



Solano Community Development, LLC
Solano360 | Board of Supervisors Presentation

Background

- Solano Community Development, LLC (“SCD”) is a California limited liability company formed by principals from JMA Ventures (“JMA”) and Kenwood Investments (“Kenwood”) to invest in, develop, and manage our vision for the Solano360 Plan.
- Our principal partners are Todd Chapman, Darius Anderson, Steven Kay, and Jay Wallace, all of whom have worked together before on such iconic projects as Treasure Island, Sacramento Entertainment and Sports District, Rincon Restaurants in San Francisco, Ramekins boutique cooking school, and the world acclaimed Squaw Valley/Alpine Meadows Year-Round Resorts.
- SCD will be capitalized from the collective wealth of our two respective companies, and with additional private capital sourced from some of our past and present investor partners, such as Walton Street Capital, Millennium Partners, Stockbridge Capital and Angelo Gordon & Co. Kenwood Investments’ asset value exceeds \$500M and JMA Ventures’ exceeds \$1B, each created through a diverse array of privately held assets in retail, commercial, hospitality, restaurant, residential and civic projects.

Background

- The principals of SCD have entitled, financed, built and managed some of California's most exciting projects such as Treasure Island (\$1.6B infrastructure plan, scheduled to break ground in 2016), Sacramento Arena (\$700M development plan, currently in progress), Ghirardelli Square (\$60M, 100,000sf mixed use lifestyle retail, commercial, hospitality and residential project completed in 2008) Homewood Ski Resort (\$500M development of lifestyle outdoor activity project, completed in 2008) Rincon Restaurants (\$20M retail development on the San Francisco Bay), The Grove (LA) (\$185M development consisting of over 500,000sf of high-end retail), Ramekins Cooking School and Resort (\$10M gourmet cooking school and resort destination), and Cornerstone Events Center in Sonoma (\$22M Northern California events and retail center. The partners have garnered significant awards for these projects including the Governors Sustainability Award, and AIA Leadership in Sustainability Award.
- Todd Chapman, President and CEO of JMA Ventures will be the Co-Manager of SCD. Todd will have day-to-day responsibility for SCD.
- Darius Anderson, CEO of Kenwood Investments, will also be a Co-Manager of SCD. Darius will have day-to-day responsibility for SCD.
- Jay Wallace will be SCD's development manager with day-to-day responsibility for working with the City and the County on development issues, and he will report directly to SCD's Co-Managers.
- Steven Kay will be SCD's outside counsel and a key investor.

Concept Overview

- SCD understands the County's goals for the Solano360 Project and we are prepared to fully embrace, and enhance if possible, those goals. We believe that the Project's stated goals are directly in synch with our companies' long-term track record and demonstrated success in partnering with local agencies to create iconic, region-serving public entertainment destinations, mixed-use developments and strong public private partnerships. Our past projects have been built on principles of ensuring long-term economic sustainability and results, job creation and enhancing revenue sources for our public partners.
- Our projects rely on creating destinations for residents and visitors by providing a mix of retail, commercial, entertainment, residential, hospitality and civic uses for families, extensive open spaces and recreational offerings, and the ability to integrate the Fair of the Future could prove to be a truly unique environment for the Project's success. In addition, the site's proximity to Six Flags Discovery Kingdom and transit provide additional backbone to help ensure long-term economic sustainability. Finally, we understand the desire for large shared public parking, and we'll look forward to discussing with you ways to maximize parking needs and commitments, while minimizing its costs and impacts.
- In addition, SCD will seek to explore with the County and City ways to enhance the Project. This will be an iterative process as we get selected and into the Project with you, but we believe given current economic conditions that there may be opportunities to appropriately enhance the Project over time.
- We envision have a variety of retail and commercial uses for the site that would include retail food, beverage, clothing and life style options, sporting goods and outdoor activity functions and the like.

Project Description – Water Feature

- Given the site's excellent location adjacent to Lake Chabot, we expect a water feature to be a prominent aspect of any potential development.
- This could include a small lake or pond to be enjoyed by locals and visitors alike or potentially a lazy river that could complement the aforementioned water park.
- The water feature is also an opportunity to make use of technology advances currently in use at similar venues, such as the Portland Expo Center's living storm water green wall. The green wall is a 30 x 60 ft structure that not only reduces storm water runoff, but treats it before any of it reaches waterways. This could also be used to mitigate any detention/retention issues.



Project Description - Retail

- Retail uses would include a shopping and entertainment center that would provide a destination for the approximately 1.5 million people who live within 20 miles of the site, akin to a Santana Row or Emeryville Station. The center would be populated by a variety of options. We are considering a larger department store as an anchor which would provide residents with a much closer option for many of their needs than currently exists. Smaller boutique retailers would also be highlighted to provide additional attractions for nearby residents.



Project Description - Dining

- The site would also be home to dining options that would appeal to residents and visitors to Discovery Kingdom and potential new entertainment or sports related attractions. These onsite restaurants would be a mix of large, family friendly operations and smaller, local options that capture the “fresh” ethos of California dining. We feel the site has excellent potential for a “public market” concept similar to Oxbow Market in Napa or San Pedro Square in San Jose.



Project Description – Water Park/Resort

- We feel the site would make an excellent location for a water park / resort in the vein of a Great Wolf Resort. The closest water park currently to the Solano 360 site is 20 miles away and it does not provide any onsite lodging options.
- Our family and regional resort offering would become a preeminent destination for “staycations” for families who want to get away from home, but would prefer to avoid getting on a plane. Studies done for recent similar developments sites have indicated that customers will drive three to four hours to stay at these types of resorts.
- A large water park resort would also provide excellent synergy with the adjacent Six Flags Discovery Kingdom with an ability to leverage and improve the significant parking and transportation resources already in place . Discovery Kingdom currently suffers from a lack of both water based attractions as well as any significant onsite lodging that could attract multi-day and destination visitors.



Project Description – Fair of the Future

- The “Fair of the Future” concept envisioned in the current plans would become a year-round venue for traditional fair uses and innovative and cutting edge new technology.
- We envision a “secondary” Expo center that could be used not only to host some of the conventions and fairs that currently use the site, but also provide an attractive alternative to urban convention centers in San Francisco and Oakland and older locations currently in use such as the Cow Palace.
- The Expo center would house multiple exhibit halls that could be combined for large gatherings, and ample outdoor space to take advantage of the picturesque surroundings. Similar secondary centers in other metro areas have hosted over 100 events per year with over 500,000 attendees and can support almost 400 full and part time jobs.



Project Description – Live Entertainment

- SCD will partner with Another Planet Entertainment, LLC, a Bay Area icon in the field of promoting and managing live entertainment events, to bring regular outdoor music and cultural events to the site.
- Another Planet is the exclusive promoter for the Greek Theatre an 8,500 capacity outdoor amphitheater in Berkeley, the Fox Theatre, a 2,800 capacity historic theatre, the 8,000 capacity Lake Tahoe Outdoor Arena and has been producing the very successful Outside Lands and Treasure Island Music Festivals for the past 7 years.



Project Description – Residential

- We feel to truly make the Solano360 site a destination a residential component is necessary to activate the area at night
- We would plan to construct and sell or operate at least the 50 housing units prescribed in the plan but given the significant change in the Bay Area economic and housing climate since the original planning for the Solano360 site was completed in 2010, we would appreciate the opportunity to explore and engage with the City and the County on creating more housing units in a mixed use pedestrian friendly format, with the full understanding that such a change could require new and additional environmental review.
- We imagine these units seamlessly blending in with the other retail oriented uses of the site similar to Santana Row or Emeryville Station



Approach to meeting the Solano360 Specific Plan vision

- SCD seeks to be the County and City's private sector partner to invest in the Solano360 project leading to our development of a fully integrated, sustainable development that includes the Private and Public Purpose Areas. We understand the County and the City's goal to create Private Purpose Areas, create a long-lasting and sustainable regional destination and to achieve positive net revenues to support the Public Purpose Areas.
- Our Co-Managers will be involved on a day-to-day basis, and our development team will provide regular contact with the County, City and regulatory agencies to complete our project.
- We believe we can accomplish these goals because your goals are identical to ours.
 - Establish a unique place with an unmistakable identity that serves as a destination for visitors and nearby residents
 - Create a mix of land uses including retail, commercial, hospitality, recreational, residential and civic uses.
 - Develop a "Fair of the Future" that innovates, creates and provides a long-term place for traditional and non-traditional uses.
 - Integrate and embrace Six Flags Discovery Kingdom and other Vallejo assets such as the area's waterfront.
 - Be a leader in sustainability.
 - Ensure that our project is economically feasible, creates new jobs and creates new revenues for the project and the County and City.

Why Choose SCD?

- Development Experience
 - Over \$2 billion of irreplaceable, mixed use destinations including Ghirardelli Square, Sacramento Arena Project, Treasure Island Redevelopment, The Grove (LA), and Ramekins Cooking School and Resort
- Financing Experience
 - The principals of SCD have negotiated over \$1 billion in financing for a multitude of projects
- Public/Private Partnership Experience
 - The principals of SCD have years of experience working with both State and Federal agencies as well as local stakeholders to shepherd complex development projects through the approval process
- Construction and Project Management Experience
 - Principals of SCD have led construction and design efforts for over 2 million square feet of commercial and residential mixed use projects
- Experience obtaining both Federal and local approvals and allocations for Highway Projects

Appendix:
Selected Past Projects and Preliminary Financing and Phasing

Past Projects – Sacramento Arena

- Situated on 17 acres centrally located in Downtown Sacramento between the State Capitol, Capitol Mall offices, the Convention Center, and Old Sacramento, the Sacramento Arena Project involves designing and planning a 732,000 sf Arena will have a capacity of 17,500 people and host approximately 200 events per year, including 43+ NBA games.
- The Project's Mixed-Use component includes improvements to an existing 332,000 sf Macy's store and an entitled 1,500,000 sf of mixed use consisting of 350,000 sf of retail, up to 250 hotel rooms, 475,000 sf of office, and up to 550 luxury residences.
- City entitlements include: Environmental Impact Report and Mitigation Monitoring Program; Development Agreement; New zone ordinance and parcel designations establishing a Special Planning District (ESC SPD); Approval of new Water Supply Assessment Report; Findings of Fact approving the ESC Project including Tentative Tract Map, CUP's and Arena Site Plan and Design Review; Amendment to Sacramento City Code Section 15.148.815 and Adding Section 15.148.965, Relating to Digital Billboards on City-Owned Lands.



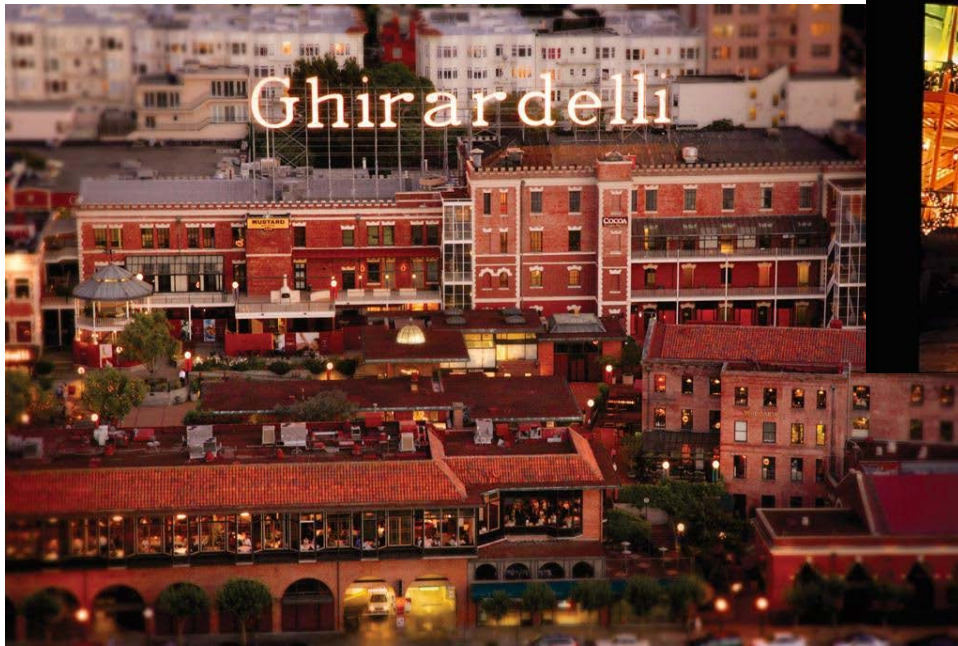
Past Projects – Treasure Island Master Development

- Situated in the heart of the San Francisco Bay, Treasure Island Master Development is a 400 Acre redevelopment project initiated by Kenwood Investments, LLC along with its retail and residential partners Wilson Meany, Stockbridge Capital and Lennar Homes.
- The Project has been planned for 8,000 new attached condominium and rental homes, both market rate and affordable, 250,000 square feet of commercial retail uses, 2 or 3 new hotels with a total of 500 new hotel rooms, a ferry terminal, 400 slip marina, 300 acres of active and passive recreational and open space uses, a 20+ acre Urban Farm, and all new infrastructure including a new state-of-the-art waste water treatment plant.
- City entitlements include: Certified and finalized Environmental Impact Report and Mitigation Monitoring Program; Development Agreement; new Special Use District zoning ordinance and parcel designations.



Past Projects – Ghirardelli Square

- Re-entitle and redevelop existing 100 year old national historic landmark into branded luxury mixed use lifestyle retail and hospitality project.
- \$100m+ project including \$60m seismic upgrade and historic restoration of Fairmont hotel/residence club component of the project.
- 101,000sf across 12 buildings and 283 parking spaces as well as a 53 private residence club branded by Fairmont.
- Worked with existing tenants on exit plan.



Past Projects – Rincon Restaurants

- Worked in concert with the Port of San Francisco and San Francisco Redevelopment Agency to develop and activate a key piece of waterfront real estate with the development of the largest single restaurant project in San Francisco.
- Able to navigate key additional stakeholders including community, Bay Conversation and Development Commission and San Francisco Board of Supervisors.
- Created partnership with Kuleto Restaurant Group to develop and operate San Francisco's largest stand-alone restaurant project (estimated \$22 million of gross sales in 2014).
- First ground-up development on north waterfront in San Francisco since construction of the Giant's Pacific Bell Park.



Preliminary Project Approach

- SCD will follow the land use program described in the RFP, except where specific new entitlements are obtained. Accordingly, we anticipate a land use program as follows:

Land Uses/Private Development Areas	Acres	Bldg. Sq. Ft.	Housing Units	Parking Stalls
Entertainment Mixed Use (EMU)	18.8	327,570		804
Entertainment Commercial (EC)	30	TBD		750
Residential (included in EMU and/or EC Acres)			50 (SCD may consider adding residential units at a later date)	
EMU Parking Structure (included in the EMU Acres)		320,000		1,000
SUBTOTAL FOR PRIVATE DEVELOPMENT AREAS	48.8	647,571++	50	2,554
Land Uses/Public Development Areas	Acres	Bldg. Sq. Ft.	Housing Units	Parking Stalls
Fair of the Future	35.2	149,500		775
Creek Park/Open Space	6			
Fairgrounds Channel	17.9			
Transit Center Parking Structure	1.1	121,600		380
Transit Center Bus Docking	1.1			
Shared Public Parking Structure	5	800,000		2,500
Shared Public Surface Parking	19.7			1,980
Major Roads	14.3			73
SUBTOTAL FOR PUBLIC DEVELOPMENT AREAS	100.3	1,071,000		5708
Cumulative	149.1	1,718,671	50	8,262

Preliminary Project Phasing

- SCD will generally follow the current project phasing established in the Solano360 Project, with City and County approved and mitigated modifications for planned for more efficient and faster market-driven absorption subject to public financing requirements and timelines, as described below:

Land Uses	Phase One (years 1-3)		Phase Two (Years 4-8)		Phase Three (years 9-12)		Cumulative	
	Cum. Acres	Cum. Sq. Ft.	Cum. Acres	Cum. Sq. Ft.	Cum. Acres	Cum. Sq. Ft.	Cum. Acres	Cum. Sq. Ft.
New Expo Hall	1.6	72,000			1.6	72,000	144,000	3.1
Outdoor Arena/Venues	12.4				3.6	5,500	5,500	16
New Fair Parking & Roads	2.2		4.0					6.2
Existing Fair Facilities	14.5		-4.0		-5.2			9.3
Existing Parking & Roads	4.5							4.5
Transit Center Bus Docking			1.1					1.1
Transit Center Surface Parking/Bus Stop			-2.2					-2.2
Parking Structure Shared			1.1	121,600			121,600	1.1
Public Parking -Surface			24.7		-5.0			19.7
Shared Public Parking-Structure					5.0	800,000	800,000	5.0
Temp. Fair Parking	7.0		-7.0					
Major Roads	6.5		7.8					14.3
Creek Park	6.0							6.0
Fairgrounds Channel			17.9					17.9
EMU (.2 FAR)	9.8	85,300	7.0	60,900				
EMU (.4 FAR)		34,800		34,840	16.8	146,362		
EMU Parking Structure						320,000		
Housing Units				50				
Entertainment			18.0	TBD	6.0	TBD		
Commercial Parking			12.0		-6.0			

Preliminary Infrastructure Financing Plan

	Private Purpose	Public Purpose	Other	Total
Off-Site Regional Improvements	\$2.7M	\$0.3M	\$1.8M	\$4.8M
On-Site Improvements	\$25.9M	\$10.4M	\$0.8M	\$37.1M
Fair Buildings		\$49.4M		\$49.4M
Demolition		\$4.5M		\$4.5M
SOURCES	CFD	COPs & CABs	Grants, Impact Fees & Miscellaneous	
Reimbursements		-2.3M (credit)		
Net Public Financing Proceeds Available for Infrastructure	\$25.5M	96.5M (77.3M from COPs and 19.1M from CABs)		
Private Capital	\$0.5M	\$0.5M		

Preliminary Vertical Financing Plan

	Square Feet	Price per Sq. Ft	Total Cost/\$\$	
EMU	327,570	\$350.00	\$114,650,000	
EU				
Residential	50 units	\$350,000 per unit	\$17,500,000	
Other	3,880 Structured Parking Stalls	\$4,500 per stall	\$17,460,000	
Contingency	15%		\$22,441,425	
Total			\$172,050,925	
SOURCES				
Private Capital	30%		\$51,615,277	
Mezzanine/Bridge				
Construction Debt	70%		\$120,435,647	

Additional or Enhanced Entitlements

- SCD will likely seek to work with the County and the City on a package of appropriately scaled additional or enhanced entitlements. We believe that the current Project was properly assessed back in 2010, when the City, County and other advisory consultants, in the middle of the Great Recession, evaluated the potential and most feasible uses for the property. Today, however, market conditions have significantly improved and are more favorable to mixed-use developments. The influence of high value job and wealth creators in technology and related emerging business areas have significantly expanded from the Silicon Valley north to San Francisco and east to the greater East and North bay. We strongly believe there is an opportunity to tap into that momentum and create something truly unique and vibrant at the property and would welcome the ability to discuss that opportunity.
- Among the additional or enhanced entitlements that we may seek are additional 250-400 housing units, fewer structured parking stalls and an additional 250,000-500,000 square feet of additional retail and commercial uses.
- We understand that such changes would necessitate the preparation of a new environmental review, either a supplemental EIR or a subsequent EIR (Pub. Res. Code 21166(a)), unless the local agencies determine that impacts resulting from the substantial changes to the project do not lead to new or more severe significant impacts from those described in the project EIR. Id; 14 Cal. Code Regs. 15162(a)(2).
- We anticipate that should a supplemental or subsequent EIR be required it would take approximately 12 months for preparation and certification. We would also anticipate that simultaneously with the preparation of a supplemental or subsequent EIR, we would work closely with the County and City making any necessary amendments to the Specific Plan and other necessary entitlements.
- The members all have extensive experience managing environmental review processes with public partners. Whether it was the Treasure Island Master Development project, the Sacramento Arena project, or others, we have a demonstrated track-record of success in managing and succeeding in obtaining entitlements for our projects.