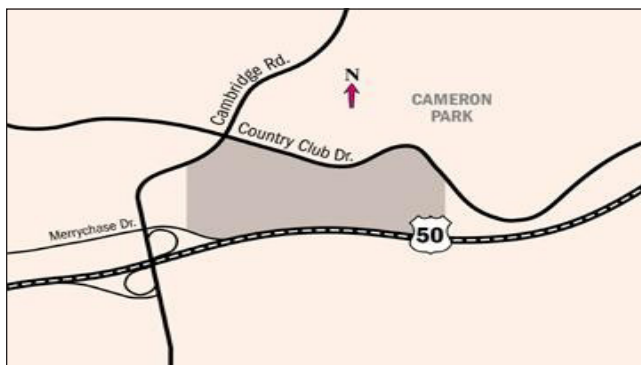


HOME DEPOT COMING TO CAMERON PARK?



Shaded area shows proposed Home Depot store site

According to a recent article in the Mountain Democrat, Home Depot is considering building a new Home Depot in Cameron Park, on a 30-acre commercially-zoned site next to Highway 50 near Cambridge Drive. The proposed site for the so-called “big-box” store is bounded by the freeway to the south, by Cambridge Road to the northwest and by Country Club Drive to the north and east.

Home Depot opened 86 new stores last year, and by the end of 2006 had a total of 1,872 retail stores in the United States, 214 of them in California.

Home Depot grew to become the world’s largest home-improvement chain largely on the strength of its skilled workers, many of whom were former plumbers, electricians and carpenters who were eager to impart their knowledge to do-it-yourselfers. They took pride in helping customers find just the right shade of latex paint or an elusive-size screw.

However, under former Chief Executive Robert Nardelli, who resigned this past January, Home Depot management focused on measuring all aspects of the stores’ productivity and too often ignored shoppers. Service began to slip over the past six years as the company started hiring more part-timers and added a salary cap that drove off the more seasoned workers. The retailer also moved about 40% of workers to overnight stocking positions, ostensibly to clear the

aisles of clutter. But it left customers searching in vain for someone in an orange apron to ask about picking out the proper power tool.

Now, as it attempts to ignite sluggish sales under a new chief executive, Home Depot is trying to reverse a reputation for shoddy service. In 2006

Home Depot moved to improve the shopping experience as it spiffed up displays, added workers and rewarded stores for improved customer service. A customer-satisfaction survey published in February by the University of Michigan indicated Home Depot narrowed the gap with satisfaction leader Lowe’s last year. But Home Depot executives say they still have a long way to go.

Frank Blake, Home Depot’s new chief executive, has made restoring Home Depot’s once-vaunted customer service his number-one priority. Blake has told managers that the stores will be liberated from many of the time-consuming, mind-numbing tasks the home office required them to do over the past six years. Under Mr. Nardelli, stores had to measure everything from how many pallets were removed from a truck per hour to how many extended warranties each employee sold per week.

But plenty of problems remain for the retailer, from a decline in home prices to vigorous competition from Lowe’s. Those twin issues are daunting enough, but Home Depot has a host of internal flaws that are hampering its ability to meet those challenges. The company in recent months has lost several executives, and the top ranks are generally lacking in much-needed retail experience. Home Depot’s customer service is lackluster, according to analysts, and its stores are still run by antiquated systems

that too often leave shelves short of popular items.

Problems with the Cameron Park site could loom for the retailer. The site was formerly used as a water treatment plant by a local service district, and may contain chemicals or other contaminants that may have been used to treat the water.

An examination of the Environmental Impact Report (EIR) prepared for a Home Depot store recently built in Long Beach, California, reveals that the EIR acknowledged several areas of controversy and issues to be resolved that were known to the City of Long Beach or were raised during the scoping process. Major issues and concerns raised at the scoping meeting included: (1) potential traffic impacts on neighboring streets; (2) potential safety issues resulting from proximity to residential neighborhoods and schools; (3) potential impacts to nearby wetlands; (4) potential health risks associated with increased emissions from vehicular traffic; and (5) potential quality of life issues related to possible noise from operation of the home improvement center. The EIR concluded that the proposed project would result in significant unavoidable adverse impacts related to air quality, solid waste disposal capacity in Los Angeles County, and traffic and circulation.

While conditions may be imposed on a developer to mitigate such adverse impacts, it remains to be seen as to whether the residents of Cameron Park will feel that the store would be an asset rather than an eyesore.

Big-box stores, also known as superstores, megastores, or supercenters, are usually

(continued on next page)



HOME DEPOT *(continued)*

large, free-standing, rectangular, generally single-floor stores built on a concrete slab. The flat roof and ceiling trusses are generally made of steel, the walls are concrete block clad in metal or masonry siding. The interior can be either relatively luxurious, or starkly utilitarian, depending on the market niche of the firm and how it wishes to communicate that market position to its customers.

Generally, big-box stores can be broken down into two categories: general merchandisers, such as Wal-Mart and Target, and so-called category killers, such as Home Depot, Barnes and Noble, or Circuit City which specialize in goods within a specific range, such as hardware, books, or electronics.

For example, Target is scheduled to open as one of the anchor stores of the El Dorado Hills Town Center in mid-October,



according to representatives of the shopping center. The Target store is being built in the southeast corner of Town Center. The ease with which Target was able to build a big-box store in Town Center was no doubt due to its location in a designated shopping center. Town Center is already home to Regal 14 Cinemas, Mercedes-Benz of El Dorado Hills, Holiday Inn Express, El Dorado Hills Sports Club/Asante Day Spa and women's boutique Franco Ferrini. Its eateries include Maui Tacos, Infusion Pan-Asian Restaurant, Sizzling Fresh Mongolian Barbecue, Chili's Grill & Bar, and Cold Stone Creamery. Other tenants coming to the shopping center include Nugget Market, Mikuni, Bistro 33, and The Naked Lounge Coffee House.

However, siting a store is not always so easy. In March, a combination of local citizen resistance and environmental problems



were said to have led Wal-Mart, another so-called "big-box" retailer, to abandon plans to build a Supercenter on Iron Point Road in Folsom. Wal-Mart had hinted that

the project might be aborted, and the company had been complaining about the cost of grading and the expense to deal with naturally occurring asbestos on the site.

Wal-Mart said the application was pulled because of "site constraints and development costs" that made the 236,000-square-foot store "unfeasible."

Wal-Mart is said to be focusing on plans to remodel the existing Wal-Mart on Riley Street, adding about 28,000 square feet to the existing 127,000-square-foot store. Wal-

Mart's original plan was to first open the new Iron Point Supercenter and then close the Riley store for remodeling.

Wal-Mart is now seeking approval of a plan for expanding the existing Wal-Mart on Riley Street without closing the store. With the proposed expansion, the store would be 153,678 square feet and include 852 parking spaces. The expanded store would include a full grocery department in addition to general retail sales. The remodeled store is proposed to be open 24 hours a day, seven days a week. ~



Artist's conception of Shingle Springs Rancheria interchange looking west

GROUND BROKEN ON SHINGLE SPRINGS INTERCHANGE

Representatives from Bass Lake Action Committee were invited to participate in the recent groundbreaking ceremony for the new Highway 50 interchange that will serve the Shingle Springs Rancheria and the tribe's coming new Foothill Oaks Casino.

Board members John and Fran Thomson attended the gala event, which saw the ceremonial first shovel of earth turned on the new interchange. Rancheria representative Elaine Whitehurst said that the tribe was gratified by the larger than expected turnout at the groundbreaking. Approximately 1,200 people, including tribal, state and county dignitaries, attended the event.

While the interchange will provide access to the tribe's new gaming casino, the proceeds from which will pay for the construction of the interchange, it will also provide the tribe with much-needed access to the reservation itself, which has been effectively landlocked since 1965.

Jody Jones, representing the California Department of Transportation, praised the interchange project. She noted that the tribe will pay to build and maintain the interchange, and also will pay for additional diamond lanes to handle the anticipated increase in

traffic on Highway 50.

The off- and on-ramps to westbound Highway 50 will be constructed first, to allow access for construction equipment to the rancheria. Once that access has been established, construction work will proceed on both the interchange and the casino.

The interchange, the casino building and a parking structure are expected to be completed and open in October of 2008. Amenities in the split-level three-story casino will include a main gaming hall, restaurants, administration facilities, a child care/family fun center and a retail center. The casino will be entered from the third floor of the adjoining eight-level parking garage, as the parking structure will be built partly below the casino entry level.

The tribe has agreed to pay the County a minimum of \$191.6 million over 20 years to mitigate any adverse impacts of the casino. The agreement also specifically earmarks \$104 million for Highway 50 improvements.

At the ceremony, tribal chairman Nick Fonseca told the crowd with some emotion, "We are so happy to finally get this project off the ground." ~

THE PRESIDENT'S LETTER



Hello Everyone,

It's May, and the dreaded April 15th income tax filing deadline has come and gone, and I for one am glad to see it go for one more year.

Now I am wrestling with another government mandate, the new postal rates that take effect May 14th. At first glance, it seemed like just a rate hike, but upon a second look it seems to be an overhaul of how postage is to be calculated.

The new method is called dimension-weight pricing. That means that in addition to its weight, the dimensions of your postcard, letter, or flat (post office jargon for a large envelope) determine how much postage you must attach.

Let's look at envelopes. If an envelope is no larger than 6 1/8 inches high and less than 11 1/2 inches wide, you will pay 41 cents for the first ounce, plus 17 cents postage for each additional ounce. But a letter may not weigh more than 3 1/2 ounces.

If it's larger than 6 1/8 by 11 1/2, your envelope has become what the post office calls a flat. The postage for a flat is 80 cents for the first ounce, plus 17 cents for each additional ounce. But a flat may not weigh more than 13 ounces.

A flat cannot be bigger than 12 inches high or 15 inches wide, or you pay additional postage of 17 cents for handling. Any piece of mail smaller than 3 1/2 inches high and 5 inches wide also costs 17 cents more. Envelopes thicker than 1/4 inch, and flats thicker than 3/4 inch, must also pay the additional 17 cent handling charge.

Visit the post office website usps.gov for more information. You might also consider doing what I have done, which was to get a UPS account.

John E. Thomson
President



Folsom seeks to annex 3,500 acres of land

FOLSOM ANNEXATION PROCESS PUSHED OUT A YEAR OR MORE

The Sacramento Business Journal reports that Folsom's annexation of land south of Highway 50 is going to take about twice as long as officials expected, according to the city's new community development director and a consultant hired to help guide the process. The preparation and permitting process is expected to take at least two or three years.

Community development director David Miller, on the job as director for just three months and filling a position that had been vacant for 18 months, said preparations for annexation could take two to three years. Officials had previously felt annexation could begin in about a year.

Folsom is considering adding about 3,500 acres to the city, land which is currently controlled by a group of about ten owners, acreage which recently came into its sphere of influence. The area in question is bounded by Highway 50, The Sacramento County line, White Rock Road, and Prairie City Road (see map). The initial plans call for as many as 20,000 people to occupy the area after a 20-year build out.

Folsom must obtain federal permits for the wetlands that are on the targeted properties before annexation can take place. That process can take years, but the application for federal permits could be processed at the same time as the typical state and federal environmental impact reviews.

The city is also tackling some thorny public relations issues. Some Folsom residents want the city to annex the land promptly,

while others want a cautious approach.

Doubters are concerned about the increased traffic that development will bring, claiming that the new growth would require Highway 50 to be widened by four more lanes to accommodate traffic, but the added traffic would generate pollution that would exceed federal standards. Yet others have demanded the land have an independent water supply so established customers don't pay higher utility rates. Environmentalists want the oak woodlands preserved.

Some Folsom residents plan to start petition that would place an initiative on next year's November ballot. The intent of the petition is to give control

of what happens to the land south of Highway 50 to Folsom voters.

El Dorado county residents are concerned that major development just across the county line will cause congestion for El Dorado Hills and the other nearby communities on the Western Slope.

The consultant and city staff plan to present an updated annexation plan to the Folsom city council sometime in the coming months. ~

MEMORIAL DAY



Memorial Day, originally called Decoration Day, is a day of remembrance for those who have died in our nation's service. There are many stories as to its actual beginnings, with over two dozen cities and towns laying claim to being the birthplace of Memorial Day.

While Waterloo N.Y. was officially declared the birthplace of Memorial Day by President Lyndon Johnson in May 1966, it's difficult to prove conclusively the origins of the day. It is more likely that it had many separate beginnings. Each of those towns and every planned or spontaneous gathering of people to honor the war dead in the 1860s tapped into the general human need to honor our dead. Each contributed honorably to the growing movement.

It is not important who was the very first,

(continued on page 4 col. 3)



HOUSING ROLLER COASTER: NEW HOUSING STARTS UP, EXISTING HOME VALUES DOWN

The Sacramento Business Journal reports that builders pulled permits to construct 832 single-family homes in Greater Sacramento in March, up 13 percent from February and 9.2 percent from March 2006. At the same time, median home values in the Sacramento area dropped 7.4 percent in the first quarter from a year ago, the latest evidence the housing market slowdown continues in the region.

New Housing Permits

The building permit increase was partly offset by a decline in permits for units of multi-family housing in the four-county area, according to data released by the California Building Industry Association (CBIA). Permits were pulled in March for 95 multi-family units, down nearly 35 percent from February and more than 52 percent from March 2006. Combined, the 927 permits in March were up 5.1 percent in a month, but down 3.5 percent year-over-year.

Looking at the whole first quarter of 2007, permits pulled in Greater Sacramento were down 1.4 percent, to 2,754 from 2,792 in the same period of 2006.

Statewide, permits were up nearly 39 percent, from 9,476 in February to 13,151 in March. But they were down 22.2 percent year-over-year, and down 28.4 percent from first-quarter 2006 to first-quarter 2007.

About 40 percent of the entire year-over-year decline in statewide single-family home production stems from a slowdown in the Riverside-San Bernardino market, where entry-level buyers are holding back because of high gasoline prices and the results of negative news about sub-prime mortgages, according to Alan Nevin, chief economist for the CBIA.

“Residential homebuilders to a large degree have reverted to a ‘just in time’ mentality that results in starting homes in line with current demand rather than being ahead of demand,” Nevin said in a news release. The result of this strategy is to maintain a modest standing of unsold inventory which maintains economic viability.

The CBIA uses data compiled by the Construction Industry Research Board.

Value of Existing Homes

Yolo County endured the region’s largest decline in existing home value, at 13.2 percent to \$394,990, according to Zillow.com, an online real estate tracking company headquartered in Seattle. Zillow tracks the value of homes that have recently sold, are available to purchase, and houses not on the market.

Sacramento County had the region’s second-largest drop at 8.1 percent to \$354,681. Existing home prices in El Dorado and Placer counties fell 6.4 percent and 3.5 percent, respectively.

Placer County had the region’s highest-valued homes at \$461,698, almost \$86,000 more than Sacramento County, the most affordable market.

All 35 communities in the four-county Greater Sacramento region, from Antelope to Woodland, reported declines in price. Woodland and Winters had the largest percentage drops, followed by Fair Oaks. Woodland’s first-quarter home prices dropped 14.1 percent to \$364,900, compared to the same three-month period last year. Winters’ home values fell 13.8 percent to \$399,700. Homeowners in Fair Oaks also struggled, losing 10.4 percent of the value to \$411,627. ~



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MEMORIAL DAY *(continued)*

what is really important is that Memorial Day was established as a holiday. Memorial Day is not about division. It is about reconciliation; it is about coming together to honor those who gave their all.

Traditional observance of Memorial Day has diminished over the years. Many Americans nowadays have forgotten the meaning and traditions of Memorial Day. At many cemeteries, the graves of the fallen are increasingly ignored or neglected. Most people no longer remember the proper flag etiquette for the day. While there are towns and cities that still hold Memorial Day parades, many have not held a parade in decades. Some people think the day is for honoring any and all dead, and not just those fallen in service to our country. ~

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