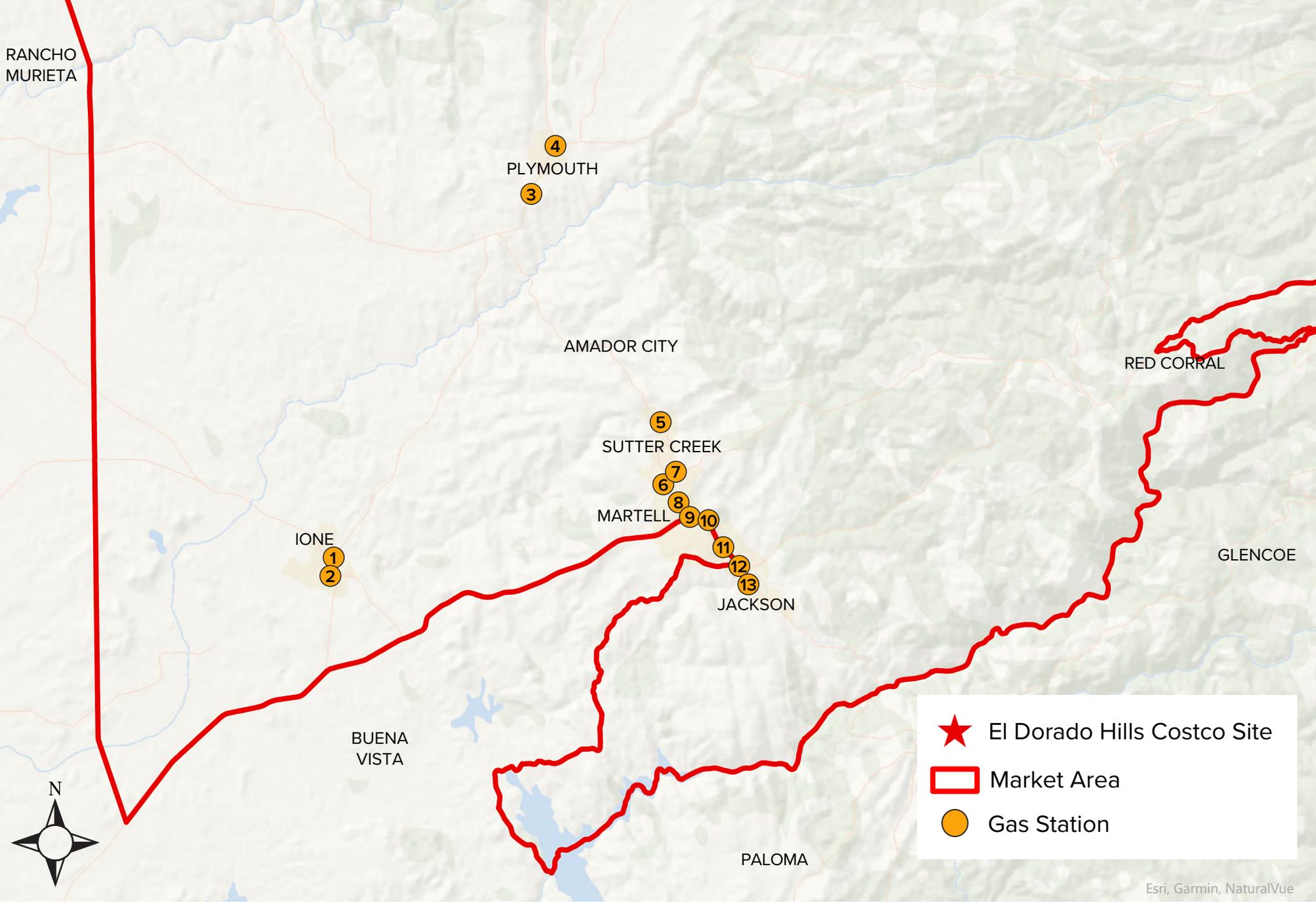


- ★ El Dorado Hills Costco Site
- ▭ Market Area
- Gas Station

Esri, Garmin, NaturalVue



**FIGURE 4. EL DORADO HILLS COSTCO PROJECT MARKET AREA
AMADOR COUNTY GAS STATIONS**



Esri, Garmin, NaturalVue

0 1.25 2.5 5 Miles

In the Amador County portion of the market area, none of the 13 gas stations had any gasoline prices lower than Costco. This likely reflects the more rural nature of Amador County, plus the location of all the gas stations 20 – 30 miles from the Project site. All but one of these gas stations has gas available 24/7, hence with greater availability than at Costco. In addition, all but one of the Amador County gas stations has a convenience store of some kind. Unlike in El Dorado County, few of the Amador County gasoline stations have any additional features.

There are some other notable differences between Costco gasoline sales and the market area gas stations. Most notably, only Costco members can purchase gas at Costco gas stations. In contrast, any consumer can purchase gas at the market area's 47 gas stations, which offer the same or a wider range of fuel products, are open longer hours, sell on-site convenience store products (with many of the convenience stores providing customer restrooms, which are not a Costco fueling station feature), and in many cases provide expanded automobile services. All of the existing gas stations have more customer service offerings than Costco and they all have access to a broader customer base because they do not have a customer membership requirement.

Moreover, the market area as a whole, and individually including the El Dorado County and Amador County portions, achieves significant retail sales attraction in gasoline sales. This indicates that the gasoline sales sector is one of the market area's strongest performing retail sectors, clearly satisfying regional demands in excess of local needs.

Sales Impact Implications

The estimated \$9.7 million minimum to \$27.5 million maximum market area gasoline sales will be dispersed throughout the market area. To some extent the impacts could be greatest closest to the Project site, as it would be easier for Costco members to redirect their gasoline purchase trip from stations closer rather than more distant from Costco. However, even gas stations further from Costco are likely to experience sales diversions depending upon how well consumers can time their purchases coincident with a shopping trip to the Costco warehouse. This is especially the case as current market area Costco members are already likely purchasing gas at Costco in favor of existing market area gas stations when feasible.

The timing of gasoline purchases are often dictated by need, not by choice, and a Costco member who lives or works at the perimeter of the market area will often need to pump gas into their vehicle when in a location distant from the Costco fuel facility. Nevertheless, it is possible that gas stations with higher gas prices in the area near the Costco might encounter a more competitive marketplace, with a disproportionate decline in customer sales. However, Costco gas lines can be long, and time-stressed consumers will choose to purchase gas at other locations rather than go an extra distance to wait in line behind other gasoline customers. In addition, the longer hours at market area gas stations and presence of amenities relative to Costco (e.g., convenience store, restroom, and ancillary services) will comprise comparative market area gas station advantages. Therefore, ALH Economics concludes that the gasoline sales impacts will likely be dispersed to the extent that no single or small set of gas stations will bear the brunt of the sales impacts and risk closure as a result. This is especially the case if the gas station impacts are at the lower end of the estimated range of impacts. Moreover, case study research previously conducted by ALH Economics in communities with new Costco fuel facilities indicated that while revenues at other area gas stations may experience an initial dip after the Costco fuel facility opening, over time, gas station revenues are recouped, and often increase, even adjusting for the volatility of gasoline prices.

VII. CUMULATIVE PROJECTS

This analysis seeks to quantify the impact of the Costco Project taking into consideration other planned competitive retail projects within the market area. The cumulative projects that have been assessed for impacts include retail developments that are in various stages of entitlement or planning.

IDENTIFIED RETAIL DEVELOPMENT PROJECTS

ALH Economics identified five potential cumulative development projects in the market area with retail components. Projects with at least 25,000 square feet of planned retail space are included in the cumulative projects. Information about these projects was primarily derived from review of public documents and interviews with local government sources. These five projects are described in Exhibit 18, and are organized based on their development or public review status, including projects under construction, projects approved but not yet under construction, and projects under review. The five projects have total retail potential of 550,646 to 711,382 square feet, with most also encompassing other land uses, especially residential. The projects are located between 1.7 and 30 miles of the El Dorado Hills Costco site.

The cumulative projects are mostly all located in El Dorado County, with just one in Amador County. The El Dorado County projects are located in Placerville and Unincorporated El Dorado County, including El Dorado Hills. The Amador County project is located in Unincorporated Amador County near Martell.

Only one cumulative project is currently under construction. This project is “Crossings at El Dorado” in Placerville, which is a 132,126-square-foot all retail project located 13.6 miles from the Costco site. This new community shopping center is located adjacent to the existing Prospector’s Plaza. As of June 2025, some of this project’s pad buildings were complete and operational, but the majority of the space was still under construction. Representative tenants identified for this project include 7-Eleven, Petco, Michael’s, and Five Below. Notably, none of the anticipated tenants identified for this project include food sales that would be competitive with the high volume of food sales anticipated to be generated at Costco.

One additional project with a planned retail component is approved, located in El Dorado Hills. This project is situated 1.7 miles from the Costco site, and is named “Montano de El Dorado Phase II. This is a planned mixed-use development project comprising an expansion of the existing Montano de El Dorado boutique lifestyle retail center near El Dorado Hills Town Center. This approved project includes 75,316 square feet of retail divided among 8 buildings. However, since the 2021 approval of this project the applicant has identified plans to alternatively develop the land with multifamily residential housing, so actual development of the approved retail space is uncertain.

The three other cumulative projects are all under review in their respective jurisdictions, which include El Dorado County and Amador County. These projects are “Gateway El Dorado” in El Dorado Hills, “Village of Marble Valley” in Unincorporated El Dorado County, and “Wicklows Way Specific Plan” in Unincorporated Amador County. All three projects include a range of land uses, with retail space comprising just a portion, ranging from 100,000 to 303,940 square feet per project.

CUMULATIVE PROJECT IMPACTS

The cumulative projects total 550,646 to 711,382 square feet of potential new retail space. Only 132,126 square feet of this space is under construction, with all other space either approved or under review. The approved space appears to have the potential to be converted to another land use. If this occurs, then the cumulative retail space total will drop to 475,330 to 636,066 square feet.

As demonstrated earlier, the El Dorado Hills Costco project is anticipated to have the greatest impact on the market area's food & beverage and gasoline station retail sectors. Thus, any food store and gasoline station sales generated by cumulative projects would add to these prospective impacts. However, based on the size of cumulative project retail components, and constituent buildings where identified, it is unlikely that any cumulative project will include a food store. Moreover, it is too speculative at this time to forecast the retail uses at the three cumulative projects that are under review. In addition, none of the cumulative projects appear at this time to include plans for new gas station development.

This probable lack of food store and gas station development indicates there will likely not be any cumulative project impacts in these retail categories. While El Dorado Hills Costco sales may compete with sales in other retail sectors, those impacts are low enough to likely be absorbed in the normal course of doing business in the market area. The same is likely the case among the cumulative projects, as even with Costco's recapture of existing market area leakage some leakage will still remain. This remaining leakage is in these retail categories: motor vehicles & parts dealers, home furnishings & appliance stores, clothing & clothing accessories stores, and food services & drinking places. If the cumulative projects include tenants representative of these retail categories then those tenants will likewise have the potential to recapture existing leakage. This is especially likely in the food services & drinking places retail category, which as shown in Exhibit 12 has the greatest amount of remaining leakage (\$125.6 million) while various forms of restaurants are likely to be major cumulative retail project retail uses, including at "Crossings at El Dorado", the one cumulative project most likely to be developed in a timeframe coincident with the Costco Project.

In conclusion, the cumulative projects are not anticipated to significantly increase or change the market area impacts associated with the El Dorado Hills Costco Project.

VIII. URBAN DECAY DETERMINATION

The purpose of this chapter is to assess the degree to which development of the Costco Project will or will not contribute to urban decay. This chapter discusses the definition of urban decay, the study's approach to determining urban decay potential, and ALH Economics' urban decay determination.

STUDY DEFINITION OF URBAN DECAY

For the purpose of this analysis, urban decay is defined as, among other characteristics, visible symptoms of physical deterioration that invite vandalism, loitering, and graffiti that is caused by a downward spiral of business closures and long term vacancies. The outward manifestations of urban decay include, but are not limited to, plywood-boarded doors and windows, parked trucks and long term unauthorized use of the properties and parking lots, extensive gang and other graffiti and offensive words painted on buildings, dumping of refuse on site, overturned dumpsters, broken parking barriers, broken glass littering the site, dead trees and shrubbery together with weeds, lack of building maintenance, homeless encampments, and unsightly and/or dilapidated fencing. A project's economic impacts on a community are only considered significant if they lead to adverse physical changes in the environment.

APPROACH TO DETERMINING URBAN DECAY POTENTIAL

ALH Economics engaged in several tasks to assess the probability of urban decay ensuing from Project development. These tasks revolved around assessing the potential for closed retail store spaces, if any, to either (a) remain vacant for a prolonged period of time such that they contribute to the multitude of causes that could eventually lead to urban decay, or (b) be leased to other retailers within a reasonable marketing period. Part of this research focused on assessing if sufficient retailer demand exists to absorb vacated space in the event existing retailers close due to any negative economic impacts of the Project and the development of other planned retail. ALH Economics conducted field research and contacted real estate brokers and third party resources to determine the commercial health of the market area.

THE CURRENT ENVIRONMENT

ALH Economics conducted fieldwork throughout the more heavily retailed portions of the market area. The purpose of this fieldwork was to examine the physical condition of major shopping centers and shopping corridors, especially ones with stores competitive with Costco, to identify existing retail vacancies, and to assess their condition and appearance. A four point rating system was applied to each center's vacancies as a whole, including Poor, Fair, Good, and Excellent.

Area Commercial Retail Vacancies

All of the commercial shopping centers where competitive stores are located were examined during field research to identify and inventory any existing vacancies. The physical conditions of the vacancies were also reviewed, to assess their current state relative to the characteristics indicative of urban decay. Follow-up research on the vacancies was conducted via internet research and outreach to commercial real estate brokers representing the various vacancies. Additional centers in select areas were also inventoried, despite the lack of a grocery store or general merchandise store anchor tenant. The purpose of this inclusion is to highlight the difference in performance and condition between

centers with and without anchors competitive to Costco. Notably, in general, retail operating within a 5% to 10% vacancy rate is typically considered indicative of a healthy retail market, as some vacancy facilitates strategic repositioning and the attraction of new tenants with higher growth potential, leading to a more vibrant and competitive market.

Some of the commercial centers where competitive stores are located have no apparent or visible vacancies, but the majority of the centers have some degree of vacancy. Many of the relevant centers are identified on Exhibit 13 in association with the identification of representative grocery stores, other food stores, and general merchandise stores. Summary information on this exhibit in the “Adjoining Vacancies” column identifies the number and relative size of existing vacancies. Several centers are also noted as having no vacancies at the time of the field research in late spring and early summer 2025.

The centers with existing vacancy and select information on the vacancies are presented in Exhibits 19 and 20. Where available, the information presented includes center name and address, year built, miles from the Project site, gross leasable area (GLA), anchor tenants, amount of vacant square footage including size and number of vacancies, vacancy rate, condition of the vacancies, and select notes on the vacancies or property. Exhibit 19 pertains to centers located in the El Dorado County portion of the market area and Exhibit 20 pertains to select Amador County retail vacancies. Notes on the vacancies and photos of representative vacancies are maintained in ALH Economics’ project files.

El Dorado Hills Vacancies. In El Dorado Hills, ALH Economics identified five shopping centers with tenants included in the competitive store inventory that are operating with some vacancies. These centers range in size from 100,698 square feet at the relatively new Sienna Ridge center (built 2020), located 3.2 miles from the Project site, to 448,256 square feet at El Dorado Hills Town Center, 1.5 miles from the Project site. The Sienna Ridge shopping center, anchored by Safeway, is still experiencing initial build out, with the expected completion of a 1,527-square-foot pad in Summer 2025. An additional 3,559 square feet is unoccupied, but still under lease, so technically not vacant. Nevertheless, there are two parties interested in the space. One small space of 900 vacant square feet is under negotiations.

The vacancies among the older shopping centers in El Dorado Hills, built between 1992 and 2007, are all in good to mostly excellent condition. All four of the centers anchored by a grocery store are operating at well below 5.0% vacancy. Commercial brokers representing the vacant spaces generally indicate there is strong market interest for vacancies. One of these centers, Market Place at Town Center, previously had a long-term vacancy (beginning 2012), comprising 23,435 square feet occupied by CVS prior to its relocation. For many years, CVS continued to hold and pay on this lease, so it was not available for backfilling. Once the CVS lease expired, Ace Hardware took over the space, and appears to be meeting with strong market demand.

Cameron Park Vacancies. The information on the properties located in Cameron Park indicates that almost three quarters of the selected retail centers with existing vacancy were built approximately 20 or more years ago. All but one of the nine Cameron Park centers identified in Exhibit 19 are located 5.5 or more miles from the Costco site. Only two centers have grocery or other stores competitive with Costco. These include the Goldorado Shopping Center anchored by Bel Air and Cameron Park Place anchored by Safeway. Notably, these centers are operating at relatively low vacancy rates of 5.5% and 6.8%, respectively. Of the identified centers with existing vacancy, these are the lowest vacancy rates. The vacancies at these centers appear to be in good or excellent condition. These are likely equilibrium vacancy rates for these two centers, as the Goldorado Shopping Center, with 6.8% vacancy, lacks visibility, which is challenging for existing and prospective retailers. The 5.5% vacancy

rate at Cameron Park Place is attributed by the commercial broker representing the space to the relatively small size of the Cameron Park market.

Two other Cameron Park centers are grocery store adjacent. These include Cameron Park, adjacent to Forklift, and Green Valley Station, adjacent to the market area's newest grocery store, Grocery Outlet (opened October 2023). These two centers have among the second lowest levels of existing vacancy, at 8.3% and 8.4%, respectively. Their vacant spaces appear to be in excellent condition. All the other Cameron Park retail centers have substantially higher vacancy rates, of 30% or greater. One center, which is really a stand-alone retail space, is noted with 100% vacancy. However, this former Rite-Aid, closed in 2022 during the Covid-19 Pandemic, is slated to become a new Dollar Tree store. The other two centers with high vacancy, Cameron Park Plaza and Winery Plaza, appear to be victims of owner disinterest, due to long-distance ownership, and are essentially located adjacent to each other. This appears to be a neglected retail node, although the new Dollar Tree opening in the former CVS space is also located at this node.

Among the two Cameron Park centers with high vacancy rates, the condition of their respective vacancies appear to be in fair (Winery Plaza) to good condition (Cameron Park Plaza). The vacancies at Cameron Park Plaza appear to be in good condition, with no visible signs of decay. There may be plastic sheeting covering some windows from inside, but this is not an indicator of urban decay. At Winery Plaza, the vacancies have been available for several years. The leasing broker for the center indicates interest is expressed from time to time, but is never followed through. These vacancies are in fair condition, with some visible rust and other staining on the façades. Still, this is not an indicator of urban decay, as the center is reasonably well maintained, there is no visible trash, and no windows are boarded up and no graffiti is present. In many rural and country settings, this exterior appearance, especially for an older property, is the norm.

Placerville Vacancies. There are five centers in Placerville included in Exhibit 19. Three of these centers are anchored by a grocery store, with the other two centers located across a road from stand-alone grocery stores. All of these centers are at least 13.5 miles from the Costco Project site, with the furthest located 24-25 miles away. These centers range in size from about 20,000 square feet to over 240,000 square feet. Retail vacancy is highest at 10.6% for the oldest center in Placerville, Apple Farm Place, originally built in 1973 (and renovated in 2022/23). The six vacancies at this center have been vacant for about three years. Nevertheless, the center and vacancies appear to be in good condition. The existing tenants at this center have a discount orientation, including Grocery Outlet and Dollar Tree.

The two other Placerville shopping centers anchored by a grocery store are operating at low vacancy rates of 1.5% and 5.1%. These are also the largest centers, with 243,000 square feet at Prospector's Plaza anchored by Save Mart and Target and 119,928 square feet at Missouri Flat Village, anchored by Safeway. The one vacancy at Prospector's Plaza is in good condition, while the more numerous vacancies at Missouri Flat Village are in excellent condition. The only Placerville center with vacancies deemed to be in fair condition is the relatively small Pleasant Valley Square, located out in the country, 24-25 miles from the Costco Project site and across the road from the stand-alone Holiday Market.

Amador County Vacancies. Exhibit 20 for Amador County includes five properties, four of which are retail centers with vacancy and one of which is a long-term vacant retail building. These properties are all 28-31 miles from the Costco Project site. The long-term vacancy is the former K-Mart space in Martell, across the road from Martell's Walmart store. The K-Mart was closed in 2017 and the space has remained vacant ever since, with the property available for sale or lease. Following recent community efforts to clean up the site and enhance its curb appeal the property appears to be in

generally good condition, although there is one area of the building that is in disrepair (under the eaves along the front).

The two shopping centers with the more conventional grocery stores are both operating at very low vacancy, with 3.7% at Amador Ridge Plaza in Martell with multiple anchor tenants including Safeway, and 1.1% at Jackson Creek Plaza in Jackson anchored by Cost Less Food Co. The limited vacancies at both these centers appear to be in good condition. At the large Amador Ridge Plaza (272,948 square feet), vacancies tend to lease up after about 6 to 12 months, which is a reasonable and respectable time frame.

Jackson's Grocery Outlet is located in a small, out of the way, center, previously paired with a Joann Fabric and Crafts store. Due to the closure of the entire Joann chain, the Joann space was vacated in spring 2025. City of Jackson representatives indicate no interest has yet been expressed in renovating or retenanting the space. Nevertheless, it is in good condition. Prior to occupancy by Grocery Outlet and Joanne, this center was a Safeway store. Hence the current occupancy is an example of retail backfilling of a grocery store in the Costco Project market area.

Finally, the Mother Lode Plaza is a relatively older retail center, dating from 1977-1979. The amount of vacancy is unclear, given recent changes in property management, but appears to be about 25%. This center is a bit run down, with on-site indications of personal vehicle sales. The only relevance of this center to the Costco Project is the tenancy of Gold Trail Natural Foods, a small, specialty food store. However, given the specialized products sold at this store and its distance from the Costco Project site, this store is highly unlikely to be competitive with Costco and is not likely to experience any sales impacts as a result of the Costco warehouse operations.

Vacancy Summary. In summary, this review of representative commercial vacancies in the Costco Project market area indicates that the majority of centers with stores potentially competitive with Costco are operating at healthy vacancy rates (or none at all) with existing vacancies being well-maintained and in good to excellent condition. Some longer term vacancies have recently or will soon be backfilled, although the large vacant K-Mart in Martell remains available. Despite this building's long-term vacancy of about 8 years, efforts were recently made to improve the property's curb appeal. Other vacancies in well-located centers with good visibility appear to attract prospective tenant interest.

Overall, while some market area retail vacancies may be located in older properties not characterized by stringent upkeep, ALH Economics does not consider them indicative of widespread urban decay, as they do not generally exhibit the typical signs of urban decay such as plywood-boarded doors and windows, parked trucks and long term unauthorized use of the properties and parking lots, extensive gang and other graffiti and offensive words painted on buildings, dumping of refuse on site, overturned dumpsters, broken parking barriers, broken glass littering the site, dead trees and shrubbery together with weeds, lack of building maintenance, homeless encampments, and unsightly and/or dilapidated fencing.

IMPACT ON COSTCO'S FOLSOM WAREHOUSE AND FUEL FACILITY³⁰

As noted earlier in the analysis, in Chapter III, Projected Costco Sales, 54% of the El Dorado Hills Costco warehouse sales and 7% of the El Dorado Hills Costco fuel facility sales are estimated to be diverted from Costco's existing Folsom warehouse and fuel facility, for a total of \$144 million in shifted annual sales. Also as noted earlier, in Section II. Study Background, Costco is developing the new facilities in El Dorado Hills because the Folsom warehouse and fuel facility are operating over ideal capacity. Consequently, some members are deterred from shopping in Folsom because of the high volume of shoppers and congestion.

According to communication from Costco representatives, Folsom sales have increased by nearly 53% over the last 10 years. As a result, the Folsom warehouse is the highest generator of sales in the Sacramento market. Accordingly, this suggests the Folsom facilities are achieving substantially higher sales per square foot than the \$1,800 figure estimated for El Dorado Hills. Costco representatives confirm that Folsom sales performance exceeds this more generalized average. Further, Costco has developed its own internal estimates of the share of Folsom sales that will transfer to El Dorado Hills when the latter is fully operational. Based on the 150,000-square-foot size of the Folsom warehouse³¹ and the share of sales Costco estimates will transfer to El Dorado Hills, for analytical purposes ALH Economics assumes this warehouse is performing 50% above this study's \$1,800 per square foot estimate for El Dorado Hills. If that is the case, which ALH Economics believes is a reasonable estimate given the strong performance of the Folsom warehouse, then sales at Folsom (inclusive of gasoline) are \$405 million. The estimated \$144 million in sales diverted from Folsom to El Dorado Hills will comprise 36% of Folsom's estimated existing sales. This figure is generally comparable to the estimate provided by Costco.

The impact of this sales loss at Costco's Folsom facilities is not anticipated to be severe enough to cause the Folsom facilities to close, and thus are not anticipated to cause or contribute to urban decay. This finding is based on several factors. One major factor is that Costco is seeking to open in El Dorado Hills to provide a more enjoyable shopping experience for Members who will continue to live closest to Folsom and shop there. Second, for the purpose of this study, Costco provided information about Costco warehouse impacts in other California and Pacific Northwest communities when a new warehouse opened near an existing warehouse.³² These included the following comparatively new warehouses:

- Hanford in 2016, near an existing Visalia warehouse;
- Redmond, WA in 2016 near an existing Kirkland, WA warehouse;
- San Jose's Great Oaks neighborhood in 2017 near an Almaden neighborhood warehouse;
- Elk Grove in 2018 near an existing South Sacramento warehouse; and
- SW Henderson, Nevada, near an existing Henderson warehouse.

Sales losses at the existing warehouses cited above ranged from 11% to 26%. All these existing warehouses continued operations, and built back their sales within 2 to 7 years, averaging 4.5 years. The growth market deemed by Costco to be most similar to the Folsom/El Dorado Hills area was the

³⁰ Select information in this section regarding Costco's existing Folsom operations was provided by Costco representatives. Communications pertaining to this information are maintained in ALH Economics' project file.

³¹ See <https://engageeldorado.us.engagementhq.com/edh-costco/widgets/93259/faqs#question15042>.

³² This information is also maintained in ALH Economics' project file.

last example, in Henderson Nevada. There, a sales loss greater than 20% at the existing store was built back by year 2.

While the estimated sales loss at Folsom is greater than those cited above, the Folsom store is most likely outperforming any of the identified existing warehouses. But the most significant finding represented by these examples is that Costco routinely develops new warehouses close to existing ones without impacting the existing warehouses to such an extent that they cease operations and negatively impact their respective physical environments. This provides support for the expectation that development of the El Dorado Hills warehouse and fuel facility will not negatively impact the existing Folsom warehouse such that it could close and potentially impact Folsom's real estate base.

REGULATORY CONTROLS

Owners of commercial retail properties are generally financially motivated to maintain property in a manner appropriate to retain existing tenants and attract new tenants. This appears to generally be the case in the market area portions of El Dorado and Amador counties, where the competitive retail properties are located. This is evidenced by the overall positive prevailing physical condition of the market area's retail vacancies. If property owners lag, however, and property maintenance begins to show signs of deferred maintenance or other disrepair, the various jurisdictions comprising the bulk of the market area have regulatory controls that can be implemented to avoid the onset of deterioration or decay. This report section reviews some of these regulatory controls.

Relevant Jurisdictions in El Dorado County

El Dorado County and Placerville both have ordinance codes addressing property conditions characteristic of urban decay and blight. El Dorado County's code is especially relevant to these conditions.

El Dorado County. The El Dorado County Code, adopted November 17, 2014 (with the most recent ordinance 5231 adopted June 24, 2025), includes many regulations designed to maintain the physical condition of properties in the unincorporated County areas. These regulations can serve to keep urban decay conditions at bay. The sections of the Code most applicable to urban decay characteristics include ones addressing graffiti, weeds and rubbish, illegal dumping, and nuisance abatement.³³

The **Title 9** portion of the code, addressing **Public Peace, Morals and Welfare**, contains the basics regarding maintenance of private property. This includes **Article II. – Vacant Buildings**, which has a series of provisions related to the responsibility of property owners to actively maintain and manage their buildings. The Board of Supervisors finds that "When the owner of a vacant building fails to actively maintain and manage the building, the building can become a major cause of blight...vacant buildings that are boarded, substandard, or unkempt discourage economic development." The text explicitly states that it is the property owner's responsibility to maintain their property in order to prevent it from becoming a threat to "public health, safety, or welfare." **Section 9.02.630. – Maintenance and monitoring of vacant buildings**, further requires that vacant buildings, along with the associated landscaping, be maintained in good condition with regular trash removal, weed abatement, and the prevention of criminal activity, including illegal occupancy. Furthermore, if a vacant building cannot be secured, then the code requires it to be boarded up with posted signs

³³ See https://library.municode.com/ca/el_dorado_county/codes/code_of_ordinances for all references to El Dorado County's Municipal Code, relevant to the county's Unincorporated areas.

indicating that it is unlawful to enter or occupy the structure. While boarded up buildings can often be perceived as an indicator of urban decay, here the County's code requires this action.

Also included in Title 9 is **Chapter 9.50. – Graffiti Abatement**, which is intended to “summarily abate graffiti throughout the unincorporated area of the County” because graffiti “constitutes a nuisance that presents an imminent danger to the public health, safety and welfare of persons in the County and creates a negative impact on the County.” Among provisions in the chapter is the requirement that the private property owner paint out graffiti within five calendar days from notice (**Section 9.50.060. – Graffiti removal**). There are also provisions for the County to recover costs associated with graffiti abatement, including liens for minors and persons creating graffiti.

Litter and weeds are specifically addressed in **Title 8 – Public Health and Safety**. The section regarding litter is found in **Chapter 8.42. – Solid Waste Management, Article VIII. Prohibited Acts, Nuisances, Violations, Abatement and Penalties, Section 8.42.700. – Littering, accumulation of litter, and illegal dumping prohibited**. Property owners are prohibited from allowing the accumulation of litter, trash, scrap, junk, or garbage so that it is visible to adjacent properties or the right-of-way. **Section 8.42.800. – Abatement procedures** under **Article IX. Abatement and Penalties** provides details regarding abatement of litter and penalties for violating the chapter.

Weeds and hazardous vegetation are addressed in **Chapter 8.09 – Hazardous Vegetation and Defensible Space, Section 8.09.060. – Prohibited conduct**, which states that a responsible person shall not “permit the accumulation of weeds, grasses, hazardous vegetation, refuse, or other combustible material on that responsible person’s property or on any other property so as to constitute a fire hazard.” Subsequent sections outline the duty to remove and abate hazardous vegetation and the penalties for violations.

City of Placerville. Similarly, the City of Placerville has an Official City Code with provisions to prevent the occurrence of blight, regulating items such as graffiti, litter, weeds or debris accumulation.³⁴ The prevailing City Code of Placerville contains ordinances up to and including ordinance 1725, passed October 22, 2024.

Under **Title 7 Health and Sanitation, Chapter 13 Abatement of Graffiti, 7-13-4: Graffiti Prohibited**, the code indicates that property owners and managers shall not allow any graffiti to remain on property when it is visible from the public right of way or other public or private property. The chapter indicates that property owners who are notified have 10 days to remove the graffiti, or the City will remove the graffiti itself and seek repayment from the property owner. Also under **Title 7 Health and Sanitation is Chapter 7-1A Solid Waste Regulations, 7-1A-17 Prohibited Acts**, which prohibits the accumulation of “litter, trash, scrap materials, junk parts, garbage or refuse of any kind upon private property.” This chapter also provides a complaint procedure to address this issue.

With respect to weeds and debris, **Title 8 Public Ways and Property, Chapter 4 Weeds, 8-4-1 Accumulation of Weeds Prohibited** states that property owners are prohibited from allowing “weeds, dry grass, rubbish, or other debris to grow or collect upon his property within thirty feet of any fence, house, or building.” The chapter continues with the process of abating such a hazard. If the fire chief determines that a fire hazard exists, the property owner has fourteen days to eliminate the

³⁴ See https://codelibrary.amlegal.com/codes/placervilleca/latest/placerville_ca/0-0-0-1 for the cited references to the City of Placerville’s Municipal Code.

hazard after they receive notice. If no action is taken by the property owner, the City may abate the hazard at the owner's expense.

Relevant Jurisdictions in Amador County

Amador County and the relevant cities of Lone, Jackson, and Plymouth all have ordinances in their respective codes addressing issues such as the accumulation of weeds, debris, refuse, abandoned vehicles, etc. on private properties. These ordinances are usually found in the Health and Safety (or Sanitation) sections of the respective codes. The City of Lone specifically addresses vacant or abandoned buildings in its municipal code (while other jurisdictions do not), while the City of Jackson has a section outlining property maintenance regulations in its code. Two of the jurisdictions specifically mention graffiti abatement for buildings in their codes (Lone and Jackson) while two do not reference graffiti in the context of buildings, although they do relative to signs, fences, and walls (Amador County and Plymouth).

Amador County. Amador County's General Ordinances (the Amador County Code, current through Ordinance 1862, passed April 8, 2025) have some provisions relevant to characteristics or urban decay, but is not as expansive as El Dorado County's Ordinance Code. Some of the key provisions in the General Ordinances of Amador County include the following: **Title 7: Health and Safety**, which requires abatement of hazardous vegetation; **Title 9: Public Peace, Morals and Welfare**, which prohibits unlawful dumping and littering including that on a private property that creates a public health or safety hazard or public nuisance with provisions to abate such hazards; and **Title 10: Vehicles and Traffic**, which considers abandoned vehicles a nuisance.³⁵

City of Lone. In the City of Lone, the March 10, 2025, Lone Municipal Code's **Title 8: Health and Safety (Section 8.06 Vacant, Abandoned, Distressed or Foreclosed Properties)** very comprehensively addresses conditions relevant to urban decay. This portion of the Code has the following provisions: requires registration of abandoned/vacant properties; requires maintenance, including abatement of weeds, trash, debris, and graffiti; requires security; and includes penalties for failure to comply with the measure.³⁶

City of Jackson. In the Jackson Municipal Code (current through Ordinance 732 adopted 3/24/2025), **Title 8: Health and Sanitation; Weed and Rubbish Abatement** –requires owners to abate weed growth, refuse, and rubbish that may constitute a hazard and allows city to take corrective action and bill the owner. Title 17: Development Code includes a section regarding property maintenance prohibiting abandoned materials and dangerous conditions, and requiring the removal of trash, debris, dry vegetation, and graffiti.³⁷

City of Plymouth. The Plymouth Municipal Code, which includes legislation through Ord. No. 2024-07 adopted January 9, 2025, includes one section with key relevancy to characteristics of urban decay. This section is **Title 8: Health and Safety; Chapter 8.01 – Weed, Rubble and Rubbish Control**, which requires property owners to keep their property clear (remove or destroy) of weeds, rubble, and rubbish that may constitute a menace to health or safety or constitute a fire menace. A

³⁵ See <https://www.codepublishing.com/CA/AmadorCounty> for the cited references to Amador County's Municipal Code.

³⁶ See https://library.municode.com/ca/ione/codes/code_of_ordinances for the cited references to the City of Lone's Municipal Code.

³⁷ See <https://ecode360.com/JA4944> for the cited references to the City of Jackson's Municipal Code.

separate chapter, **8.04, Abandoned, Wrecked or Dismantled Vehicles**, regulates abandoned, wrecked or dismantled vehicles.³⁸

Regulatory Summary and Implications

During the study fieldwork conducted in spring and early summer 2025, there were very few signs of litter, weeds, or rubbish associated with the identified existing retail properties in the competitive market area. There were no visible signs of graffiti associated with the retail centers, and only a few buildings exhibited signs of structural disrepair, of a very minor nature.

Instead, vacant storefronts in most shopping centers were reasonably well-maintained with no significant signs of decay or deterioration. Thus, ALH Economics concludes that existing measures to maintain private commercial property in good condition in the El Dorado Hills Costco market area are effective and would serve to preclude the potential for urban decay and deterioration in the event any existing market area retail properties experience prolonged vacancy following the operations of the Project and any cumulative projects.

POTENTIAL FOR URBAN DECAY RESULTING FROM THE PROJECT

Definition of Urban Decay

Before considering how the Project and cumulative projects might affect the market and environs, it is useful to focus on what constitutes the *environmental* impact known as urban decay. The leading court case on the subject, *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1204, described the phenomenon as “a chain reaction of store closures and long-term vacancies, ultimately destroying existing neighborhoods and leaving decaying shells in their wake.” The court also discussed prior case law that addressed the potential for large retail projects to cause “physical deterioration of [a] downtown area” or “a general deterioration of [a] downtown area.” (Id. at pp. 1206, 1207). When looking at the phenomenon of urban decay, it is also helpful to note economic impacts that do not constitute urban decay. For example, a vacant building is not urban decay, even if the building were to be vacant over a relatively long time. Similarly, even a number of empty storefronts will not constitute urban decay.

Urban Decay Conclusion

Based on the above description of urban decay, ALH Economics’ analysis examined whether there was sufficient market demand to support the Project without affecting existing retailers so severely as to consequently lead to a downward spiral toward decay. Specifically, the analysis considered whether or not physical deterioration would likely result from the opening of the Project and other cumulative retail developments. ALH Economics’ urban decay conclusion is based on consideration of current market conditions, findings regarding diverted sales, the backfilling potential of existing store spaces, and the existence of regulatory controls.

Overall, field research, market research, and interviews with market participants indicate that current market conditions are relatively strong, except for some older properties with absent and/or lackluster owner interest. The market area’s retail inventory is generally in good to excellent condition, with well-

³⁸ See <https://ecode360.com/PL4989> for the cited references to the City of Plymouth’s Municipal Code.

located properties garnering market interest and backfilling with new retail tenants. Vacant retail properties in some markets with weak or weakening conditions often transition to alternate uses. Such conversions do not appear to be happening in the market area, demonstrating the presence of a generally healthy retail sector.

The preceding analysis estimated that market sales impacts are only likely to transpire in the food & beverage stores and gasoline station retail sectors. This is attributable to existing retail sales leakage in other key retail sectors matching Costco merchandising categories. Even with absorption of this leakage yet additional retail sales leakage is anticipated to remain in the market area. Given the large size of the market area and number of competitive food stores and gas stations, the analysis concluded that no single food store or gas station is likely to experience Project-induced sales declines sufficient to trigger store closure. However, even if any existing market area retailers were to close as a consequence of the Project and its sales impacts, retail leakage in other categories could comprise opportunities for new retailers to enter the marketplace focused on satisfying unmet market area retail demand. Moreover, there are existing governmental regulatory controls in the market area's jurisdictions designed to manage or avoid nuisances such as graffiti, broken windows, overgrown vegetation, and dilapidated building exteriors. Enforcement of these ordinances can help prevent physical deterioration due to any long-term closures of retail spaces. Thus, if any market area retail properties experience prolonged vacancy following the operations of the Project and any cumulative projects, implementation of the existing regulations will likely support abatement of conditions contributing to urban decay and deterioration.

Based upon all these findings in combination, ALH Economics concludes that the Costco Project and the identified cumulative projects will not cause or contribute to urban decay.

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.

The fieldwork and primary research for this project was completed in August 2025. Hence ALH Urban & Regional Economics is not responsible for any market changes or data updates occurring after this timeframe. The study findings and conclusions are pertinent through August 2025.

APPENDIX A: EXHIBITS

Exhibit 1
El Dorado Hills Costco Warehouse and Fuel Station
Costco Sales by State of California Department of Tax and Fee Administration Retail Classifications (1)

		Distribution Among Department of Tax and Fee Administration Retail Sales Categories (3)								
Costco Categories (2)	Costco Sales Percentages (2)	Motor Vehicles & Parts Dealers	Home Furnishings & Appliances	Building Materials & Garden Equip.	Food & Beverage Stores	Gasoline Stations	Clothing & Clothing Accessories Stores	General Merchandise Stores	Food Services & Drinking Places	Other Retail Group
Sundries (4)	19.5%	0.0%	0.0%	0.0%	14.7%	0.0%	0.0%	4.9%	0.0%	0.0%
Hardlines (5)	15.4%	3.1%	5.4%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%
Food (6)	20.5%	0.0%	0.0%	0.0%	20.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Fresh Food (7)	14.0%	0.0%	0.0%	0.0%	14.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Softlines (8)	10.6%	0.0%	3.2%	0.0%	0.0%	0.0%	3.2%	3.2%	0.0%	1.1%
Ancillary and Other (9)	20.0%	0.0%	0.0%	0.0%	0.0%	12.0%	0.0%	0.0%	1.3%	6.7%
Totals	100%	3.1%	8.6%	1.5%	49.1%	12.0%	3.2%	8.1%	1.3%	13.2%

Sources: Costco Wholesale Annual Report, Fiscal Year Ending 8/30/15, page 4; Costco Wholesale Annual Report, Fiscal Year Ending 9/1/24, page 60; and ALH Urban & Regional Economics.

- (1) This exhibit classifies Costco sales into the major retail categories used for retail sales classification purposes by the State of California Department of Tax and Fee Administration. The Costco category sales distributions are for pre-tax sales.
- (2) Category descriptions and percentages are presented in the Costco Wholesale Annual Reports cited in the Sources.
- (3) The sales categories reported by Costco Wholesale do not clearly match the State of California Department of Tax and Fee Administration (CDTFA) retail sales categories. ALH Urban & Regional Economics distributed the Costco Wholesale per category sales among the DTFA categories based upon information previously shared by Costco and professional judgment pursuant to select Costco store site visits to examine the mix and array of merchandise.
- (4) Sundries includes candy, snack foods, tobacco, alcoholic and nonalcoholic beverages, and cleaning and institutional supplies.
- (5) Hardlines includes major appliances, electronics, health and beauty aids, hardware, office supplies, cameras, garden and patio, sporting goods, toys, seasonal items, and automotive supplies.
- (6) Food includes dry and institutionally packaged foods.
- (7) Fresh food includes meat, bakery, deli, and produce.
- (8) Softlines include apparel, domestics, jewelry, housewares, media, home furnishings, and small appliances.
- (9) Ancillary and Other includes gas stations, pharmacy, food court, optical, one-hour photo, hearing aid, and travel.

Exhibit 2
El Dorado Hills Costco Warehouse and Fuel Facility
Distribution of Sales and Consumer Sales Estimates
in 2025 Dollars

Store Characteristic	Distribution of Total Sales	Sales Estimates	Composition of EDH Sales (1)		Net Sales New to EDH Costco	Estimated Sales Division (2)	
			Percent from Folsom	Percent Net New for EDH		Retail Consumers	Wholesale Consumers
			[A]	[B]		[C]	[D=100%-C]
Costco Warehouse and Fuel Facility Total Sales (3)		\$297,000,000				--	--
<u>Allocation of Sales by CDTFA Retail Category (4)</u>							
Motor Vehicle & Parts Dealers	3.1%	\$9,152,000	54%	46%	\$4,209,920	\$3,536,333	\$673,587
Home Furnishings & Appliance Stores	8.6%	\$25,454,000	54%	46%	\$11,708,840	\$9,835,426	\$1,873,414
Building Materials & Garden Equipment	1.5%	\$4,576,000	54%	46%	\$2,104,960	\$1,768,166	\$336,794
Food & Beverage Stores	49.1%	\$145,875,349	54%	46%	\$67,102,660	\$56,366,235	\$10,736,426
Gasoline Stations (5)	12.0%	\$35,640,000	7%	93%	\$33,145,200	\$33,145,200	\$0
Clothing & Clothing Accessories Stores	3.2%	\$9,438,000	54%	46%	\$4,341,480	\$3,646,843	\$694,637
General Merchandise Stores	8.1%	\$23,942,651	54%	46%	\$11,013,620	\$9,251,440	\$1,762,179
Food Services & Drinking Places	1.3%	\$3,861,000	54%	46%	\$1,776,060	\$1,491,890	\$284,170
Other Retail Group	13.2%	\$39,061,000	54%	46%	\$17,968,060	\$15,093,170	\$2,874,890
Total Net Sales	100.0%	\$297,000,000			\$153,370,800	\$134,134,704	\$19,236,096

Sources: Costco Wholesale Annual Report, Fiscal Year Ending 9/1/24, pages 6, 20, and 60; Statista; Gurufocus.com; El Dorado Costco CEQA Analysis [DRAFT], El Dorado County, California, February 14, 2025, Kittelson & Associates, pages 12, 15, and 17; and ALH Urban & Regional Economics.

(1) Transportation impact analysis for the Project prepared by Kittelson & Associates includes assumptions regarding shifting of existing trips to the Folsom warehouse and fuel facility to El Dorado Hills. The Kittelson & Associates assumptions are based upon shopper data and information provided by Costco. Based upon analysis presented in a February 14, 2025 Kittelson & Associates report for the Project, ALH Urban & Regional Economics assumes that 54% of warehouse purchases in El Dorado Hills will be shifted from Folsom, and 7% of fuel purchases in El Dorado Hills will be shifted from Folsom. These percentages were derived from Kittelson & Associates estimates of shifted trips by type of trip, with additional weight allocated to trips of a primary nature, i.e., a trip planned with Costco as an explicit destination.

(2) A portion of Costco sales are made by businesses that later engage in resales of the products purchased from Costco. These sales are considered wholesale purchases, and are exempt from sales tax at the time of purchase. They are also not reported by the State of California Department of Tax and Fee Administration in the same manner as other, more commercial purchases. This is relevant because subsequent analysis reflected in this study's series of exhibits is highly dependent on taxable sales data reported by the State of California. For the sake of the analysis, ALH Urban & Regional Economics assumes that 16% of El Dorado Hills Costco warehouse sales will be made by members with resale licenses. Therefore, the analysis assumes that 16% of El Dorado Hills Costco store sales will be to wholesale customers, i.e., customers whose typical purchases are not reported as retail purchases, and 84% will be to household and business customers that qualify to pay sales tax on taxable items. The exception is gasoline sales, all of which are allocated to retail consumers as all of these sales are assumed to be taxed, and this is the same as a consumer-based taxable retail sales purchase. The 16% and 84% assumptions are based on analysis of Costco's Membership base, as presented in Costco's Annual Report for the fiscal year ending 9/1/24 (see page 6).

(3) Total sales, inclusive of gasoline sales, are estimated to total \$1,800 per square foot, applied to the warehouse size of 165,000 square feet. The per square foot sales estimate is based on analysis of several sources, including Costco Wholesale's Annual Reports (including pages 20 and 60 in Costco's Annual Report for the fiscal year ending 9/1/24) and industry internet resources, such as Statista and Gurufocus.

(4) See Exhibit 1.

(5) As noted in footnote (1), Costco gasoline sales are assumed to only be made by retail consumers, and not wholesale consumers for resale purposes.

Exhibit 3
El Dorado County Population
For Cities and Unincorporated Areas
2020

Area	Market Area Location (1)	Miles from Project Site (2)	Population
Cities (3)			
South Lake Tahoe	Out	76	21,424
Placerville (4)	In	17	10,820
Unincorporated Areas (5)			
El Dorado Hills (4)	In	0	50,547
Cameron Park (4)	In	5	19,171
Diamond Springs (4)	In	14	11,345
Pollock Pines (4)	In	29	7,112
Shingle Springs (4)	In	7	4,660
Auburn Lake Trails	Out	20	3,388
Georgetown	Out	28	2,255
Coloma (6)	Mostly Out	18	2,025
Camino (4)	In	25	1,871
Grizzly Flats (4)	In	37	1,093
Tahoma	Out	92	1,034
Cold Springs	In	18	556
Totals			
Market Area, approx. (7)			161,059
Countywide			191,185

Sources: State of California Department of Finance, Table 2: E-5 City/County Population and Housing Estimates, 1/1/2020; Wikipedia entry for El Dorado County and for each location; and Costco.com Find a Warehouse; and ALH Urban & Regional Economics.

- (1) Areas noted as being located outside the Market Area are geographically closer to other Costco locations than they are to the Project site, with faster travel times. These Costco's are generally located in Carson City, Loomis, and
- (2) Distance measured from Silva Valley Pkwy & Clarksville Rd.
- (3) Sourced to the State of CA DOF document listed in Sources.
- (4) Included in the Project market area.
- (5) Places listed are Census Designated Places (CDP).
- (6) Most of this unincorporated area appears to be in the market area.
- (7) The market area total is approximated as the Countywide total less the areas not included in the market area. Includes population centers not listed herein.

Exhibit 4
Amador County Population
For Cities and Unincorporated Areas
2020

Area	Market Area Location (1)	Miles from Project Site (2)	Population
Cities (3)			
Ione	In	27	8,849
Jackson	In	30	5,031
Plymouth (4)	In	21	1,067
Sutter Creek (4)	In	27	2,644
Amador City (4)	In	25	200
Unincorporated Areas (5)			
Pine Grove (4)	In	36	2,891
Buckhorn (4)	In	47	2,597
Red Corral (4)	In	42	1,687
Camanche North Shore	Out	36	1,070
Pioneer (4)	In	41	1,066
Buena Vista	Out	31	542
River Pines (4)	In	29	390
Fiddletown (4)	In	27	279
Martell (4)	In	28	207
Kirkwood	Out	71	190
Drytown (4)	In	22	186
Volcano (4)	In	40	104
Totals			
Market Area, approx. (5)			38,672
Countywide			40,474

Population and Housing Estimates, 1/1/2020; Wikipedia entry for Amador County and for each location; and Costco.com Find a Warehouse; and ALH Urban & Regional Economics.

- (1) Areas noted as being located outside the Market Area are geographically closer to other Costco locations than they are to the Project site, with faster travel times. These Costco's are generally located in Lodi and Carson City.
- (2) Distance measured from Silva Valley Pkwy & Clarksville Rd.
- (3) Sourced to the State of CA DOF document listed in Sources.
- (4) Included in the Project market area.
- (5) Places listed are Census Designated Places (CDP).
- (6) The market area total is approximated at the Countywide total less the areas not included in the market area.

Exhibit 5
El Dorado Hills Costco Warehouse and Fuel Facility
Distribution of Net New Costco Sales Generated by Market Area Residents and Businesses
in 2025 Dollars

Retail Sales Category	Estimated Net New		Net New Costco	
	Costco Sales Division (1)		Sales Generated from	
	Retail	Wholesale	Within Market Area (2)	
	Consumers	Consumers	Retail	Wholesale
	[A]	[B]	[C = A * 85%]	[D = B * 90%]
Motor Vehicle & Parts Dealers	\$3,536,333	\$673,587	\$3,005,883	\$606,228
Home Furnishings & Appliance Stores	\$9,835,426	\$1,873,414	\$8,360,112	\$1,686,073
Building Materials & Garden Equipment	\$1,768,166	\$336,794	\$1,502,941	\$303,114
Food & Beverage Stores	\$56,366,235	\$10,736,426	\$47,911,300	\$9,662,783
Gasoline Stations	\$33,145,200	\$0	\$28,173,420	\$0
Clothing & Clothing Accessories Stores	\$3,646,843	\$694,637	\$3,099,817	\$625,173
General Merchandise Stores	\$9,251,440	\$1,762,179	\$7,863,724	\$1,585,961
Food Services & Drinking Places	\$1,491,890	\$284,170	\$1,268,107	\$255,753
Other Retail Group	\$15,093,170	\$2,874,890	\$12,829,195	\$2,587,401
Total Net Sales	\$134,134,704	\$19,236,096	\$114,014,498	\$17,312,486

Sources: "The Economic Impact of Travel, California: 2024p Calendar Year; State, Regional, & County Impacts," May 2025, Prepared for Visit California, by Dean Runyan Associates; and ALH Urban & Regional Economics.

(1) See Exhibit 2.

(2) The analysis assumes that the Costco Warehouse and Fuel Facility will draw a share of non-market area shoppers to El Dorado Hills because of tourist spending, such as tourists traveling to Lake Tahoe, a popular vacation location. Based on considerations of the market area's geography and location within the region, 85% of the store's consumer sales are estimated to be generated by market area residents and 90% of wholesale purchases are estimated to be generated by businesses located within the market area. The 85% assumption is based on analysis of the 2024 "The Economic Impact of Travel" study prepared by Dean Runyan Associates in May 2025, which includes figures indicating that in 2024, travel-generated taxable sales comprised 17.2% of El Dorado County's taxable sales and 14.5% of Amador County's taxable sales, with a weighted average between the two counties of 16.8% (see page 25 of the cited study).

Exhibit 6

Total Retail Sales Estimates (1)

El Dorado County, South Lake Tahoe, El Dorado County Excluding South Lake Tahoe (2)
in 2024 Dollars

Type of Retailer	El Dorado County		South Lake Tahoe		El Dorado County Excluding South Lake Tahoe	
	Total Taxable Sales	Adjusted to Taxable & Nontaxable Total	Total Taxable Sales	Adjusted to Taxable & Nontaxable Total	Total Taxable Sales	Adjusted to Taxable & Nontaxable Total
Motor Vehicles & Parts Dealers	\$334,043,713	\$334,043,713	\$26,709,738	\$26,709,738	\$307,333,975	\$307,333,975
Home Furnishings & Appliance Stores	\$41,937,200	\$41,937,200	\$4,421,104	\$4,421,104	\$37,516,096	\$37,516,096
Building Materials & Garden Equip .	\$225,118,427	\$225,118,427	\$28,638,400	\$28,638,400	\$196,480,027	\$196,480,027
Food & Beverage Stores	\$199,180,846	\$663,936,153 (3)	\$57,418,478	\$191,394,927 (3)	\$141,762,368	\$472,541,227
Gasoline Stations	\$335,255,476	\$335,255,476	\$40,648,552	\$40,648,552	\$294,606,924	\$294,606,924
Clothing & Clothing Accessories Stores	\$101,228,313	\$101,228,313	\$38,549,560	\$38,549,560	\$62,678,753	\$62,678,753
General Merchandise Stores	\$150,633,708	\$231,744,166 (4)	\$16,167,746 (6)	\$24,873,455 (4)	\$134,465,962	\$206,870,711
Food Services & Drinking Places	\$407,738,497	\$407,738,497	\$172,952,265	\$172,952,265	\$234,786,232	\$234,786,232
Other Retail Group	\$485,246,869	\$539,168,149 (5)	\$52,082,286 (6)	\$57,869,740 (5)	\$433,164,583	\$481,298,410
Total (7)	\$2,280,383,049	\$2,880,170,095	\$437,588,129	\$586,057,740	\$1,842,794,920	\$2,294,112,355
Percent Taxable	79%		75%		80%	

Sources: California Department of Tax and Fee Administration (CDTFA), "Table 3. Taxable Sales in California Counties, By Type of Business, 2024"; U.S. Economic Census, "Retail Trade: Summary Statistics for the U.S., States, and Selected Geographies: 2022"; and ALH Urban & Regional Economics.

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

(2) For analytical purposes, the taxable retail sales base of the El Dorado County portion of the Project's market area is assumed to comprise all of El Dorado County sales less South Lake Tahoe sales, as the City of Lake Tahoe is not geographically deemed part of the Project's Market Area.

(3) 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.

(4) Sales for General Merchandise Stores have been adjusted to account for non-taxable sales, since some General Merchandise Store sales include non-taxable items. ALH Urban & Regional Economics estimates that at least 35% of General Merchandise sales are for grocery, pharmacy, and other non-taxable items. This estimate is based on analysis of the 2022 U.S. Economic Census findings for General Merchandise stores in California.

(5) 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. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with representatives of the California Department of Fee and Tax Administration (when it was formerly called the Board of Equalization and examination of U.S. Census data. In California, drug store sales in 2024 represented approximately 5.5% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.

(6) The source data from CDTFA do not disclose taxable retail sales in General Merchandise Stores in South Lake Tahoe. Such lack of disclosure typically occurs when one major retailer dominates a retail category, in such a manner that reporting the category sales would identify the store's sales. To maintain confidentiality, the CDTFA in these instances combines the category sales in with the Other Retail Group sales. In order to estimate these sales for South Lake Tahoe, ALH Economics developed an estimate, assuming that General Merchandise Stores sales in South Lake Tahoe are the same percentage as the combined General Merchandise Stores and Other Retail Group sales countywide. In this instance that percentage is 24%, and South Lake Tahoe's combined General Merchandise Stores and Other Retail Group sales total \$68,250,032.

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

Exhibit 7
Total Retail Sales Estimates (1)
Amador County (2)
in 2024 Dollars

Type of Retailer	Total Taxable Sales	Adjusted to Taxable & Nontaxable Total
Motor Vehicles & Parts Dealers	\$20,912,135	\$20,912,135
Home Furnishings & Appliance Stores	\$7,032,764	\$7,032,764
Building Materials & Garden Equip .	\$69,209,718	\$69,209,718
Food & Beverage Stores	\$50,069,097	\$166,896,990 (3)
Gasoline Stations	\$62,846,993	\$62,846,993
Clothing & Clothing Accessories Stores	\$9,071,005	\$9,071,005
General Merchandise Stores	\$50,759,447	\$78,091,457 (4)
Food Services & Drinking Places	\$57,660,314	\$57,660,314
Other Retail Group	\$89,552,551	\$99,503,750 (5)
Total (6)	\$417,114,024	\$571,225,126
Percent Taxable	73%	

Sources: California Department of Tax and Fee Administration (CDTFA), "Table 3. Taxable Sales in California Counties, By Type of Business, 2024"; U.S. Economic Census, "Retail Trade: Summary Statistics for the U.S., States, and Selected Geographies: 2022"; and ALH Urban & Regional Economics (ALH Economics).

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

(2) For analytical purposes, the taxable retail sales base of the Amador County portion of the Project's market area is assumed to comprise all of Amador County sales.

(3) 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.

(4) Sales for General Merchandise Stores have been adjusted to account for non-taxable sales, since some General Merchandise Store sales include non-taxable items. ALH Urban & Regional Economics estimates that at least 35% of General Merchandise sales are for grocery, pharmacy, and other non-taxable items. This estimate is based on analysis of the 2022 U.S. Economic Census findings for General Merchandise stores in California.

(5) 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. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with representatives of the California Department of Fee and Tax Administration (when it was formerly called the Board of Equalization) and examination of U.S. Census data. In California, drug store sales in 2024 represented approximately 5.5% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.

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

Exhibit 8
El Dorado County Less South Lake Tahoe
Household Retail Demand, Sales Attraction, and Spending Analysis (1)
in 2024 Dollars

Type of Retailer	El Dorado County Less South Lake Tahoe Household Spending						Retail Sales Attraction/(Leakage)	
	Per Household		Total Demand (4)	Percent E-Commerce (5)	Remaining Brick & Mortar Demand (6)	El Dorado County Sales Less South Lake Tahoe (7)	(8)	
	Spending (2)	Sales (3)					Amount	Percent
Motor Vehicles & Parts Dealers	\$6,540	\$4,554	\$441,331,321	5%	\$419,264,755	\$307,333,975	(\$111,930,780)	-25%
Home Furnishings & Appliance Stores	\$2,271	\$556	\$153,258,877	25%	\$114,944,158	\$37,516,096	(\$77,428,062)	-51%
Building Materials & Garden Equip. (9)	\$2,820	\$2,911	\$190,287,589	13%	\$166,501,640	\$196,480,027	\$29,978,387	15%
Food & Beverage Stores	\$7,217	\$7,002	\$487,066,408	3%	\$472,454,415	\$472,541,227	\$86,811	0%
Gasoline Stations	\$3,566	\$4,365	\$240,673,532	0%	\$240,673,532	\$294,606,924	\$53,933,392	18%
Clothing & Clothing Accessories Stores	\$3,023	\$929	\$203,996,954	20%	\$163,197,563	\$62,678,753	(\$100,518,810)	-49%
General Merchandise Stores	\$4,947	\$3,065	\$333,871,118	20%	\$267,096,894	\$206,870,711	(\$60,226,183)	-18%
Food Services & Drinking Places	\$6,192	\$3,479	\$417,845,798	0%	\$417,845,798	\$234,786,232	(\$183,059,566)	-44%
Other Retail Group (10)	\$5,314	\$7,132	\$358,640,995	25%	\$268,980,746	\$481,298,410	\$212,317,663	44%
Total (all retail types)	\$41,889	\$33,993	\$2,826,972,593	10.5% (11)	\$2,530,959,503	\$2,294,112,355	(\$236,847,148)	-8%

Sources: Claritas, Demographic Quick Facts, Select El Dorado County and Amador County census tracts; State of California Department of Finance, Table E-5 for 2024; Retail Indicators Branch, U.S. Census Bureau, "Table 1. Supplemental Estimated Quarterly US Retail Trade Sales: Total and E-Commerce, 2022Q4"; ecommercedb (a partner of Statista, see <https://ecommercedb.com/insights/ecommerce-shares-in-top-product-categories>); "U.S. Retail Market Outlook," March 2021, page 7, Cushman & Wakefield; "California Retail Analytics: Expanding Retailers and Retail Stores Sales Estimate," page 4, HdL ECONsolutions, 2019; emarketer.com (retail sales per square foot); and ALH Urban & Regional Economics.

(1) All figures are expressed in 2024 dollars.

(2) The per household spending estimates for El Dorado County less South Lake Tahoe were generated by ALH Urban & Regional Economics by taking the estimated El Dorado County average 2025 area household income figure of \$161,661 from Claritas and multiplying by 26%, utilizing the assumption that 26% of household income is spent on California Department of Tax and Fee Administration (CDTFA) type retail (see Exhibit B-3). El Dorado County average household income is assumed to comprise a proxy for all county households less South Lake Tahoe. This figure was then multiplied by the percentages calculated from the ratio of the CDTFA sales for the State of California. See Exhibit B-2.

(3) Presented for illustrative purposes. Comprises El Dorado County sales less South Lake Tahoe sales divided by the estimated household count of 67,487, from the State of California Department of Finance.

(4) Total Demand represents per household spending multiplied by the 2024 household count for Unincorporated El Dorado County of 67,487, per the State of California Department of Finance (with housing unit count deemed a proxy for households).

(5) Percentages estimated based on review of governmental data sources and various retail and e-commerce industry publications (see Sources).

(6) Comprises the balance of household demand anticipated to be expressed for brick and mortar stores, after deducting the percent of demand assumed to be satisfied by internet sales.

(7) See Exhibit 6.

(8) Comprises sales less demand. Categories with attraction are characterized by positive amounts or percentages, and categories with leakage are characterized by negative amounts or percentages. A positive percentage indicates the share of the sales base that comprises attraction while a negative percentage indicates the share of retail demand that is leaking outside the market area.

(9) Building Materials and Garden Equipment includes hardware stores, plumbing and electrical supplies, paint and wallpaper products, glass stores, lawn and garden equipment, and lumber.

(10) Other Retail Group includes drug stores, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

(11) Weighted average totals.

Exhibit 9
Amador County
Household Retail Demand, Sales Attraction, and Spending Analysis (1)
in 2024 Dollars

Type of Retailer	Household Spending on Retail						Retail Sales	
	Per Household		Total Demand (4)	Percent E-Commerce (5)	Remaining Brick & Mortar Demand (6)	Amador County Retail Sales (7)	Attraction/(Leakage) (8)	
	Spending (2)	Sales (3)					Amount	Percent
Motor Vehicles & Parts Dealers	\$4,954	\$1,308	\$79,228,375	5%	\$75,266,956	\$20,912,135	(\$54,354,821)	-69%
Home Furnishings & Appliance Stores	\$1,720	\$440	\$27,513,234	25%	\$20,634,925	\$7,032,764	(\$13,602,161)	-49%
Building Materials & Garden Equip. (9)	\$2,136	\$4,328	\$34,160,677	13%	\$29,890,592	\$69,209,718	\$39,319,126	57%
Food & Beverage Stores	\$5,467	\$10,436	\$87,438,798	3%	\$84,815,634	\$166,896,990	\$82,081,356	49%
Gasoline Stations	\$2,702	\$3,930	\$43,206,027	0%	\$43,206,027	\$62,846,993	\$19,640,966	31%
Clothing & Clothing Accessories Stores	\$2,290	\$567	\$36,621,800	20%	\$29,297,440	\$9,071,005	(\$20,226,435)	-55%
General Merchandise Stores	\$3,748	\$4,883	\$59,936,979	20%	\$47,949,583	\$78,091,457	\$30,141,874	39%
Food Services & Drinking Places	\$4,690	\$3,605	\$75,012,224	0%	\$75,012,224	\$57,660,314	(\$17,351,910)	-23%
Other Retail Group (10)	\$4,026	\$6,222	\$64,383,700	25%	\$48,287,775	\$99,503,750	\$51,215,975	51%
Total (all retail types)	\$31,733	\$35,717	\$507,501,813	10.5% (11)	\$454,361,156	\$571,225,126	\$116,863,970	20%

Sources: Claritas, Demographic Quick Facts, El Dorado County; State of California Department of Finance, Table E-5 for 2024; Retail Indicators Branch, U.S. Census Bureau, "Table 1. Supplemental Estimated Quarterly US Retail Trade Sales: Total and E-Commerce, 2022Q4"; ecommercedb (a partner of Statista, see <https://ecommercedb.com/insights/ecommerce-shares-in-top-product-categories>); "U.S. Retail Market Outlook," March 2021, page 7, Cushman & Wakefield; "California Retail Analytics: Expanding Retailers and Retail Stores Sales Estimate," page 4, HdL ECONsolutions, 2019; emarketer.com (retail sales per square foot); and ALH Urban & Regional Economics.

(1) All figures are expressed in 2024 dollars.

(2) The per household spending estimates for Amador County were generated by ALH Urban & Regional Economics by taking the estimated county average 2025 area household income figure of \$107,536 from Claritas and multiplying by 30%, utilizing the assumption that 30% of household income is spent on California Department of Tax and Fee Administration (CDTFA) type retail (see Exhibit B-3). This figure was then multiplied by the percentages calculated from the ratio of the CDTFA sales for the State of California (see Exhibit B-2.)

(3) Presented for illustrative purposes. Comprises Amador County sales divided by the estimated household count of 15,993, from the State of California Department of Finance. This estimate is nearly identical to the estimate of 15,991 from Claritas, presented in Table 4.

(4) Total Demand represents per household spending multiplied by the 2024 household count for Amador County of 15,993, per the State of California Department of Finance (with housing unit count deemed a proxy for households).

(5) Percentages estimated based on review of governmental data sources and various retail and e-commerce industry publications (see Sources).

(6) Comprises the balance of household demand anticipated to be expressed for brick and mortar stores, after deducting the percent of demand assumed to be satisfied by internet sales.

(7) See Exhibit 7.

(8) Comprises sales less demand. Categories with attraction are characterized by positive amounts or percentages, and categories with leakage are characterized by negative amounts or percentages. A positive percentage indicates the share of the sales base that comprises attraction while a negative percentage indicates the share of retail demand that is leaking outside the

(9) Building Materials and Garden Equipment includes hardware stores, plumbing and electrical supplies, paint and wallpaper products, glass stores, lawn and garden equipment, and lumber.

(10) Other Retail Group includes drug stores, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

(11) Weighted average totals.

Exhibit 10
El Dorado Hills Costco Warehouse and Fuel Facility Market Area
Household Retail Demand (1)
2025

Type of Retailer	Market Area Household Spending			
	Per Household Spending (2)	Total Demand (3)	Percent E-Commerce (4)	Remaining Brick & Mortar Demand (5)
Motor Vehicles & Parts Dealers	\$6,543	\$442,903,362	5%	\$420,758,194
Home Furnishings & Appliance Stores	\$2,272	\$153,804,792	25%	\$115,353,594
Building Materials & Garden Equip. (6)	\$2,821	\$190,965,402	13%	\$167,094,726
Food & Beverage Stores	\$7,221	\$488,801,359	3%	\$474,137,318
Gasoline Stations	\$3,568	\$241,530,822	0%	\$241,530,822
Clothing & Clothing Accessories Stores	\$3,025	\$204,723,600	20%	\$163,778,880
General Merchandise Stores	\$4,950	\$335,060,381	20%	\$268,048,305
Food Services & Drinking Places	\$6,195	\$419,334,183	0%	\$419,334,183
Other Retail Group (7)	\$5,317	\$359,918,490	25%	\$269,938,868
Total (all retail types) (8)	\$41,914	\$2,837,042,391	10.5%	\$2,539,974,890

Sources: Claritas, Demographic Quick Facts, Select Census Tracts, El Dorado and Amador counties; Retail Indicators Branch, U.S. Census Bureau, "Table 1. Supplemental Estimated Quarterly US Retail Trade Sales: Total and E-Commerce, 2022Q4"; ecommercedb (a partner of Statista, see <https://ecommercedb.com/insights/ecommerce-shares-in-top-product-categories>); "U.S. Retail Market Outlook," March 2021, page 7, Cushman & Wakefield; "California Retail Analytics: Expanding Retailers and Retail Stores Sales Estimate," page 4, HdL ECONsolutions, 2019; emarketer.com (retail sales per square foot); and ALH Urban & Regional Economics.

(1) All figures are expressed in 2025 dollars.

(2) The per household spending estimates for the market area were generated by ALH Urban & Regional Economics by taking the estimated market area average 2025 household income figure of \$161,755 from Claritas and multiplying by 26%, utilizing the assumption that 26% of household income is spent on California Department of Tax and Fee Administration (CDTFA) type retail (see Exhibit B-3). This figure was then multiplied by the percentages calculated from the ratio of the CDTFA sales for the State of California. See Exhibit B-2.

(3) Total Demand represents per household spending multiplied by the 2025 household count for the El Dorado Hills Costco Market Area of 67,688, per Claritas (see Table 4).

(4) Percentages estimated based on review of governmental data sources and various retail and e-commerce industry publications (see Sources).

(5) Comprises the balance of household demand anticipated to be expressed for brick and mortar stores, after deducting the percent of demand assumed to be satisfied by internet sales.

(6) Building Materials and Garden Equipment includes hardware stores, plumbing and electrical supplies, paint and wallpaper products, glass stores, lawn and garden equipment, and lumber.

(7) Other Retail Group includes drug stores, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other

(8) Percentages are weighted average totals.

Exhibit 11
El Dorado Hills Costco Warehouse and Fuel Facility Market Area
Market Area Retail Sales Attraction/(Leakage)
in 2024 Dollars

Type of Retailer	Market Area Brick & Mortar Retail Demand (1)	Retail Sales			Market Area Retail Sales Attraction/(Leakage) (4)	
		Portion of Market Area		Total	Amount	Percent
		El Dorado County (2)	Amador County (3)			
Motor Vehicles & Parts Dealers	\$420,758,194	\$307,333,975	\$20,912,135	\$328,246,110	(\$92,512,084)	-22%
Home Furnishings & Appliance Stores	\$115,353,594	\$37,516,096	\$7,032,764	\$44,548,860	(\$70,804,734)	-61%
Building Materials & Garden Equip.	\$167,094,726	\$196,480,027	\$69,209,718	\$265,689,745	\$98,595,019	37%
Food & Beverage Stores	\$474,137,318	\$472,541,227	\$166,896,990	\$639,438,217	\$165,300,898	26%
Gasoline Stations	\$241,530,822	\$294,606,924	\$62,846,993	\$357,453,917	\$115,923,095	32%
Clothing & Clothing Accessories Stores	\$163,778,880	\$62,678,753	\$9,071,005	\$71,749,758	(\$92,029,122)	-56%
General Merchandise Stores	\$268,048,305	\$206,870,711	\$78,091,457	\$284,962,168	\$16,913,863	6%
Food Services & Drinking Places	\$419,334,183	\$234,786,232	\$57,660,314	\$292,446,546	(\$126,887,637)	-30%
Other Retail Group	\$269,938,868	\$481,298,410	\$99,503,750	\$580,802,160	\$310,863,292	54%
Total	\$2,539,974,890	\$2,294,112,355	\$571,225,126	\$2,865,337,481	\$325,362,591	11%

Source: ALH Urban & Regional Economics.

(1) See Exhibit 10.

(2) See Exhibit 8.

(3) See Exhibit 9.

(4) The cumulative leakage totals -\$382,233,577 and the cumulative attraction totals \$707,596,168, resulting in the aggregate net attraction of \$325,362,591.

Exhibit 12
El Dorado Hills Costco Consumer Sales Market Area Sales Impact
2024 Dollars

Type of Retailer	Costco Net New Consumer Sales (1)	Market Area Leakage (2)	Remaining Leakage After Project Absorption	Project Sales in Excess of Retail Leakage (3)	Market Area Total Retail Sales (4)	Sales Impact as a Percent of Sales Base (5)	Sales Impact Above 5% (6)	
							Percent	Volume
Motor Vehicles & Parts Dealers	\$3,005,883	(\$92,512,084)	(\$89,506,201)	\$0	\$328,246,110	0.0%	0.0%	\$0
Home Furnishings & Appliance Stores	\$8,360,112	(\$70,804,734)	(\$62,444,622)	\$0	\$44,548,860	0.0%	0.0%	\$0
Building Materials & Garden Equip .	\$1,502,941	\$0	\$0	\$1,502,941	\$265,689,745	0.6%	0.0%	\$0
Food & Beverage Stores	\$47,911,300	\$0	\$0	\$47,911,300	\$639,438,217	7.5%	2.5%	\$15,939,389
Gasoline Stations	\$28,173,420	\$0	\$0	\$28,173,420	\$357,453,917	7.9%	2.9%	\$10,300,724
Clothing & Clothing Accessories Stores	\$3,099,817	(\$92,029,122)	(\$88,929,306)	\$0	\$71,749,758	0.0%	0.0%	\$0
General Merchandise Stores	\$7,863,724	\$0	\$0	\$7,863,724	\$284,962,168	2.8%	0.0%	\$0
Food Services & Drinking Places	\$1,268,107	(\$126,887,637)	(\$125,619,530)	\$0	\$292,446,546	0.0%	0.0%	\$0
Other Retail Group	\$12,829,195	\$0	\$0	\$12,829,195	\$580,802,160	2.2%	0.0%	\$0
Total (5)	\$114,014,498	(\$382,233,577)	(\$366,499,659)	\$98,280,580	\$2,865,337,481	3.4%	0.9%	\$26,240,113

Source: ALH Urban & Regional Economics.

(1) See Exhibit 5.

(2) See Exhibit 11. Retail categories with \$0 leakage are identified as attraction categories in this source exhibit.

(3) For retail categories characterized by retail attraction there are no Project sales in excess of retail leakage. However, for categories with leakage, this calculation assumes the Project will absorb leakage up to the full amount of leakage or the full amount of Project sales, whichever figure is lower. In this case, for categories with leakage, the Project's consumer sales are much greater than the leakage, indicating the Project will be well-positioned to absorb the existing leakage. These are considered the Project's maximum impacts.

(4) See Exhibit 11.

(5) This column comprises "Project Sales in Excess of Retail Leakage" divided by "Market Area Total Retail Sales."

(6) A threshold of 5% sales impact is deemed reasonable, reflecting the type of economic changes retailers should anticipate and be able to withstand given swings in the local economy. These are considered the Project's minimum impacts.

Exhibit 13
 Representative Grocery Stores, Other Food Stores, and General Merchandise Stores
 El Dorado Hills Costco Market Area (1)
 Spring and Early Summer 2025 (2)

Map # (3)	Type of Store/Store Name	Shopping Center and Type (4)	Address	Area	Miles from Costco Site (5)	Direction from Site	Adjoining Vacancies	Type of Store
Full Service Grocery Stores								
El Dorado County								
1	Nugget Markets	Market Place at Town Center, neighborhood	4500 Post St	El Dorado Hills	1.6	Southwest	Yes, 1 small	Upscale grocery store
2	Raley's O-N-E Market	Village Square Center, neighborhood	3935 Park Dr	El Dorado Hills	1.9	Southwest	Yes, 1 small	Upscale grocery store
3	Safeway	Sienna Ridge, neighborhood	3383 Bass Lake Rd	El Dorado Hills	3.2	Northeast	Yes, 2 small	Full service grocery store
4	Safeway	Green Valley Marketplace, neighborhood	2207 Francisco Dr	El Dorado Hills	4.1	North	Yes, 2 small	Full service grocery store
5	Bel Air	Goldorado Center, neighborhood	3510 Palmer Dr	Cameron Park	5.5	East	Yes, 7 small	Full service grocery store
6	Fork Lift	Stand-alone, small adjacent center	3333 Coach Ln	Cameron Park	5.6	East	Yes, 1 small	Warehouse-style grocery store
7	Safeway	Cameron Park Place, neighborhood	3380 Coach Ln	Cameron Park	5.5	East	Yes, 4 small	Full service grocery store
8	Grocery Outlet	Stand-alone, but next to CVS-anchored Green Valley Station (see Exhibit 11).	3040 Green Valley Rd	Cameron Park	6.0	Northeast	Not Applicable	Discount grocery store
9	Save Mart	Prospector's Plaza, community	3964 Missouri Flat Rd	Placerville	13.5	Northeast	Yes, 1 small (former bank)	Full service grocery store
10	Safeway	Missouri Flat Village, neighborhood	3955 Missouri Flat Rd	Placerville	13.5	Northeast	Yes, 5 small	Full service grocery store
11	Raley's	Stand-alone, but some adjacent retail, and across the road from a small neighborhood strip center, Discovery Plaza (see Exhibit 11)	166 Placerville Dr	Placerville	14.6	Northeast	Not Applicable, but 2 small vacancies at Discovery Plaza	Full service grocery store
12	Save Mart	Stand-alone, but next to a strip center, Hangtown Village Square (see Exhibit 11)	1270 Broadway	Placerville	17.1	Northeast	Not Applicable, but no vacancies at Hangtown Village Square	Full service grocery store
13	Grocery Outlet	Anchor tenant in strip center, neighborhood	1426 Broadway	Placerville	17.6	Northeast	Yes, 6 small vacancies	Discount grocery store
14	Holiday Market	Stand-alone, but next to a neighborhood strip center, Pleasant Valley Square	4653 Mt. Aukum Road	Placerville	24-25	East/Northeast	Not Applicable, but 1 small vacancy at Pleasant Valley Square	Full service grocery store
15	Safeway	Stand-alone, but next to a neighborhood strip center, Pleasant Valley Square	6498 Pony Express Trail	Pollock Pines	30.0	East	Not Applicable	Full service grocery store
Amador County								
16	Pokerville Market	Stand-alone	18170 CA-49	Plymouth	22.5	Southeast	Not Applicable	Full service grocery store
17	Safeway	Amador Ridge, community	12110 Industry Blvd	Martell	28.3	Southeast	Yes, 7 small	Full service grocery store
18	Save Mart	Amador Shopping Plaza, neighborhood	11980 Highway 88	Martell	29.0	Southeast	None visible	Full service grocery store
19	Cost Less Food Company	Jackson Creek Plaza, neighborhood center	555 CA-49 Jackson, CA	Jackson	30.0	Southeast	Yes, 4 small	Full service grocery store
20	Grocery Outlet	Two-store center	9 No State Hwy 49-88	Jackson	30.5	Southeast	Vacant Joann Fabric	Full service grocery store
21	Raley's	Gold Country Center, community center	781 State Hwy 49	Jackson	31.2	Southeast	None visible	Full service grocery store
22	Ione Market	Ione Plaza, neighborhood center	313 Preston Avenue	Ione	26.5	South	None visible	Full service grocery store

continued on the next page

Exhibit 13
Representative Grocery Stores, Other Food Stores, and General Merchandise Stores
El Dorado Hills Costco Market Area (1)
Spring and Early Summer 2025 (2)

Map # (3)	Type of Store/Store Name	Shopping Center and Type (4)	Address	Area	Miles from Costco Site (5)	Direction from Site	Adjoining Vacancies	Type of Store
Other Food Stores								
El Dorado County								
23	Placerville Food Co-op	Stand-alone	535 Placerville Dr	Placerville	15.3	Northeast	Not Applicable	Niche grocery store
Amador County								
24	Gold Trail Natural Foods	Mother Lode Plaza, neighborhood	625 S State Highway 49	Jackson	30.9	Southeast	Numerous, number unclear	Niche grocery store
General Merchandise Stores (6)								
El Dorado County								
25	Target	El Dorado Hills Town Center, sub-regional	4400 Town Center Blvd	El Dorado Hills	1.5	Southwest	Yes, 1 small	General Merchandise
26	Target	Prospector's Plaza, community	3968 Missouri Flat Rd	Placerville	13.5	Northeast	Yes, 1 small (former bank)	General Merchandise
27	Walmart	Stand-alone	4300 Missouri Flat Rd	Placerville	14.2	Northeast	Not Applicable	General Merchandise
Amador County								
28	Walmart	Stand-alone, remodeled early 2025	10355 Wicklow Way	Martell	29.5	Southeast	Not Applicable	General Merchandise

Sources: Google Maps; Google Earth; and ALH Urban & Regional Economics.

- (1) Includes representative stores in the El Dorado County and Amador County portions of the market area.
- (2) Stores by category are listed generally by distance from the proposed El Dorado Hills Costco Development, located at the intersection of Clarksville Crossing & Silva Valley Parkway.
- (3) See Figure 2 for store locations.
- (4) Includes shopping center name when available and the type of center, based on size and tenant mix, as identified by ALH Urban & Regional Economics.
- (5) For distance mapping purposes the intersection of Clarksville Crossing & Silva Valley Parkway is utilized as the future Costco Development address.
- (6) General Merchandise stores also include food sales.

Exhibit 14
Representative Grocery Stores, Other Food Stores, and General Merchandise Stores
El Dorado Hills Costco Market Area (1)
Prospective Store Impacts

Tier and Store (2)	Area	Miles From Costco Site	Type of Store	Immediate Area		Category Weight Given		Share of Diverted Sales Less Allocation to Fourth Tier (5)	Tier Sales Impact (11)	
				Population Served	Percent of Total	Proximity to Costco Site (3)	Weighted Population (4)		Minimum	Maximum
Total Food Stores Category Impact (6)									\$15,939,389	\$47,911,300
First Tier (Closest) Food-Selling Stores				74,378 (7)	51%	2.0	148,756	64%	\$9,156,024	\$27,521,572
Average First Tier Store Sales Impact (9 stores)									\$1,017,336	\$3,057,952
Target	El Dorado Hills	1.5	General Merchandise							
Nugget Markets	El Dorado Hills	1.6	Upscale grocery store							
Raley's O-N-E Market	El Dorado Hills	1.9	Upscale grocery store							
Safeway	El Dorado Hills	3.2	Full service grocery store							
Safeway	El Dorado Hills	4.1	Full service grocery store							
Bel Air	Cameron Park	5.5	Full service grocery store							
Safeway	Cameron Park	5.5	Full service grocery store							
Fork Lift	Cameron Park	5.6	Warehouse-style grocery store							
Grocery Outlet	Cameron Park	6.0	Discount grocery store							
Second Tier Food-Selling Stores				25,685 (8)	18%	1.5	38,528	17%	\$2,371,392	\$7,128,031
Average Second Tier Store Sales Impact (8 stores)									\$296,424	\$891,004
Save Mart	Placerville	13.5	Full service grocery store							
Safeway	Placerville	13.5	Full service grocery store							
Target	Placerville	13.5	General Merchandise							
Walmart	Placerville	14.2	General Merchandise							
Raley's	Placerville	14.6	Full service grocery store							
Placerville Food Co-op	Placerville	15.3	Niche grocery store							
Save Mart	Placerville	17.1	Full service grocery store							
Grocery Outlet	Placerville	17.6	Discount grocery store							
Third Tier Food-Selling Stores				45,784 (9)	31%	1.0	45,784	20%	\$2,818,034	\$8,470,567
Average Third Tier Store Sales Impact (11 stores)									\$256,185	\$770,052
Pokerville Market	Plymouth	22.5	Full service grocery store							
Holiday Market	Placerville	24-25	Full service grocery store							
Ione Market	Ione	26.5	Full service grocery store							
Safeway	Martell	28.3	Full service grocery store							
Save Mart	Martell	29.0	Full service grocery store							
Walmart	Martell	29.5	General Merchandise							
Safeway	Pollock Pines	30.0	Full service grocery store							
Cost Less Food Company	Jackson	30.0	Full service grocery store							
Grocery Outlet	Jackson	30.5	Full service grocery store							
Gold Trail Natural Foods	Jackson	30.9	Niche grocery store							
Raley's	Jackson	31.2	Full service grocery store							
Fourth Tier Food-Selling Stores (10)				NA	10%	NA	NA	NA	\$1,593,939	\$4,791,130
Various Other, Minor Stores All Market Area									NA	NA

Sources: Exhibits 3, 4, and 13; and ALH Urban & Regional Economics.

- (1) See Exhibit 13 for all store information presented herein except for Immediate Area Population.
- (3) Weights are assigned each tier (excepting the Fourth Tier) to also take into consideration proximity to the Costco site. These weights are applied to the population counts for each area to acknowledge the likelihood that persons living closer to the Costco site may have a greater propensity to shop at Costco than those living further away.
- (4) This column comprises the area population multiplied by the assigned category weight.
- (5) This is the share of the sales impact allocated to each respective tier. These shares add to 100%, but are applied to the Total Food Stores Category Impact less the 10% of sales impact assumed to impact various minor stores located throughout the market area, represented as the Fourth Tier, but not inventoried for the purpose of this study.
- (6) See Exhibit 12.
- (7) Comprises the population counts in Exhibit 3 for El Dorado Hills, Cameron Park, and Shingle Springs.
- (8) Comprises the population counts in Exhibit 3 for Placerville, Diamond Springs, and the other El Dorado County market area locations.
- (9) Comprises the market area population counts in Exhibit 4 for the Amador County population within the market area plus Pollock Pines in El Dorado County.
- (10) This analysis assumes that 10% of the prospective Project sales impact is distributed among various other commercial operations in the market area that also sell food products.
- (11) The impact is based on the percentage share of diverted sales multiplied by 90% of the Total Food Stores Category Impact, which excludes the Fourth Tier. These impact figures are a minimum of \$14,345,450 and a maximum of \$43,120,170.

Exhibit 15
 Representative Market Area Gas Stations (1)
 El Dorado Hills, Cameron Park, Shingle Springs
 Select Gas Station Characteristics
 March 27, 2025

Map # (2)	Location and Name of Station	Address Name of Shopping Center (if applicable) (3)	Distance from Planned Costco Warehouse (miles) (4)	Number of Fueling Pumps/Handles (5)	Price of Gas per Gallon (6)			Name and Size of Convenience Store	Hours	Hours/Week Gas Available	Unique Station Features
					Type	Cash	Credit				
Folsom											
	Costco	1800 Cavitt Drive, Folsom	5.1	11/22	Regular Premium		\$4.299 \$4.899		M - F: 6 am - 10:00 pm Sat: 6 am - 8:30 pm Sun: 6 am - 8 pm	108.5	
El Dorado Hills											
1	Shell	1021 Saratoga Way	1.5	7/14	Regular Plus V-Power Nitro +		\$4.899 \$5.100 \$5.399	Mixx Market (mid-size)	Gas 24/7 Store 4:30 am - 1:30 am	168	Car Wash
2	76	1020 Saratoga Way	1.5	4/8	Regular Plus Premium	\$4.599 \$4.899 \$5.099	\$4.899 \$5.199 \$5.399	Food Mart (small)	Gas 24/7 Store 6 am - 10 pm	168	Auto Care Service with Smog Check
3	Chevron	4316 Town Center Blvd El Dorado Hills Town Center	1.5	6/12	Regular Plus Supreme Diesel		\$4.899 \$5.199 \$5.399 \$5.249	7/11 (mid-size)	Gas and Store 24/7	168	None
4	Valero	4315 Town Center Blvd Market Place at Town Center	1.6	5/10	Regular Plus Supreme Diesel		\$4.929 \$5.229 \$5.429 \$5.299	Food Shop (mid-size)	Gas and Store 24/7	168	Car Wash
5	Safeway	3387 Bass Lake Road Sienna Ridge	3.2	6/12	Regular Premium Diesel	\$4.359 \$4.999 \$4.899	\$4.459 \$5.099 \$4.999	Safeway Express (mid-size)	Gas 24/7 Store 5 am - 11 pm	168	None
6	Safeway	2207 Francisco Drive Safeway-anchored Shopping Center	4.1	8/16	Regular Plus Premium Diesel		\$4.399 \$4.899 \$5.059 \$4.999	Safeway Express (kiosk)	Gas 24/7 Store 5 am - 11 pm	168	None
7	Arco	300 Green Valley Road	5.1	7/14	Regular Plus Premium Diesel	\$4.459 \$4.759 \$5.059 \$4.959	\$4.559 \$4.859 \$5.159 \$5.059	am pm (large)	Gas and Store 24/7	168	Car wash. Free vacuums.
8	Chevron	341 Green Valley Road	5.2	4/8	Regular Plus Supreme Diesel		\$4.699 \$5.099 \$5.399 \$5.299	Food Mart (mid-size)	Gas 24/7 Store 7 am - 10 pm	168	None

continued on the next page

Exhibit 15, continued
 Representative Market Area Gas Stations (1)
 El Dorado Hills, Cameron Park, Shingle Springs
 Select Gas Station Characteristics
 March 27, 2025

Map # (2)	Location and Name of Station	Address Name of Shopping Center (if applicable) (3)	Distance from Planned Costco Warehouse (miles) (4)	Number of Fueling Pumps/Handles (5)	Price of Gas per Gallon (6)			Name and Size of Convenience Store	Hours	Hours/Week Gas Available	Unique Station Features
					Type	Cash	Credit				
Folsom											
	Costco	1800 Cavitt Drive, Folsom	5.1	11/22	Regular		\$4.299		M - F: 6 am - 10:00 pm Sat: 6 am - 8:30 pm Sun: 6 am - 8 pm	108.5	
					Premium		\$4.899				
Cameron Park											
9	Arco	2580 Merrychase Drive	3.7	6/12	Regular	\$4.459	\$4.559	am pm	Gas and Store 24/7	168	Car Wash
					Plus	\$4.759	\$4.859	(mid-size)			
					Premium	\$5.059	\$5.159				
					Diesel	\$4.959	\$5.059				
10	Chevron	3940 Cambridge Road	3.8	6/12	Regular		\$5.099	Extra Mile	Gas 24/7	168	Car Wash
					Plus		\$5.399	(large)	Store 4 am - 11 pm		
					Premium		\$5.799				
					Diesel		\$5.199				
11	Kwik Serve	3969 Cameron Park Drive Goldorado Shopping Center	5.3	4/8	Regular	\$4.379	\$4.479	kwik in kwik out	Gas 24/7	168	None
					Plus	\$4.579	\$4.679	(small to mid)	Store 6 am - 10:30 pm		
					Premium	\$4.679	\$4.779				
					Diesel	\$4.799	\$4.899				
12	Sinclair	3405 Coach Lane	5.4	6/12	Regular	\$4.399	\$4.499	No Name	Gas 24/7	168	Car Wash
					Plus	\$4.599	\$4.699	(small)	Store 6 am - 10 pm		
					Premium	\$4.799	\$4.899				
13	76	4051 Cameron Park Drive	5.4	6/12	Regular	\$4.999	\$4.999	Power Market	Gas and Store 24/7	168	Car Wash
					Plus	\$5.199	\$5.199	(mid-size)			
					Premium	\$5.399	\$5.399				
					Diesel	\$4.999	\$4.999				
					E85	\$3.599	\$3.599				
14	Chevron	3381 Coach Lane	5.4	6/12	Regular	\$5.099	\$5.199	Extra Mile	Gas and Store 24/7	168	Car Wash
					Plus	\$5.299	\$5.399	(mid-size)			
					Premium	\$5.499	\$5.599				
					Diesel	\$5.199	\$5.299				
15	Valero	2643 Cameron Park Drive Winery Plaza Shopping Center	6.3	2/4	Regular		\$4.899	Adjacent Store	Gas 24/7	168	None
					Plus		\$5.099	Vineyard Liquor	Store 6 am - 10 pm		
					Premium		\$5.299	Market			
16	76	2650 Cameron Park Drive Cameron Park Plaza	6.3	2/4	Regular	\$4.779	\$4.879	Rocket	Gas and Store 24/7	168	None
					Plus	\$4.979	\$5.079	(mid-size)			
					Premium	\$5.179	\$5.279				
					Diesel	\$4.959	\$5.059				

continued on the next page

Exhibit 15, continued
 Representative Market Area Gas Stations (1)
 El Dorado Hills, Cameron Park, Shingle Springs
 Select Gas Station Characteristics
 March 27, 2025

Map # (2)	Location and Name of Station	Address Name of Shopping Center (if applicable) (3)	Distance from Planned Costco Warehouse (miles) (4)	Number of Fueling Pumps/Handles (5)	Price of Gas per Gallon (6)			Name and Size of Convenience Store	Hours	Hours/Week Gas Available	Unique Station Features
					Type	Cash	Credit				
Folsom											
	Costco	1800 Cavitt Drive, Folsom	5.1	11/22	Regular		\$4.299		M - F: 6 am - 10:00 pm Sat: 6 am - 8:30 pm Sun: 6 am - 8 pm	108.5	
					Premium		\$4.899				
Shingle Springs											
17	76	4047 S Shingle Road	7.1	6/12	Regular	\$4.589	\$4.739	Rocket	Gas and Store 24/7	168	None
					Plus	\$4.789	\$4.939	(mid-size)			
					Premium	\$4.989	\$5.139				
					Diesel	\$5.049	\$5.199				
18	Chevron	4021 Mother Lode Drive	7.2	4/8	Regular	\$4.749	\$4.899	Gold Harvest	Gas and Store 24/7	168	None
					Plus	\$4.949	\$5.099	Market			
					Supreme	\$5.049	\$5.199	(mid-size)			
					Diesel	\$5.249	\$5.399	(with seating)			
19	Red Hawk Travel Center	3920 Shingle Springs Drive	8.9	7/14	Regular		\$4.299	Red Hawk	Gas 24/7	168	Long hoses. RV waste station. Car Wash.
					Plus		\$4.599	Travel Center	Store 6 am - 10 pm		
					Premium		\$4.999	(large)			
					Diesel		\$4.699				
Gas Stations Totals				102/204							

Sources: Google Maps; Costco.com; and ALH Urban and Regional Economics.

- (1) This exhibit includes representative gas stations within the market area of the proposed El Dorado Hills Costco development site. It is not intended to comprise a full inventory of existing area gas stations. The gas stations closest in proximity to the site of the proposed Costco gasoline station are located within 1.5 miles of the proposed Costco site.
- (2) See Figure 3 for gas station locations.
- (3) Shopping center names are identified if the gas station is located on a pad in or adjacent to a shopping center.
- (4) For distance mapping purposes the intersection of Clarksville Crossing & Silva Valley Parkway is utilized as the future Costco gas station address.
- (5) These numbers correspond with the number of fueling pumps and handles, with two handles per gas pump.
- (6) Pricing information is based on one day of fieldwork, occurring March 27, 2025. Gas station prices for equivalent grades of gasoline (regular and premium) equal to or lower than Costco's price are in bold and shaded in gray.

Exhibit 16
 Representative Market Area Gas Stations (1)
 Placerville and Diamond Springs
 Select Gas Station Characteristics
 April 15, 2025

Map # (2)	Location and Name of Station	Address Name of Shopping Center (if applicable) (3)	Distance from Planned Costco Warehouse (miles) (4)	Number of Fueling Pumps/Handles (5)	Price of Gas per Gallon (6)			Name and Size of Convenience Store	Hours	Hours/Week Gas Available	Unique Station Features	
					Type	Cash	Credit					
Folsom												
	Costco	1800 Cavitt Drive, Folsom	5.1	11/22	Regular Premium		\$4.659 \$5.259		M - F: 6 am - 10:00 pm Sat: 6 am - 8:30 pm Sun: 6 am - 8 pm	108.5		
Placerville												
20	Safeway	3983 Missouri Flat Road Missouri Flat Village	13.5	8/16	Regular Plus Premium Diesel		\$4.659 \$4.959 \$5.259 \$4.899	\$4.759 \$5.059 \$5.359 \$4.999	Safeway Express (kiosk)	Gas 24/7 Kiosk 5 am - 11 pm	168	None
21	Chevron	3943 Missouri Flat Road Adjacent to Missouri Flat Village	13.5	2/4	Regular Plus Supreme Renewable Bio Diesel			\$4.999 \$5.299 \$5.599 \$5.199	Food Mart (small)	Gas 24/7 Store 6 am - 9 pm	168	Hangtown Affordable Auto Repair
22	7-11	3894 Missouri Flat Road Adjacent to Prospector's Plaza	13.6	6/12	Regular Mid-grade Premium Diesel		\$4.659 \$4.959 \$5.159 \$4.899	\$4.759 \$5.059 \$5.259 \$4.999	7-11 (mid-size)	Gas and Store 24/7	168	None
23	Kwik Serv	150 Placerville Drive Adjacent to Raley's	14.4	6/12	Regular Plus Premium Diesel		\$4.599 \$4.799 \$4.999 \$4.749	\$4.699 \$4.899 \$5.099 \$4.849	Kwik in Kwik Out (mid-size)	Gas 24/7 Store 6 am - 10 pm	168	None
24	76	4535 Missouri Flat Road	14.7	6/12	Regular Plus Premium Diesel			\$4.999 \$5.199 \$5.299 \$4.899	Missouri Station (mid-size)	Gas 24/7 Store 5 am - 9 pm M-F Store 8 am - 8 pm Sa/Sun	168	None
25	Speedway	519 Placerville Drive	15.3	5/10	Regular Plus Premium Diesel		\$4.649 \$4.949 \$5.149 \$4.799	\$4.749 \$5.049 \$5.249 \$4.899	Speedway (small)	Gas and Store 24/7	168	Car wash next door but not affiliated with gas station
26	Fuel 4 Less	88 Main Street Downtown Placerville	15.8	4/8	Regular Plus Premium Diesel		\$4.399 \$4.599 \$4.699 \$4.749	\$4.499 \$4.699 \$4.799 \$4.849	Food Mart (small)	Gas 24/7 Store 6 am - 2 am	168	None
27	Shell	151 Main Street Downtown Placerville	16.0	6/12	Regular Plus Shell V Power Nitro +			\$5.399 \$5.699 \$5.799	Food Mart (mid-size)	Gas 24/7 Store 5 am - 8 pm	168	None
28	76	1178 Broadway	17.0	4/8	Regular Plus Premium Diesel			\$4.799 \$4.949 \$5.099 \$4.949	Sierra Energy Express (mid-size)	Gas 24/7 Store 6 am - 9 pm	168	None

continued on the next page

Exhibit 16, continued
 Representative Market Area Gas Stations (1)
 Placerville and Diamond Springs
 Select Gas Station Characteristics
 April 15, 2025

Map # (2)	Location and Name of Station	Address Name of Shopping Center (if applicable) (3)	Distance from Planned Costco Warehouse (miles) (4)	Number of Fueling Pumps/Handles (5)	Price of Gas per Gallon (6)			Name and Size of Convenience Store	Hours	Hours/Week Gas Available	Unique Station Features
					Type	Cash	Credit				
Folsom											
	Costco	1800 Cavitt Drive, Folsom	5.1	11/22	Regular Premium		\$4.659 \$5.259		M - F: 6 am - 10:00 pm Sat: 6 am - 8:30 pm Sun: 6 am - 8 pm	108.5	
Placerville, continued											
29	Valero	1296 Broadway	17.3	4/8	Regular Plus Premium Diesel	\$4.799 \$4.899 \$5.099 \$4.899	\$4.899 \$4.999 \$5.199 \$4.999	Food Shop (small)	Gas 24/7 Store 5 am - 11 pm	168	None
30	Chevron	1312 Broadway	17.3	3/6	Regular Plus Supreme		\$5.199 \$5.299 \$5.499	Food Mart (small)	Gas 24/7 Store 6 am - 9 or 10 pm	168	None
31	Chevron	4412 Pleasant Valley Road	24.5	3/6	Regular Plus Super Diesel	\$5.199 \$5.399 \$5.599 \$5.499	\$5.299 \$5.499 \$5.699 \$5.599	Food Mart (small)	Gas 24/7 Store 6 am - 9 pm	168	None
Diamond Springs											
32	Quick Stop	4185 CA-49	14.6	6/12	Regular Mid-grade Premium Diesel		\$4.499 \$4.699 \$4.899 \$4.899	Quik Stop (mid-size)	Gas and Store 24/7	168	Touchless Car Wash
33	Bonfare	639 Pleasant Valley Road	14.7	3/6	Regular Plus Super Diesel	\$4.499 \$4.699 \$4.899 \$4.799	\$4.599 \$4.799 \$4.999 \$4.899	Food & Gas Market & Liquor	Gas 24/7 Store 5 am - 11 pm	168	Diamond Springs Tires & Wheels; Touchless Car Wash
34	Sinclair	680 Pleasant Valley Road	14.8	5/10	Regular Plus Premium Diesel	\$4.599 \$4.799 \$4.899 \$4.899	\$4.699 \$4.899 \$4.999 \$4.999	Jiffy Mart Food & Liquor	Gas 24/7 Store 5 am - 9 or 10 pm	168	None
Gas Stations Totals				71/142							

Sources: Google Maps; Costco.com; and ALH Urban and Regional Economics.

- (1) This exhibit includes representative gas stations within the market area of the proposed El Dorado Hills Costco development site. It is not intended to comprise a full inventory of existing area gas stations. The gas stations closest in proximity to the site of the proposed Costco gasoline station are located within 1.5 miles of the proposed Costco site.
- (2) Map # corresponds with mapped locations in Figure 3. El Dorado Hills Costco Project Market Area Gas Stations.
- (3) Shopping center names are identified if the gas station is located on a pad in or adjacent to a shopping center.
- (4) For distance mapping purposes the intersection of Clarksville Crossing & Silva Valley Parkway is utilized as the future Costco gas station address.
- (5) These numbers correspond with the number of fueling pumps and handles, with two handles per pump.
- (6) Pricing information is based on one day of fieldwork, occurring March 27, 2025. Gas station prices for equivalent grades of gasoline (regular and premium) equal to or lower than Costco's price are in bold and shaded in gray.

Exhibit 17
Representative Market Area Gas Stations (1)
Amador County Portion of Market Area
Select Gas Station Characteristics
July 3, 2025

Map # (2)	Location and Name of Station	Address Name of Shopping Center (if applicable) (3)	Distance from Planned Costco Warehouse (miles) (4)	Number of Fueling Pumps/Handles (5)	Price of Gas per Gallon (6)			Name and Size of Convenience Store	Hours	Hours/Week Gas Available	Unique Station Features
					Type	Cash	Credit				
Folsom											
	Costco	1800 Cavitt Drive, Folsom	5.1	11/22	Regular		\$3.979		M - F: 6 am - 10:00 pm	108.5	
					Premium		\$4.539		Sat: 6 am - 8:30 pm		
					Diesel		\$4.799		Sun: 6 am - 8 pm		
Ione											
1	Shell	39 Preston Avenue	26.5	4/8	Regular		\$4.859	Food Mart (mid-size)	Gas 24/7 Store 4:30 am - 11 pm	168	None
					Plus		\$5.079				
					V-Power		\$5.239				
					Diesel		\$5.099				
2	Chevron	349 Preston Avenue	26.5	4/8	Regular		\$4.899	Extra Mile (mid-size)	Gas 24/7 Store 5 am - 9 or 10 pm	168	None
					Plus		\$5.079				
					Supreme		\$5.239				
					Diesel		\$5.099				
Plymouth											
3	Shell	17699 Village Drive	21.6	2/4	Regular	\$4.359	\$4.459	Shenandoah Station (mid-size)	Gas and Store 24/7	168	None
					Plus	\$4.559	\$4.659				
					V-Power	\$4.759	\$4.859				
					Diesel	\$5.299	\$5.399				
4	Plymouth Trading Post	18725 CA-49	20.9	2/4	Regular		\$4.699	Plymouth Trading Post (mid-size)	Gas and Store Store 8:30 am- 11 pm	101.5	None
					Mid-grade						
					Premium						
					Diesel		\$5.499				
Sutter Creek											
5	Sutter Creek Trading Post	121 Hanford Street	26.7	2/4	Regular		\$4.299	Sutter Creek Trading Post (mid-size)	Gas and Store 6:30 am - 9:00 pm	101.5	None
					Mid-grade						
					Premium		\$4.699				
					Diesel		\$4.999				
6	Sutter Hill 76 Gas & Market	104 & CA-49	27.6	4/8	Regular	\$4.549	\$4.649	No visible name (mid-size)	Gas 24/7 Store 6 am - 10 pm	168	U-Haul Rentals
					Plus	\$4.949	\$5.049				
					Premium	\$5.249	\$5.349				
					Diesel	\$4.799	\$4.899				
7	Chevron	104 & CA-49	27.6	3/6	Regular		\$4.699	Food Mart (mid-size)	Gas and Store 24/7	168	None
					Plus						
					Supreme		\$5.099				
					Diesel		\$5.559				

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Exhibit 17, continued
 Representative Market Area Gas Stations (1)
 Amador County Portion of Market Area
 Select Gas Station Characteristics
 July 3, 2025

Map # (2)	Location and Name of Station	Address Name of Shopping Center (if applicable) (3)	Distance from Planned Costco Warehouse (miles) (4)	Number of Fueling Pumps/Handles (5)	Price of Gas per Gallon (6)			Name and Size of Convenience Store	Hours	Hours/Week Gas Available	Unique Station Features
					Type	Cash	Credit				
Folsom											
	Costco	1800 Cavitt Drive, Folsom	5.1	11/22	Regular	\$3.979			M - F: 6 am - 10:00 pm	108.5	
					Premium	\$4.539			Sat: 6 am - 8:30 pm		
					Diesel	\$4.799			Sun: 6 am - 8 pm		
Martell											
8	Safeway	12270 Industry Boulevard Amador Ridge Shopping Center	28.3	8/16	Regular	\$4.269	\$4.369	Safeway Express	Gas 24/7	168	None
					Plus	\$4.499	\$4.599	(small)	Store 5 am - 11 pm		
					Premium	\$4.659	\$4.759				
					Diesel	\$4.899	\$4.999				
9	Arco	10923 CA-49	28.4	6/12	Regular	\$4.399	\$4.599	am pm	Gas and Store 24/7	168	Car wash
					Plus	\$4.899	\$5.099	(mid-size)			
					Premium	\$5.399	\$5.599				
					Diesel	\$5.999	\$6.199				
10	Jon's Pit Stop	10755 CA-49	28.8	3/6	Regular		\$4.329	Deli Mart	Gas and Store 24/7	168	None
					Plus		\$4.529	(mid-size)			
					Premium		\$4.629				
					Diesel		\$4.959				
Jackson											
11	Jackson Beacon	851 N State CA 49-88	29.6	2/4	Regular		\$4.259	None	Gas 24/7	168	None
					Plus		\$4.459				
					Premium		\$4.659				
					Diesel		\$4.889				
12	Chevron	306 Sutter Street	30.1	2/4	Regular		\$4.999	Food Mart	Gas 24/7	168	None
					Plus		\$5.299	(small)	Store 5 am - 2 am		
					Supreme		\$5.399				
					Bio Diesel		\$5.699				
13	Kwik Serv	115 CA-49	30.4	3/6	Regular		\$4.259	Kwik in Kwik out	Gas 24/7	168	None
					Plus		\$4.559	(small)	Store 6:30 am - 8:30 pm		
					Premium		\$4.859				
					Diesel		\$4.999				
Gas Stations Totals				45/90							

Sources: Google Maps; Costco.com; and ALH Urban and Regional Economics.

- (1) This exhibit includes representative gas stations within the market area of the proposed El Dorado Hills Costco development site. It is not intended to comprise a full inventory of existing area gas stations. The gas stations closest in proximity to the site of the proposed Costco gasoline station are located within 1.5 miles of the proposed Costco site.
- (2) Map # corresponds with mapped locations in Figure 4. El Dorado Hills Costco Project Market Area Gas Stations - Amador County,
- (3) Shopping center names are identified if the gas station is located on a pad in or adjacent to a shopping center.
- (4) For distance mapping purposes the intersection of Clarksville Crossing & Silva Valley Parkway is utilized as the future Costco gas station address.
- (5) These numbers correspond with the number of fueling pumps and handles, with two handles per fueling station.
- (6) Pricing information is based on one day of fieldwork, occurring July 3, 2025. Gas station prices for equivalent grades of gasoline (regular and premium) equal to or lower than Costco's price are in bold and shaded in gray.

Exhibit 18
Identified Planned and Proposed Retail Projects (1)
Project Details and Timing Estimates
El Dorado Hills Costco Competitive Market Area
June 2025

Project Status, Name, and Type	Location	Miles from Costco Site	Potential Retail Sq. Ft.	Project Description
Under Construction				
Crossings at El Dorado All retail project	Placerville Southwest corner Missouri Flat Road and Crossings Lane	13.6	132,126	This new community shopping center is under construction. Of the total space, approximately 55% has been leased to tenants including 7-Eleven, America's Tire, Boot Barn, Burger King, Dutch Bros Coffee, Five Below, Michael's, Petco, and ULTA. As of June 2025, only the pad buildings with 7-Eleven, America's Tire, and Dutch Bros Coffee are open. A second phase of the project is expected to include an RV resort and campground.
Approved				
Montano de El Dorado Phase II Mixed-use development project	El Dorado Hills East side of Latrobe Road, south of White Road	1.7	75,316	The 2021-approved project represents the expansion of Montano de El Dorado, a 2007 boutique lifestyle retail center with 43,200 square feet. The project includes eight retail buildings totaling 75,316 square feet, 13,448 square feet of office, a 55,136-square-foot hotel, and an outdoor amphitheater. The total amount of new building space is 143,900 square feet. However, in 2023 the applicant revealed plans to develop the land with multifamily residential instead. The status of these revised plans is unknown.
Under Review				
Gateway El Dorado Mixed-use development project	El Dorado Hills	3.3	143,204 to 303,940	This is the re-entitlement of 98 acres in an existing business park into a mixed-use multifamily residential, commercial, retained research and development use, and open space. The Specific Plan for the site calls for a range of multifamily units, from 140 to 495 dwelling units, and commercial space from 143,204 to 303,940 square feet. Three sites totaling 14.76 acres have the flexibility to be developed with residential or commercial use. Of the total 98 acres, 30.8 acres would remain research and development, and 26 acres would be parks/open space. The pre-application was filed in July 2024.
Village of Marble Valley Master-planned community	Unincorporated El Dorado County Marble Valley Road, south of U.S. Highway 50	3.5+/-	100,000	This master-planned community encompasses 2,341 acres. Plans call for 3,236 residential units at a variety of densities, 375,000 square feet of office park, 100,000 square feet of village commercial, 1,284 acres of open space, schools, and parks. The partial recirculated draft environmental impact report was available from April 23 to June 23, 2025 for public review.
Wicklow Way Specific Plan Specific Plan area with a mix of land uses	Unincorporated Amador County Wicklow Way, south of State Highway 88	30.0	100,000	This Specific Plan area encompasses 201 acres of County-owned land wrapping the Walmart site. The plan proposes 78 acres of residential development (700 units), 12 acres of community commercial (office/retail) space totaling 100,000 square feet of building space, 12.4 acres of Civic Center space, and nearly 64 acres of open space and parks. The draft environmental impact report was issued in June 2024. The County planning representative indicated that they hope to finish the plan in 2026.
Total			550,646 to 711,382	

Sources: El Dorado County Planning Department website; City of Placerville "Pending Commercial Projects" revised March 26, 2025; CBRE; Ascent Inc.; Amador County Planning Department; planning departments for Amador County cities (Amador City, Ione, Jackson, Plymouth, and Sutter Creek); and ALH Urban & Regional Economics.

(1) Includes retail development projects 25,000 square feet or larger with development plans in progress. Projects are generally listed in descending order of size.

(2) Driving distance from the proposed El Dorado Hills Costco Development is measured from the intersection of Clarksville Crossing & Silva Valley Parkway.

Exhibit 19
 Representative Retail Vacancies (1)
 El Dorado Hills Costco Market Area
 El Dorado County Portion of the Market Area
 March and April 2025

Location and Address	Year Built	Miles from Costco Site (2)	GLA (Sq. Ft.)	Anchor Tenant(s) (3)	Retail Vacancies	Vacancy Rate	Condition of Vacancies (4)	Comments/Market Interest/Broker Input
El Dorado Hills								
El Dorado Hills Town Center 4315-4363 Town Center Blvd	2007	1.5	448,256 office & retail	Target	1,682 sq. ft. 1 space	<1.0%	Excellent	Prior tenant, a lingerie store, closed in February 2025; multiple parties are interested in the space. Many times, a new tenant is secured before previous tenant vacates.
Market Place at Town Center 431 Town Center Blvd	2002	1.6	134,679	Nugget Ace Hardware	2,467 sq. ft. 1 space - a lease for this space is reportedly out for signature	1.8%	Good	In summer 2022 ACE Hardware opened in a 23,435-square-foot space vacated by CVS in 2012. The long term vacancy was largely attributable to CVS continuing to hold the lease and tenancy restrictions.
Village Square Center 3819-3963 Park Dr	1992	1.9	116,306	Raley's	1,476 sq. ft. 1 space	1.3%	Excellent	The vacant space, previously occupied by a real estate office, has been vacant for nearly a year. The space has received a lot of interest.
Sienna Ridge 3375-3383 Bass Lake Rd	2020	3.2	100,698	Safeway	900	1.5%	Excellent	Bark Avenue (3,559 sq. ft.) closed at the end of February 2025, but there are still a few more months on the lease. There are two parties interested in the space. The existing 900-sq.-ft. vacant space is in negotiations for lease. A new pad building with 1,527 sq. ft. is under construction expected to be completed Summer 2025.
Green Valley Marketplace 2201 - 2219 Francisco Dr	2005 (4)	4.1	106,332	Safeway	2,400 sq. ft. 2 vacancies, with 1,200 sq. ft. each There is strong tenant interest in the spaces	2.3%	Excellent	

continued on the next page

Exhibit 19, continued
 Representative Retail Vacancies (1)
 El Dorado Hills Costco Market Area
 El Dorado County Portion of the Market Area
 March and April 2025

Location and Address	Year Built	Miles from Costco Site (2)	GLA (Sq. Ft.)	Anchor Tenant(s) (3)	Retail Vacancies	Vacancy Rate	Condition of Vacancies (4)	Comments/Market Interest/Broker Input
Cameron Park								
Cambridge Plaza 3950-3960 Cambridge Rd	1988	3.8	21,609	Cambridge Liquor & Mart	1 small vacancy	NA	Poor	Vacancy is the former Hair Cuts (#2). This vacant space is in fair condition, but some significant roof damage is evident at the center.
Goldorado Shopping Center 3440 - 3510 Palmer Drive	1990	5.5	156,592	Bel Air Petco CVS	10,584 sq. ft. 7 vacancies, ranging from 1,150 to 2,015 sq. ft., averaging 1,512 sq. ft.	6.8%	Excellent	The center historically has operated at a comparable vacancy rate. The center lacks visibility. Five spaces have been vacant 5 to 7 years. The former Mathnasium space (1,150 sq. ft.) has been vacant 4 years, while the former Goodwill (1,438 sq. ft.) has been vacant one month. Although there is moderate tenant interest, center has too much in-line retail space.
Cameron Park 3275-3317 Coach Lane	approx. 15 yrs ago	5.6	32,187 exc. Applebee's	Forklift adjacent	2,665 sq. ft. 1 vacancy (corner space)	8.3%	Excellent	Space has been vacant for about six months. There has been a little interest in the space. Representative Tenants: Companion Animal Hospital (3275), Applebee's (3281), Starbuck's (3291), Matthews Mattresses (3291), Davita (3311), Pizza Guys Pizza (3317), Great Clips (3317).
Cameron Park Place 3326-3352 Coach Lane	approx. 25 yrs ago	5.5	103,414	Safeway Dollar Tree O'Reilly Auto Parts	5,673 sq. ft. 4 vacancies, ranging from 960 - 2,313 sq. ft. averaging 1,418 sq. ft.	5.5%	Good	This is generally an equilibrium vacancy rate for this center. The spaces have been available between 1 and 5 years, with the 2,313 sq. ft. space available the longest. Broker reports that Cameron Park has slow retail space demand due to its small market size.
Green Valley Station 3020-3100 Green Valley Rd	2007	6.0	87,075	CVS Adjacent to Grocery Outlet	7,321 sq. ft. 4 vacancies, ranging from 1,460 - 2,255 sq. ft., average size 1,830 sq. ft. Plus one space with tenant coming soon	8.4%	Excellent	Spaces have been available between 1 and 6 years, with the 1,606-sq.-ft. space available the longest. Despite the recent opening of the Grocery Outlet, occupancy has not improved due to overall slow demand in small market.
Cameron Park Plaza 2650 Cameron Park Drive	1988	6.3	34,423	Mountain Mike's Pizza	7 vacancies 18 retail spaces total Smallest available space is 1,300 sq. ft.	37.8%	Good	This center is accompanied by a 76 Gas Station and Rocket convenience market. Many of the vacancies are long-term. Ownership is not local and is not investing in the property or tenant improvements. Also, Cameron Park is a small market with too much retail space for its population per commercial broker opinion.
Former Stand-alone Rite Aid 3101 Green Valley Road	2009	6.3	17,272	Vacant	17,272 sq. ft.	100.0%	Excellent	This stand-alone former Rite Aid store, closed in 2022, is located across the street from Cameron Park Plaza. Per the El Dorado County Planning Department, a Dollar Tree store will be opening in this space.
Winery Plaza 2643-2653 Cameron Park Dr	Older	6.3	11,577	Vineyard Liquor Store	4,700 sq. ft. Three spaces, approximately 1,400, 1,600, and 1,700 sq. ft. in size, are available	40.6%	Fair	These are long-term vacancies, vacant since before 2021, when ALH Economics last surveyed the area's retail market. One of the long-term vacancies was previously a bakery. Other past tenants include a pizza restaurant, and a marijuana dispensary. Located next to Valero gas station.
Point Loma 3161 - 3181 Cameron Park Drive	1990	7.0	33,446	Cameron Park Liquor & Deli (small convenience store)	2,798 sq. ft. Two spaces, 1,048 sq. ft. and 1,750 sq. ft.	8.4%	Good	Both spaces are in the 3161 Cameron Park Dr. building. The 1,048 sq. ft. space has been vacant 1-2 months, while the 1,750 sq. ft. space has been vacant over a year. There is some tenant interest.

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Exhibit 19, continued
 Representative Retail Vacancies (1)
 El Dorado Hills Costco Market Area
 El Dorado County Portion of the Market Area
 March and April 2025

Location and Address	Year Built/ Renovated	Miles from Costco Site (2)	GLA (Sq. Ft.)	Anchor Tenant(s) (3)	Retail Vacancies	Vacancy Rate	Condition of Vacancies (4)	Comments/Market Interest/Broker Input
Placerville								
Prospector's Plaza 3964 Missouri Flat Rd	1982/ 2021	13.5	243,000	Save Mart, Target CVS	No vacancies except for a 3,765 sq. ft. stand alone bank building under separate ownership	1.5%	Good	Management demolished a dated pad building and is constructing a Quick Quack car wash. Another pad building is fenced off. Broker representing bank building reports that it has been available for over two years with limited interest as bank footprints are shrinking.
Missouri Flat Village 3955 Missouri Flat Rd	2004 (5)	13.5	119,928	Safeway	6,075 sq. ft. Five spaces, 1,000, 1,035 (former physical therapist), 1,200, 1,240, and 1,600 (former Jamba Juice, closed 3/3/25) sq. ft.	5.1%	Excellent	This center also has a 1.03-acre undeveloped pad available for sale or lease. Tenant interest in the vacant spaces is reported as being moderate due to the more outlying area.
Discovery Plaza 2849-2889 Ray Lawyer Dr Located across Ray Lawyer Dr from Raley's	1983	14.6	40,803	Riebes Auto Parts	3,800 sq. ft. Two spaces, 2,200 sq. ft., former yoga studio, and 1,600 sq. ft., former dance studio	9.3%	Good	This small strip center has about 9 tenants, including Riebes Autoparts, Verizon, State Farm Insurance, nail salon, bakery, a pub, and a chinese restaurant. The 1,600 sq. ft. space has been vacant 5 to 6 months, while the 2,200 sq. ft. space has been vacant about 5 years. Tenant interest in the spaces has picked up recently.
Apple Farm Place 1426 - 1480 Broadway	1973/ 2022-3	17.6	67,693	Grocery Outlet Dollar Tree Harbor Freight	7,196 sq. ft. There are six vacant spaces ranging in size from 704 to 1,942 sq. ft.	10.6%	Good	Other tenants include a nail salon, a deli, H&R Block, and a work clothes store. The spaces have been vacant for about 3 years; there is greater interest in the smaller spaces (704 - 1,050 sq. ft.). The spaces are in shell condition.
Pleasant Valley Square 4570 Pleasant Valley Rd Located across a side street from Holiday Market	1989	24-25	19,076	Ace Hardware	740 sq. ft. 1 space, former pet grooming shop	3.9%	Fair	Other tenants include a hair salon, Pizza Factory, Chinese restaurant, Grace Community Church, a dog trainer, karate studio, and smoke shop.

Sources: Loopnet; Property Leasing Agents and Property Managers; Property Leasing Brochures; Villagelife.com; El Dorado County Assessor; and ALH Urban & Regional Economics.

- (1) Includes representative commercial building vacancies in El Dorado Hills, Cameron Park, and Placerville in centers anchored by a food store or proximate to the proposed El Dorado Hills Costco Development. This list is not intended to be comprehensive but illustrative of existing vacancies. Some additional area commercial retail centers are also identified.
- (2) By area, properties with retail vacancies are listed by driving distance from the proposed El Dorado Hills Costco Development, to be located at the intersection of Clarksville Crossing & Silva Valley Parkway.
- (3) Grocery or General Merchandise store anchor tenants are highlighted in bold.
- (4) Vacancies are evaluated based on a four-level scale, including Excellent, Good, Fair, and Poor.
- (5) Year built is per El Dorado County Assessor.

Exhibit 20
 Representative Retail Vacancies (1)
 El Dorado Hills Costco Market Area
 Amador County Portion of the Market Area
 July 2025

Location and Address	Year Built	Miles from Costco Site (2)	GLA (Sq. Ft.)	Anchor Tenant(s) (3)	Retail Vacancies	Vacancy Rate	Condition of Vacancies (4)	Comments/Market Interest/Broker Input
Martell								
Amador Ridge Plaza Highway 49 @ Industry Way	2006-2007	28.3	272,948	Safeway Lowe's, Petco, Staples	10,084 sq. ft. Seven spaces, 2,286, 1,316, 1,316, 1,332, 1,300, 1,332, and 1,202 square feet	3.7%	Good	Some of the available spaces were vacated earlier in 2025, while some have been vacant over one year. The center is generally well-occupied and typical time to re-lease a space is 6 to 12 months.
Former K-Mart 10500 Wicklow Way	1990	29.4	86,479	Not Applicable But located across the road from Walmart	K-Mart space, closed in 2017 Property is for sale or for lease	100.0%	Poor to Good	Generally the building and site are in good physical condition, except a portion of the eaves over the entrance walkway has exposed wood beams, and the doors are boarded up. In June 2025 the site was the subject of a major clean-up and revitalization effort to enhance curb appeal and stimulate commercial interest.
Jackson								
Jackson Creek Plaza	1988	30.0	94,321	Cost Less Food Co. CVS	1,000 sq. ft. 1 vacancy	1.1%	Good	The broker representing the property recently took over the property. He indicated that one space at 1,000 square feet, is vacant, although field work observation suggested that other spaces were available.
Grocery Outlet 9-11 N. State Highway 49	1971 (5)	30.5	36,223 (4)	Grocery Outlet	Former Joann Fabric and Crafts store, closed in Spring 2025	40% - 50% estimate based on visual observation	Good	There are no signs marketing the former Joann space and City of Jackson representatives indicate that to date no interest has been expressed in renovating or retenanting the space. The building was originally a Safeway store.
Mother Lode Plaza 557-625 State Highway 49	1977 - 1979 (5)	30.9	20,000 estimate provided by broker	None, but tenants include Gold Trail Natural Foods (a very small food store)	5,000 sq. ft., approximate 4 vacancies	25.0% See comment	Fair RV for sale in parking lot	The current property management company just took over management of the center. This is a probate situation and detailed property information is not available. The sizes of the vacant spaces are approximate, as well as the estimated size of the overall center. The management company contact indicated that there was an additional building that was not included in the center size.

Sources: Loopnet; Property Leasing Agents and Property Managers; Property Leasing Brochures; Villagelife.com; El Dorado County Assessor; ledger.news; and ALH Urban & Regional Economics.

(1) Includes representative commercial building vacancies in the market area portion of Amador County, in centers anchored by a food store or general merchandise store. This list is not intended to be comprehensive but illustrative of existing vacancies.

(2) By area, properties with retail vacancies are listed by driving distance from the proposed El Dorado Hills Costco Development, to be located at the intersection of Clarksville Crossing & Silva Valley Parkway.

(3) Grocery or General Merchandise store anchor tenants are highlighted in bold.

(4) Vacancies are evaluated based on a four-level scale, including Excellent, Good, Fair, and Poor.

(5) Information based on Amador County Assessor's Records.

APPENDIX B: SUPPORT EXHIBITS

Exhibit B-1
El Dorado Hills Costco Market Area Census Tracts (1)
El Dorado County and Amador County

El Dorado County (2)	Amador County (3)
06017-030701	06005-000101
06017-030706	06005-000201
06017-030709	06005-000202
06017-030710	06005-000301
06017-030711	06005-000303
06017-030712	06005-000401
06017-030801	06005-000402
06017-030804	06005-000500
06017-030807	
06017-030808	
06017-030809	
06017-030810	
06017-030811	
06017-030812	
06017-030901	
06017-030902	
06017-031000	
06017-031100	
06017-031200	
06017-031301	
06017-031302	
06017-031404	
06017-031405	
06017-031406	
06017-031407	
06017-031408	
06017-031409	
06017-031503	
06017-031504	
06017-031505	
06017-031506	
06017-031700	
06017-031800	

Sources: Kittelson & Associates, "El Dorado Costco CEQA Analysis [Draft], February 14, 2025;
<https://data.sacog.org/datasets/SACOG::2020-census-tracts-el-dorado-county/explore?location=34.494027%2C-24.926835%2C3.34>;
https://www2.census.gov/geo/maps/DC2020/PL20/st06_ca/censustract_maps/c06005_amador/DC20CT_C06005.pdf; and ALH Urban & Regional Economics.

- (1) These census tracts encompass the geographic area that corresponds with the market area for the El Dorado Hills Costco Warehouse and Fuel Facility identified by Kittelson & Associates. Census tracts are included if the majority of the census tract or its population base is geographically included in the market area.
- (2) The market area includes 33 of El Dorado County's 50+ census tracts in 2020.
- (3) The market area includes 8 of Amador County's 10 census tracts in 2020.

Exhibit B-2**State of California Department of Tax and Fee Administration Taxable Retail Sales Estimate by Retail Category
2024**

Type of Retailer	Total Taxable Sales (1)	State of California Taxable	
		Sales Adjusted to Total Retail	Percent of Total Taxable All Sales
Motor Vehicle & Parts Dealers	\$100,456,368,692	\$100,456,368,692	16.2% 15.6%
Home Furnishings & Appliances	\$30,996,012,214	\$30,996,012,214	5.0% 5.4%
Building Materials & Garden Equipment	\$48,326,163,805	\$48,326,163,805	7.8% 6.7%
Food & Beverage Stores	\$33,462,408,320	\$111,541,361,067 (2)	5.4% 17.2%
Gasoline Stations	\$59,394,225,286	\$59,394,225,286	9.6% 8.5%
Clothing & Clothing Accessories	\$48,793,391,406	\$48,793,391,406	7.8% 7.2%
General Merchandise Stores	\$67,046,736,721	\$103,148,825,725 (3)	10.8% 11.8%
Food Services & Drinking Places	\$109,695,677,404	\$109,695,677,404	17.6% 14.8%
Other Retail Group (4)	\$123,439,500,198	\$137,156,262,390 (5)	19.9% 12.7%
Total (6)	\$621,610,484,046	\$749,508,287,988	100.0% 100.0%

Sources: California Department of Tax and Fee Administration (CDTFA), "Statewide Taxable Sales by Type of Business, 2024"; U.S. Economic Census, "Retail Trade: Summary Statistics for the U.S., States, and Selected Geographies: 2022"; and ALH Urban & Regional Economics.

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

(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 sales, since some General Merchandise Store sales include non-taxable items. ALH Urban & Regional Economics estimates that at least 35% of General Merchandise sales are for grocery, pharmacy, and other non-taxable items. This estimate is based on analysis of the 2022 U.S. Economic Census findings for General Merchandise stores in California.

(4) Other Retail Group includes drug stores, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

(5) 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. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with representatives of the California Department of Fee and Tax Administration (when it was formerly called the Board of Equalization) and examination of U.S. Census data. In California, drug store sales in 2024 represented approximately 5.5% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable

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

Exhibit B-3
Household Income Spent on Retail (1)
United States
2022

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	\$94,003	\$22,485	\$34,988	\$44,518	\$59,200	\$83,894	\$121,806	\$171,270	\$322,568
Amount Spent on Retail (2)	\$27,438	\$14,311	\$17,830	\$20,040	\$21,963	\$28,112	\$34,649	\$44,379	\$53,526
Percent Spent on Retail (3)	29%	64%	51%	45%	37%	34%	28%	26%	17%

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2022, 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, 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.