

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-14

Urgent

Routine

AGENDA DATE August 28, 2007

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Second Quarter Status Report and Recommendation for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

STAFF RECOMMENDATIONS:

1. Accept the Quarter Two Status Report
2. Review and Adopt the recommendation of the Ad Hoc Committee to retain ownership of County properties at the former Crows Landing Air Facility;
3. Consider an Update of the General Land Use Alternatives/development footprint, the Public Meeting Outreach Plan, and Preliminary/Draft Studies on water systems, sewer, storm drainage, dry utilities, traffic circulation planning, and environmental reconnaissance.

FISCAL IMPACT:

The County acquired a majority holding of the former Crows Landing Air Facility from the Federal government in late 2004. A funding source to support the ongoing planning and development process was established in a Crows Landing Development budget unit. The property will generate approximately \$780,000 through a three-year agricultural lease of 1,112 acres with a Hollister-based grower, Pride of San Juan. This agricultural lease will expire in December 2008 unless the Board extends the term.

- CONTINUED -

BOARD ACTION AS FOLLOWS:

No. 2007-681

On motion of Supervisor Mayfield, Seconded by Supervisor Monteith
and approved by the following vote,

Ayes: Supervisors: Mayfield, Grover, Monteith, DeMartini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 2

FISCAL IMPACT CONTINUED:

A contract to prepare the initial General Plan amendment, master planning process, airport layout plan and subsequent environmental impact analysis was awarded to ESA Airports in March 2006. The total contract amount (\$499,740) was encumbered in the Crows Landing budget unit. The ESA contract was formally suspended in September 2006 following the completion of several key planning steps including a master development reuse scenario document. To date, the ESA team has been compensated \$155,032.34 (31.5%) for work performed for the County.

Per the Board approval at Quarter One, the County has entered into a Pre-Development Agreement with the master developer candidate; the agreement requires the developer to pay for all third-party consultant work and independent analysis required during the exclusive negotiation period. Staff costs associated with this negotiation process will be born by the various County departments that are participant to this process, as these costs have been anticipated and budgeted for the development of the County-owned property at the former Crows Landing Air Facility.

DISCUSSION:

On September 26, 2006, the Board of Supervisors directed staff to issue a Request for Proposals (RFP) for a master developer for the Crows Landing Air Facility. The intention of the RFP was to solicit development proposals for the former air facility from private interests that would be consistent with the guiding principles outlined by the Crows Landing Steering Committee. Staff received two proposals, one from PCCP West Park, LLC (West Park) and another from Hillwood, a Ross Perot Company. A screening committee and the full Crows Landing Steering Committee reviewed each proposal.

Because only two firms responded, both of which were highly qualified, and because both had requested exclusivity, the Board of Supervisors invited each firm to provide an informational presentation on February 13, 2007. On February 27, 2007, the Board of Supervisors approved a 12-month exclusive negotiation with West Park.

Subsequently, at the Board of Supervisors meeting on March 6, 2007, the Chairman of the Board appointed Supervisor Monteith (District 4) and Supervisor DeMartini (District 5) as an Ad Hoc Committee to oversee the negotiation process. Staff members from the County Crows Landing Development Team (multiple County departments) and West

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 3

Park (Developer planning team) have been working with the Ad Hoc Committee since its formation.

On March 20, 2007, the Board of Supervisors indicated its support of short-haul and commuter rail transportation opportunities through the development of an inland port that would connect the Port of Oakland and the Crows Landing Air Facility development. This support took the form of a resolution, which identified plans for designating 150 acres of the former Crows Landing Air Facility (or adjacent property) for a future intermodal transportation facility.

Throughout Quarter One the Ad Hoc Committee developed a task delivery timeline, formalized the project boundary, and entered into a pre-development agreement whereby West Park agreed to be the responsible fiscal party for all third-party project analysis. This report summarizes the efforts of the Ad Hoc process throughout Quarter Two of the exclusive negotiating period.

QUARTER TWO MILESTONES

The Ad Hoc Committee met with the West Park team on five occasions during Quarter Two, bringing the total number of Ad Hoc meetings to ten since its inception. The exclusive negotiation process is at its midpoint. Progress has been consistent with the negotiated timeline and continues to align with project scope and intention. The Ad Hoc Committee has reached concurrence on several additional project components during Quarter Two and seeks to update the Board on its decisions.

1. Land Disposition: County Retains Ownership

A key issue related to the disposition of County-owned property could not be resolved during Quarter One and carried forward to Quarter Two. The legal firm of Meyers Nave, ESA Airports, and Bay Area Economics (BAE) were commissioned to assist the Ad Hoc by identifying the multiple disposition options (sell, grant, lease, or hybrid) available to the County and developing a matrix to compare the pros and cons associated with each option. The options were evaluated and compared using criteria associated with land use, economic impacts, and marketing opportunities (see attachment No.1). The analysis was performed to address only the approximately 1,500-acre former Crows Landing Air Facility, and it is based on the assumption the County will eventually convey portions of the site to its Redevelopment Agency.

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 4

Based upon previous Board direction to pursue Redevelopment at the Crows Landing site, the Ad Hoc reviewed the disposition options and concluded unanimously that the most appropriate approach to disposition should be retention of the County-owned properties. More specifically, the County should retain ownership of the air facility and related industrial areas into the future, and retain the remaining County-owned property for long-term lease options.

In addition to this very clear direction, the Ad Hoc also recommended that the Disposition and Development Agreement (DDA) recognize County-owned areas have the potential to serve the entire 4,800-acre development footprint with utility services, so that possible revenue sharing components could be factored into the DDA as compensation for these areas.

2. General Land Use Alternatives – Development Footprint

Consistent with presentations made by West Park, the development footprint, which was agreed upon by the Ad Hoc Committee and formally adopted by the full Board at Quarter One, identifies a 4,800-acre total development area.

The Ad Hoc has focused on the general land use plan in the development footprint throughout Quarter Two; various land use alternatives and internal development options have been explored, and the plan has been modified several times to reflect committee discussions (see attachment No. 2). The most significant changes have been made in an effort to maintain the Board’s approved reuse objectives. Reuse Scenario No. 3 clearly identified the retention of the prevailing wind runway as a priority and included room for future runway extension and expansion. Modifications to the development footprint to incorporate Reuse Scenario 3 objectives were informed by dialogue and input from the Caltrans Division of Aeronautics.

The mixture of land uses offered in the most current development footprint approximates:

Phase I: County-owned Property at the Crows Landing Air Facility

General Industrial	205 acres
Industrial Distribution	70 acres
Airport Industrial	175 acres
Ag Industrial	220 acres
Inland Port shipping	170 acres

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 5

Business Park	105 acres
Regional Public Facilities	55 acres
Airfield	260 acres
Sewage Treatment	50 acres
Stormwater Quality Detention	50 acres
Infrastructure/Circulation	85 acres
Open Space/Drainage/Creeks	54 acres
Delta Mendota Canal	25 acres
Total	1,524 acres

Preliminary All Phases – Site Summary

General Industrial	2,000 acres
Industrial Distribution	600 acres
Airport Industrial	250 acres
Ag Industrial	250 acres
Inland Port shipping	170 acres
Business Park	290 acres
Regional Public Facilities	55 acres
Airfield	330 acres
Medical Planning Area	30 acres
Workforce Training	20 acres
Sewer Treatment	50 acres
Stormwater Quality Detention	140 acres
Water Treatment Plant	20 acres
Del Puerto Water Facility	1 acre
Infrastructure/Circulation	280 acres
Open Space/Drainage/Creeks	194 acres
Delta Mendota/Aqueduct	120 acres
Total	4,800 acres

All preliminary land use acreages identified in the base footprint are estimates and intended for planning purposes only, and remain subject to modification as new data become available. As stated above, the Caltrans Division of Aeronautics reviewed the map and identified concerns with the placement/location of sewer treatment and storm water basin/retention facilities in relation to runway approach and departure areas. The attached map was modified based on these comments, but Caltrans has not yet reviewed the subsequent changes.

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 6

ESA Airports continues to work closely with the County and West Park to provide supplemental data and to ensure that all Phase I land uses and project buffers are consistent with the Board's approved reuse scenario, such as the retention of the prevailing wind runway for general aviation uses.

3. Public Outreach/Public Meeting Plan

West Park has developed and provided a Public Outreach/Public Meeting Plan to the Ad Hoc Committee (see attachment No. 3). Consistent with the 12-month timeframe and milestone objectives, West Park has started to implement this plan by sharing the conceptual elements of the West Park proposal with most of the communities in Stanislaus County, with special emphasis on providing outreach to west side communities.

Multiple meetings have been scheduled (one in Spanish) to address the project scope, job creation vision, and to solicit input and feedback from interested community members. To date, meetings have been held in Patterson (three meetings), Newman, Crows Landing, Riverbank, Oakdale, Ceres, Turlock and Modesto.

The outreach effort has been comprehensive and has shown that there is both opposition to the project including Westside Patterson Alliance for Community and Environment (WS-PACE) and support for the project from many quarters.

4. Preliminary Analysis – Infrastructure Studies

West Park has completed an initial data review/analysis and survey of existing rail infrastructure, and it has performed an environmental constraints analysis including a preliminary wetlands analysis. West Park has discussed the level of detail and scope anticipated through the various preliminary analyses with the Ad Hoc Committee, and it has hosted a planning retreat with public sector partners that are participant to the Altamont Short-Haul Rail Infrastructure Bond (I-Bond) funding application process.

The following section is a very brief summary of the various preliminary reports recently submitted by West Park between August 14th and 16th. The Ad Hoc and staff are reviewing these reports currently and will use these preliminary documents

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 7

as a basis for on-going technical conversations that will assist with project refinement and definition. These include:

- Short haul Rail/Inland Port
- Preliminary Traffic Circulation
- Storm Drainage and Water Quality
- Water System Master Plan
- Treated Effluent Disposal/Sewer
- Dry Utilities Master Plan
- Preliminary Environmental Site Assessment
- Ecological Reconnaissance/Wetland Delineation
- Preliminary Geotechnical Engineering Report/Hazard Investigation

The Inland Port

A major component of the West Park development will be the development of an “Inland Port” that will be the rail hub in the Central Valley for the movement of people and freight to and from the Bay Area as well as other major cargo handling centers along the West Coast of the United States.

Such a rail facility would allow California goods and produce to be put on rail and off of trucks for export to the Port of Oakland for markets all over the world. Conversely, it will allow the import of goods that can be sold in all of Northern California to come out of the Port of Oakland by rail to distribution, storage, assembly and packaging centers within the West Park development, including the County’s own property. In effect, the rail facilities at West Park would be an extension (and enhancement) of the import/export services of the Port of Oakland, and, therefore, in itself, could be considered an “Inland Port”.

The former airport facility has two concrete runways, it is planned that Runway 17 (North-South runway) be abandoned as a landing strip, and only Runway 12 (prevailing wind runway) be used as part of the new airport facility. This is consistent with the board approved reuse strategy. Abandoned Runway 17 has a pavement section of 8” of portland cement concrete over 18” of aggregate base. The surface condition of this runway is considered very good, and should be able to support the activities of the new Inland Port except for the yard rail tracks. Therefore, the current plan is to incorporate as much as possible this existing pavement surface in to the design of the Inland Port facility. This will be achieved by

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 8

having the longitudinal alignment of the new rail lines lie over and more or less parallel the centerline of abandoned Runway 17.

The early analysis shows the rail link to the Inland Port will be from a spur line connected to the existing railroad adjacent to State Highway Route 33 that is operated by the California Northern Railroad.

The design of the Inland Port facility will be such as to minimize the facility operations on the environment. This will be achieved by using electric powered cranes, natural gas fueled yard vehicles, and locomotives with cleaner engines using either natural gas or ultra-low sulfur diesel fuel.

Transportation Improvements

Offsite Roadways

The West Park development will have a significant impact on the nearby local and regional roadway and freeway system. A full and detailed transportation analysis is currently being performed for the purpose of accurately estimating the increased traffic flow on the roadway network as a result of West Park. The analysis will involve a very detailed transportation computer model that will address impacts on a regional level. The model will assume the acreages listed previously as the basis for that analysis.

As part of the Project development, West Park will contribute its share of the cost to improve and upgrade off-site roads and freeway facilities.

On-Site Arterial and Local Streets

West Park will construct a network of on-site arterial and local streets that will be needed for access to all areas of the development. The design of the streets, curbs, sidewalks, lighting, as well as other required surface improvements will comply with County standards for industrial streets and roads.

New Utilities

The proposed West Park development will require new utility systems that will be needed to serve all of the various anticipated business, industrial and other land uses within the development including the Inland Port. West Park is prepared to fully develop all needed utilities, such as a water and wastewater. Because of the size of the project, these new facilities will need to be constructed from the ground

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 9

up, or major expansion to existing facilities, such as electric power and communications, will be needed. Those developing West Park do realize that joining forces with other communities such as Modesto or Patterson in having joint utility facilities could be of mutual financial benefit. This possibility, particularly for potable water and wastewater treatment and disposal, will be fully investigated as planning proceeds.

The major utilities that will need to be developed are for (1) potable water treatment and distribution, (2) wastewater collection, treatment and disposal, (3) storm drainage and flood control, (4) electric power service distribution system, (5) natural gas distribution system, (6) and communications.

The small community of Crows Landing is lacking in up-to-date utilities. Because of the community's close proximity, it has been Board mandated that the Project's new utility systems be sized to accommodate the needs of Crows Landing. This issue has been thoroughly discussed and agreed upon at both the Ad Hoc and Board levels of dialogue.

Water Treatment and Distribution

West Park anticipates obtaining raw water supply principally from surface supplies, and groundwater. It is proposed that a conjunctive use program be developed that will use both surface and groundwater sources in such a way that the sustainability of the groundwater source is maintained at all times. Future groundwater studies will determine the suitability of groundwater as a source, both qualitatively and quantitatively, and to determine the sustainable safe yield (acre-feet per acre per year) that will provide assurance that will maintain the long-term viability of the groundwater basin as a source.

A conceptual layout of a potable water system that could serve West Park is provided in this preliminary analysis. It is a two service zone proposal.

The water transmission system will have two pressure zones, the higher zone being between the DMC and the Aqueduct, and the lower zone being from the DMC to State Highway Route 33.

Water treatment will be provided by a new treatment facility located at the northwest corner of the Project in close proximity to the DMC and the Aqueduct. The treatment

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 10

facility will be constructed in phases, and, at Project build out, will have a total capacity of about 14 million gallons per day (MGD). One reason this site was chosen was that raw surface water would be easily accessible from either or both canals.

Wastewater Collection, Treatment, and Disposal
Collection

The topography of the Project site is such that the surface elevation falls generally from west to east with the lowest point being near the intersection of State Highway No. 33 and Marshall Road. Therefore, the most logical point for the wastewater treatment plant (WWTP) is in this low area. This will allow, as much as possible, the gravity flow of wastewater generated by the Project as well as the community of Crows Landing. The report identifies a tentative location for a WWTP.

Three service areas are planned within the Project boundary, and a separate service area is assigned to the community of Crows Landing. Service Areas 1 & 2 are located between the DMC and the Aqueduct. Pipe collection systems will be installed between the two canals that will carry all wastewater by gravity flow to two pump stations located where two bridge crossing of the DMC are planned. The stations will then pump the wastewater through force mains that are attached to the bridge structures to disposal points in Service Area 3. Service Area 3 serves all of the Project area east of the DMC as well as conveying flows from Service Areas 1 & 2 to the WWTP.

The community of Crows Landing will be served by a sewer force main that will be installed along State Highway Route 33. A community service area may be considered and a local wastewater collection system installed to carry the wastewater to a pump station that in turn would pump the wastewater into the force main to the WWTP.

Treatment

All wastewater will be treated to a high tertiary level quality meeting all of the requirements of a discharge permit issued by the State Regional Water Quality Control Board. The treatment process will be by sequencing batch reactors, which are ideal when expanding a plant in phases, or some other equivalent treatment process that will produce an effluent that will meet the expected strict permit

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 11

requirements. The WWTP facility is designed to be constructed in phases as the West Park development expands.

As an alternate to an on-site WWTP, Project wastewater could be pumped to the existing plant in either the City of Modesto or the City of Patterson. West Park would contribute its proportionate share of either city's planned plant expansion. It is expected that such a regional solution would result in a considerable savings in cost to a city and the developer group.

Effluent Disposal

All possibilities for effluent disposal will be explored. The Project will have a dual non-potable water system (purple pipe) that will deliver effluent from the WWTP to the various landscape areas throughout the development, public and private. Effluent disposal in this manner will be maximized as much as possible.

The highly treated effluent from the WWTP can be considered a desired source of water for farm irrigation. Therefore, a study will explore the feasibility of this option. It is possible that the effluent could be accepted by a local irrigation district, which could then blend the treated effluent with other irrigation water that is delivered to farmers in nearby areas.

Storm Drainage Drainage Patterns

The West Park project lies at the base of the Coast Range Mountains. The site generally slopes from west to east with an elevation of about 200-feet adjacent to the Aqueduct to about an elevation of 115-feet next to State Highway Route 33. Local drainage moves across the site generally to the east and northeast through local farm drainage ditches.

There are two mountain watersheds to the west of the Project. The largest is identified as Salado Creek drainage area, and has an area of about 25 square miles. Runoff from Salado Creek travels northerly through the northwest corner of the Project site, and therefore has little impact on West Park.

The second watershed is Little Salado Creek drainage area that has a tributary area of about 10 square miles. Storm water runoff from Little Salado Creek does have a direct and significant impact on the Project area. Creek runoff enters the southwest

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 12

corner of the Project area, and then flows northeast through the Project and across the existing airfield to the vicinity of State Highway Route 33 and Marshall Road at which point the storm water flow continues easterly towards the San Joaquin River. Small flows from the Little Salado Creek watershed are typically contained in local pipes, culverts and drainage ditches. But, higher winter storm events could overwhelm the local drainage system, and thus overflow and travel overland towards the northeast on the project site.

Potential for Flooding

The Federal Emergency Management Agency, as part of the National Flood Insurance Program, has identified on Flood Insurance Rate Maps certain areas of the project that are subject to flooding. An exhibit to the report shows the flood zones that are on the current FEMA flood maps. The areas that are subject to flooding are located in and around the northerly portion of the existing airport area, and up against the Delta Mendota Canal in the northwest portion of the Project site.

To address the potential flooding issue, a thorough and complete watershed analysis will be performed for Salado Creek and Little Salado Creek. This analysis will more accurately determine the potential for flooding. If it is found to be significantly different than what is shown on the FEMA flood maps, then a Letter of Map Revision (LOMR) will be requested of FEMA. To achieve such a change, the watershed analysis along with other pertinent engineering information will be submitted to FEMA for their consideration.

All improvements proposed within the Project area that are in areas of significant flooding will require that the FEMA flood maps be further modified to take the area out of the flood zone. This will require that a Conditional Letter of Map Revision (CLOMR) be obtained from FEMA, after flood protection work is complete.

Proposed Storm Drainage System

The report shows a preliminary layout of the proposed storm drainage system that will serve the West Park Development. The basic plan will be to direct all storm water runoff to two storm water quality detention basins, one located at the northwest corner of the Project site, and the other located near State Highway Route 33. The purpose of the basins will be to achieve some degree of disposal by percolation, but primarily to detain stormwater and dispose of it off-site during non-peak storm conditions. Eventual storm water disposal will be through a drain

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 13

pipeline located on Marshall Road east of State Highway Route 33. This pipeline will carry runoff to eventual disposal at the San Joaquin River, which is approximately three miles east of the Project site.

The Project storm water system will be sized to carry the design storm water runoff from the adjacent Salado Creek and Little Salado Creek watersheds.

Electric Power, Natural Gas, and Communications

Electric Power

The current provider of electric power in the area of the Project site is the Turlock Irrigation District (TID). TID has an existing overhead 115 kV and 12 kV power grid in the general area. A TID substation does exist on at the west end of Marshall Road next to the DMC. TID is currently enlarging their facilities which will include a new substation in northwest Patterson. When complete, substation capacity will be available for electrical service to the Project.

Natural Gas

Pacific Gas & Electric (PG&E) is the provider of natural gas in the area. PG&E does have major transmission pipelines within the general area, and it is expected that there will be sufficient capacity to serve the Project.

Communications

It is expected that communications and data service will be available from local providers such as AT&T, Global Valley Networks and Comcast Corporations. It is expected that underground extensions of their facilities to the Project site will be necessary to fully serve West Park.

Preliminary Environmental Site Assessment

The purpose of the Preliminary Environmental Site Assessment (PESA) was to evaluate the site for evidence of potential environmental constraints and recognized environmental conditions. In summary, historical land use research dating back to 1916, which included reviews of topographic maps, aerial photography, assessor records, and other historical documents revealed that the site has an agricultural history and was mostly noncultivated land with a few rural residences until approximately 1942 when the Navy purchased the location for the construction of the Naval Air Landing Facility.

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 14

Based upon information presented in the *2003 Baseline Survey* prepared by NASA, the age of the structures on the site, and posted signs observed during the site reconnaissance, asbestos-containing materials and lead-based paint are present in the on-site structures.

The septic system servicing the former Navy-housing is unlikely to have affected subsurface soils with hazardous materials, based on expected residential influent at that time as opposed to commercial or industrial wastewater discharges. However, waste oils, solvents, paints, and other chemicals may have been disposed of through the septic system servicing the maintenance and industrial structures resulting in impacts to the soils. (This has been extensively confirmed and sited in depth by the U.S. Navy and clean up sub-contractors Tetra Tech Inc.)

The report concludes with the recommendation to prepare a more detailed file review concerning the current and on-going status of the facility to gain a clearer understanding of the contamination status of the site. This approach should align with the on going and extensive clean up work being performed by the U.S. Navy, as responsible clean up party. [The most efficient course of action may be to consult with the U.S. Navy and seek out the complete environmental body of work that has been produced at this site over the past decade.]

Ecological Reconnaissance/Wetland Delineation

The Ecological Reconnaissance and Preliminary Wetland Delineation report is a preliminary analysis based upon site investigation. The report briefly discusses notable ecological features including Little Salado Creek, a constructed feature that extends across the entire property from southwest to northeast – containing some riparian plants and shrubs, and scattered small burrows.

The report recommends the establishment of a wetland management plan that would ultimately improve storm water conveyance capacity on Little Salado Creek, while protecting existing wetland features. The report also recommends opening dialogues with several key regulator agencies to begin the assessment of specific issues of regulatory concern in advance of permitting. The report further advises the development of a Kit Fox habitat assessment and the establishment of a Worker Environmental Awareness Program (WEAP) to train all site workers regarding the presence of wetlands and any potential listed or otherwise regulated species.

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 15

[NOTE: *Although environmentally desirable to improve Stormwater conveyance to creeks and project existing wetland features, it is contrary to the goals of aviation safety. Also, the report fails to include Caltrans and FAA in discussion about agency communications*]

Preliminary Geotechnical Engineering Report/Hazard Investigation

The Preliminary Geotechnical Engineering and Hazard Investigation report focuses on evaluating potential geologic hazards at the site, a description of the nature and general engineering characteristics of the subsurface conditions within the project area, providing findings regarding potential geotechnical concerns and a general discussion of possible mitigation measures.

The report concludes that based upon the review of available geological, soil and geological data, that the project site is suitable for the proposed construction from a geotechnical and engineering geological standpoint.

5. State I-Bond Update

Voters approved a \$3 billion funding bond that focuses on improving access to California Ports in November 2006. Collaboration is developing among multiple public entities including various Councils of Government to prepare a single grant application to obtain funds from the California Transportation Commission (CTC). In February, when the exclusive 12-month negotiation was awarded to West Park, the team anticipated that the success of a Northern California joint application would be determined by the end of the first quarter of 2008. Due to slow downs in the legislative process (in large part due to the budget adoption delays), the timeframe associated with submitting applications has been delayed until second quarter of 2008. Even with an aggressive review process, the CTC is unlikely to award I-Bond grants until late July or August of 2008. Since the project description and presentation schedule described in the Board-approved timetable for the exclusive negotiating period is due by April 8, 2008, it is unlikely that the presentation will be able to include concrete information regarding the availability of I-Bond funds. The Board will need to consider this issue and its potential impacts prior to the completion of the Third Quarter process.

6. Disposition and Development Agreement - Status

The County and West Park representatives have started to prepare a Disposition and Development Agreement (DDA) to implement the Board's objectives for

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 16

development at the Crows Landing Air Facility and surrounding areas—should the project move forward after the exclusive negotiation timeframe. County Counsel has prepared an initial draft of the DDA with assistance from Meyers Nave acting as a neutral third party.

NEXT STEPS: Quarter Three

Key deliverables through winter 2007 will include the continuation of market, economic and infrastructure data analysis. Legal counsel for West Park and the County will continue to work toward completion of a DDA. In addition, County Redevelopment staff will refocus and elevate the redevelopment planning process for the County owned air facility property while continuing to monitor West Park public outreach efforts - including input and feedback collected from these public forums.

Finally, as the current delivery timetable for State of California I-Bond funding remains uncertain, the Ad Hoc Committee will continue to monitor the work of the State Legislature regarding SB 9 (Lowenthal) and the process developments surrounding the I-Bond application and award timeframe.

The short-haul rail component and State I-Bond fiscal support are key to the success of this project. The Ad Hoc Committee and West Park representatives acknowledged that the timeframe associated with I-Bond grant application schedules and funding was somewhat uncertain during the development of the 12-month schedule and milestone tasks associated with the exclusive negotiating period. The Ad Hoc adopted an approximate 12-month schedule and has continued to move forward to achieve the milestones identified. During Quarter Three, the committee will need to revisit the timeframes associated with State I-Bond grant application and funding awards, determine the true viability of the Crows Landing projects as part of the I Bond regional application, determine what, if any importance the protracted timeframe and commitment uncertainties will have on subsequent decisions and the overall schedule associated with the exclusive negotiating period.

SUMMARY

The exclusive negotiation between the County and West Park continues on a positive and efficient pace. All participants are committed to delivering a viable project to create a regional job center. Data from the environmental constraints analysis and infrastructure studies performed by West Park will be incorporated into the project

Second Quarter Status Report and Recommendations for the 12-Month Exclusive Negotiation with PCCP West Park, a Master Developer Preparing a Reuse Project Description and Proposal at the Former Crows Landing Air Facility and Adjacent Properties Located on the West Side of Stanislaus County

Page 17

description during Quarter Three to provide greater detail. At the conclusion of Quarter Four, the Board of Supervisors will receive a significant project proposal for review and action.

POLICY ISSUE:

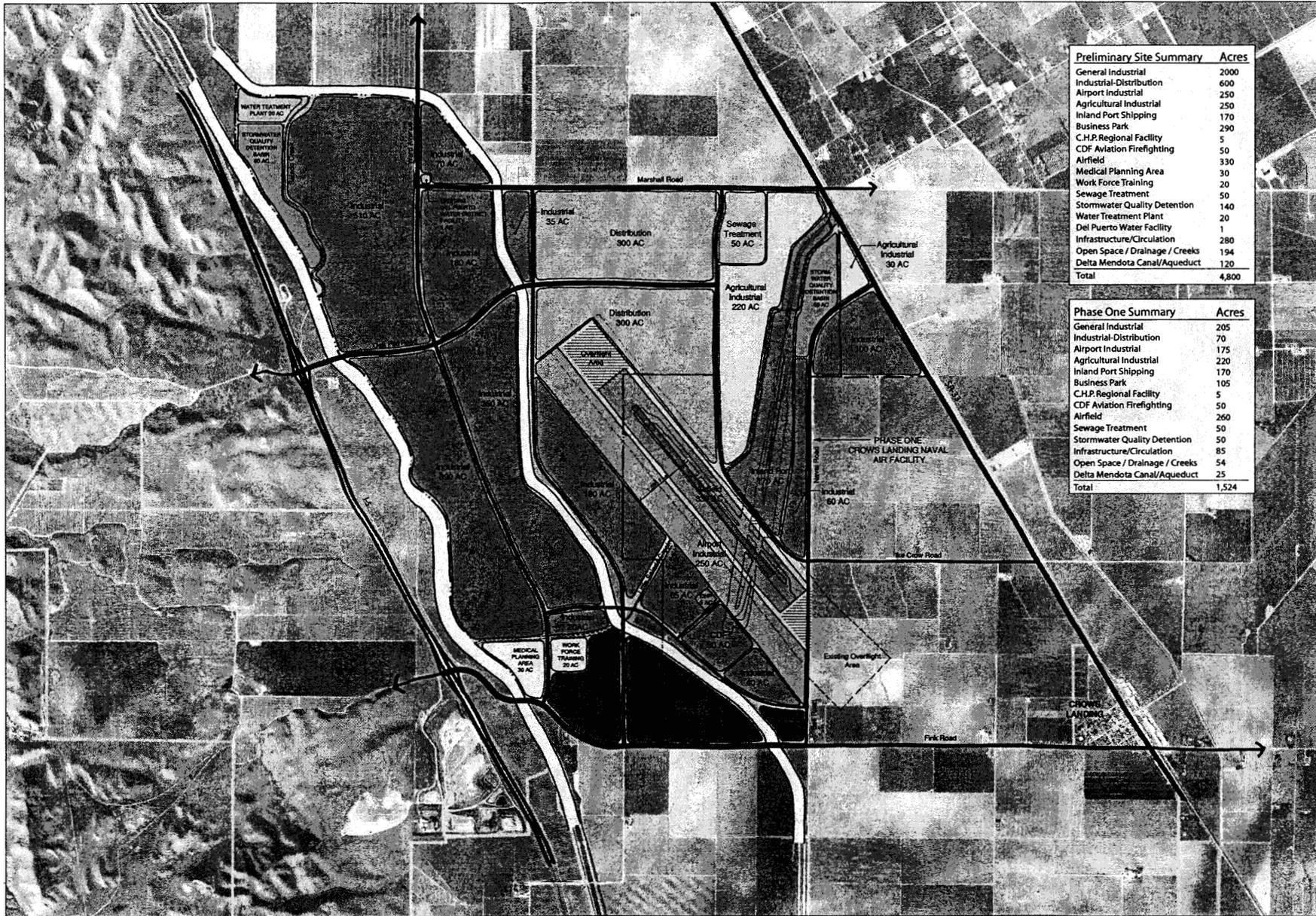
The Board should determine whether the direction and recommendations of the exclusive negotiation at Quarter Two are consistent with previous Board direction and supportive of the Board's priority of ensuring a strong local economy through industrial/business park development and job creation objectives for the communities of Stanislaus County.

STAFFING:

Staff from the Chief Executive Office will continue to facilitate the work of the Ad Hoc Crows Landing Committee, and staff from Planning and Community Development, Redevelopment, Public Works, Department of Environmental Resources, and County Counsel (County Crows Landing development team) will continue to provide support.

Attachments: Land Disposition Matrix Summary
General Land Use Map: Quarter 2
West Park Public Meeting Plan
Preliminary/Draft Studies: West Park Summary

Disposition Options	Overall Pros and Cons	General Comments
Sale Options <ul style="list-style-type: none"> ▪ Fair Market Value (FMV) or Less ▪ Lease to Purchase at FMV or Less (receives lump sum payment and rent) ▪ Sale with Participation (receives revenue from development profit) 	Pros: Revenues can be calculated up front; tax increment accrues immediately. No commitment to incur infrastructure costs. Fewest administrative costs. Cons: Lose interest in land following sale. Compromise ability to achieve long-term Countywide goals. Need to develop and maintain an aviation facility remains.	Sale options generally provide the greatest return up front, but the tradeoff is that the Agency has a reduced interest in the property. The County's ability to use this area to achieve long-term goals or provide public services to existing residents could be diminished under this scenario. Ability to provide aviation facilities pursuant to original conveyance may be difficult.
2.0 Lease Options <ul style="list-style-type: none"> ▪ Fair Market Value (FMV) ▪ Below Market Rent ▪ Deferred Rent (for specified period) ▪ Master Lease ▪ Participation (receive revenue from successful development) 	Pros: Land reverts back to Agency at end of lease term. Allows Agency to maintain a long-term asset. Agency maintains increased interest in land (lease agreements). Revenue extends beyond lump-sum payment; varies by lease option. Agency must ensure aviation facilities are developed. Cons: Does not provide near-term, up front benefits Lenders require subordination of lease. Ownership may delay receipt of tax increment until improvements are constructed. Increased administrative, management and monitoring costs.	Lease options can provide the County with greater interest in proposed land uses through terms of lease. Should facilities be required to support existing County residents, land would be available to provide those services (i.e., police, fire fighting facilities, etc.) In addition, the County could apply for FAA funding for aviation facilities following the facility's inclusion in the National Plan of Integrated Airport Systems (NPIAS).
3.0 Grant Options <ul style="list-style-type: none"> ▪ Outright Grant (Transfer of title) ▪ Conversion (loan converts to grant upon performance) ▪ Participation (Transfer of title and receipt of revenue from development profit.) 	Pros: Provides for immediate transfer of land. Allows for agency to assist if costs inhibit land development. Could provide Agency with greatest influence over ongoing use. Cons: Agency receives no upfront funds.	General: Compared to sale and lease options, grant options provide the County with the least assurance with regard to revenue, but the greatest options with regard to land use interest based on the terms of the grant.
4.0 Hybrid Options	Pros/Cons: Varies according to options selected. See comments above.	General: Hybrid options provide the greatest flexibility to achieve multiple near-term and long-term goals. Under the hybrid options, the County could maintain ownership of some land and divest some for immediate capital gains. Hybrid options should focus on the long term decisions, rather than specific parcels identified on drawings to date, as those parcels and land uses could be subject to change through ongoing planning and development processes. For example, the County could retain the area associated with Scenario 3, rather than specific parcels or uses as shown.
Assumptions used in the Analysis <ul style="list-style-type: none"> ▪ Analysis applies only to the 1,500-acre former Crows Landing Air Field property. ▪ County transfers/conveys land to the Redevelopment Agency, which will be party to any disposition and development agreement and/or ground lease. ▪ Actions listed in the chart may be carried out by a majority vote of the Agency Board of Supervisors. ▪ Agency may provide loans or grants for redevelopment and engage in various financing methods to pay for projects. ▪ Agency may use tax increment to pay for certain public improvements upon making appropriate findings. ▪ The redevelopment agency authority would provide the County with greater options. 		



Preliminary Site Summary	Acres
General Industrial	2000
Industrial-Distribution	600
Airport Industrial	250
Agricultural Industrial	250
Inland Port Shipping	170
Business Park	290
C.H.P. Regional Facility	5
CDF Aviation Firefighting	50
Airfield	330
Medical Planning Area	30
Work Force Training	20
Sewage Treatment	50
Stormwater Quality Detention	140
Water Treatment Plant	20
Del Puerto Water Facility	1
Infrastructure/Circulation	280
Open Space / Drainage / Creeks	194
Delta Mendota Canal/Aqueduct	120
Total	4,800

Phase One Summary	Acres
General Industrial	205
Industrial-Distribution	70
Airport Industrial	175
Agricultural Industrial	220
Inland Port Shipping	170
Business Park	105
C.H.P. Regional Facility	5
CDF Aviation Firefighting	50
Airfield	260
Sewage Treatment	50
Stormwater Quality Detention	50
Infrastructure/Circulation	85
Open Space / Drainage / Creeks	54
Delta Mendota Canal/Aqueduct	25
Total	1,524

West Park Conceptual Land Use Plan
Stanislaus County, CA

ATTACHMENT 2



**COUNTY OF STANISLAUS / CROWS LANDING
PCCP WEST PARK**

**PUBLIC MEETINGS PLAN
July 2007 – September 2007**

General Public Meetings

We will schedule and hold a series of a least 9 meetings throughout the county from July 2007 to September 2007 in order to encourage Stanislaus County residents to participate in our planning process, hear about our plans, and share their thoughts, ideas and concerns.

Meetings will be scheduled starting in late July and continuing through August in order to coincide with the 12-Month Exclusive Negotiation Timeline that we have agreed upon.

Meetings will be held in the following cities and towns:

- Modesto: 1 meetings
- Ceres: 1 meeting
- Newman: 1 meeting
- Oakdale: 1 meeting
- Patterson: 1 meeting
- Riverbank: 1 meeting
- Turlock: 1 meeting
- Crows Landing: 1 meeting
- West Side TBA 1 meeting (Spanish translation)

Meetings will be set up to allow each attendee to participate in a substantive dialogue with regarding our plan. Meetings will also be videotaped in order to maintain an official and unbiased record of what takes place during each meeting.

Meeting Notices

In order to ensure that residents receive adequate notice and information regarding our series of meetings, we will create and mail a meeting notice in each community announcing the meetings.

We will utilize residential mailing lists to mail notices to local residents. We will also work with organizations in each community with distribution lists to ensure that notices are mailed to their lists as well.

In addition to containing information regarding meeting dates, times and locations, the notices will be designed to fold out into a fact sheet that provides basic information regarding the concept, as well as the planning process that the County has established for this project.

Each notice will contain a perforated comment card that can be torn off and mailed back to us by recipients who have questions or comments they would like to share with us. All questions will be answered promptly.

The notices will also contain our contact information – website, email, and telephone number – so that recipients can call or email to RSVP for meetings, as well as to contact us directly in a way that is convenient for them if they have questions.

Print Ads

In addition to mailing out notices to residents, we will also publish full-page ads in local papers where we scheduled and hold meetings. Each ad will be published approximately one week before the meeting(s) that is (are) held in each community.

Web Page

We will create a simple web page that contains information regarding our planned meetings – date, time, and location. The web page will also include information regarding the project that is similar to the fact sheet that we will mail as part of the notice.

Visitors to the web page will be able to RSVP for a meeting directly online. They will also be able to submit comments directly as well. All questions will be answered promptly.

Follow-Up

We will make the minutes for each meeting – as well as videotapes for each meeting – available to all members of the Stanislaus County Board of Supervisors. In addition, we will post segments of the meetings on the web page and post to YouTube.com to provide a flavor of the meetings and encourage others to learn more and attend future meetings.

EXECUTIVE SUMMARY

WEST PARK INLAND PORT AND INDUSTRIAL BUSINESS PARK STANISLAUS COUNTY, CALIFORNIA

Project Location:

West Park is located on the west side of the San Joaquin Valley in Stanislaus County (See Exhibit A for a vicinity map). The project has an area of about 4,800 acres, and is situated just north and west of the community of Crows Landing. An integral part of the project will be the development of the Crows Landing Airport. The airport was recently acquired by Stanislaus County from the U. S. Government, and the County has a strong interest in the commercial and/or industrial development of this property. This can be best achieved by including the County property as part of the overall proposed West Park development.

History of the Airport:

The Crows Landing Airport was originally constructed by the U. S. Navy in early 1943, and was given the name of Naval Auxiliary Landing Field. The landing field was first used as a training field for patrol bomber crews. The facility was largely inactive following World War II until the early 1950s, when it was used for fleet carrier landing practice during the Korean War.

In the early 1970s P-3 Orion aircraft touch-and-go operations was shifted to the Crows Landing field from Moffett Field. Throughout the 1970s and 1980s, the Crows Landing field was used for practice operations by the Navy, Air Force Army and Coast Guard.

In 1994, NASA took over operation of the Crows Landing field from the U. S. Navy as part of a Department of Defense Base Realignment and Closure process. Until 1997, NASA used the runways, several storage buildings, and the administration building to support periodic airfield operations. In 1997 NASA declared the airport facilities excess property and subsequently vacated the facility.

In 1999, Congress enacted a law that ordered NASA to convey the airport facility to Stanislaus County. Today the entire airport facility occupying 1,527 acres is owned by Stanislaus County.

Proposed West Park Development:

West Park, as shown in Exhibit B, Land Use Plan, is in a unique location where existing major transportation arteries are in close proximity. Interstate Route 5, which parallels the west boundary of the Project, is a major west coast freeway that allows the quick movement by truck of commercial and industrial goods to various destinations

throughout the western part of the Country. On the east side of the Project site, State Highway 33 serves as a major local arterial for the valley area, including agribusiness. The California Northern Railroad operates an existing rail line that parallels State Route 33 from Tracy down into Merced County. This rail line has the potential of being part of a major rail link to the Port of Oakland thus allowing for the movement of short haul freight (containerize cargo) to and from the Central Valley. This would significantly reduce the use of trucks that presently transport the same cargo, which in turn will help improve air quality in the Central California. West Park is proposing to include as part of the development an intermodal facility called an "Inland Port" that will be a point where shippers can initiate or receive large bulk cargo.

The Inland Port:

A major component of the West Park development will be the development on an "Inland Port" that will be the rail hub in the Central Valley for the movement of people and freight to and from the Bay Area as well as other major cargo handling centers along the West Coast of the United States.

The valley's major highway transportation system, already badly congested, simply cannot handle the anticipated growth of our future transport needs. The cost to upgrade and enlarge the existing regional freeway system will be very expensive, and, if actually constructed, the additional vehicle traffic will exacerbate even further the problem of improving our valley's air quality. An obvious answer to this problem is to modernize and increase the capacity of existing rail systems in critical areas of Northern California that will allow for the more efficient movement of freight. West Park is in an ideal location where an intermodal freight handling facility could be a major component of an expanded rail oriented transportation system.

As the realization of the need for regional modernization of the rail system intensifies, it has become apparent that (1) Stanislaus County's desire to redevelop the former Crows Landing Naval Air Facility as a major employment center, (2) the desire of West Park, LLC to develop an adjacent industrial/business park, and (3) the existence of a nearby rail line, has created the opportunity for the creation of a rail oriented shipping facility that would be of real benefit to Stanislaus County and the Central Valley.

Such a rail facility would allow California goods and produce to be put on rail and off of trucks for export to the Port of Oakland for markets all over the world. Conversely, it will allow the import of goods that can be sold in all of Northern California to come out of the Port of Oakland by rail to distribution, storage, assembly and packaging centers within the West Park development, including the County's own property. In effect, the rail facilities at West Park would be an extension (and enhancement) of the import/export services of the Port of Oakland, and, therefore, in itself, could be considered an "Inland Port".

West Park is supporting the Inland Port to become a new transportation center, by attracting private, state and federal funding for implementation of a new short haul rail service between the Port of Oakland and the Inland Port. Significant upgrades to the existing rail system between the Port of Oakland and West Park will be necessary. Last November, the voters approved a \$3 billion funding that focuses on improving access to our Ports in California. Currently there is collaboration between Stanislaus County Council of Governments, San Joaquin County Council of Governments, the Bay Area's Metropolitan Transportation Commission (CTC), and Sacramento Area Council of Governments on a single application for the grant of funds from the California Transportation Commission. This application is expected to be submitted sometime in the 1st or 2nd quarter of 2008, and the CTC is expected to award bond funds based on applications received after July 1, 2008.

The former airport facility has two concrete runways, it is planned that Runway 17 be abandoned as a landing strip, and only Runway 12 be used as part of the new airport facility. Exhibit C is a possible plan of the Inland Port facility. Abandoned Runway 17 has a pavement section of 8" of portland cement concrete over 18" of aggregate base. The surface condition of this runway is considered very good, and should be able to support the activities of the new Inland Port except for the yard rail tracks. Therefore, the current plan is to incorporate as much as possible this existing pavement surface in to the design of the Inland Port facility. This will be achieved by having the longitudinal alignment of the new rail lines lie over and more or less parallel the centerline of abandoned Runway 17.

As shown on Exhibit C, the rail link to the Inland Port will be from a spur line connected to the existing rail road adjacent to State Highway Route 33 that is operated by the California Northern Railroad.

The design of the Inland Port facility will be such as to minimize the facility operations on the environment. This will be achieved by using electric powered cranes, natural gas fueled yard vehicles, and locomotives with cleaner engines using either natural gas or ultra-low sulfur diesel fuel.

Another positive environmental consequence of a fully functional Inland Port facility will be significant reduction of the number of trucks that need to cross the Altamont Pass between the Bay Area and the Central Valley. The Inland Port will also replace Oakland with West Park as the origin and destination of loaded and empty containers. This will reduce significantly the movement of empty containers that now takes place between the Port of Oakland and the Central Valley. This change will have a significant positive impact on air quality.

Transportation Improvements:

Offsite Roadways:

The West Park development will have a significant impact on the nearby local and regional roadway and freeway system. A full and detailed transportation analysis is currently being performed for the purpose of accurately estimate the increased traffic flow on the roadway network as a result of West Park. The analysis includes a very detailed transportation computer that address impacts on a regional level.

As part of the Project development, West Park will contribute its share of the cost to improve and upgrade off-site roads and freeway facilities.

On-Site Arterial and Local Streets:

West Park will construct a network of on-site arterial and local streets that will be needed for access to the various all areas of the development. The design of the streets, curbs, sidewalks, lighting, as well as other required surface improvements will comply with the standards of Stanislaus County.

New Utilities:

The proposed West Park development will require new utility systems that will be needed to serve all of the various anticipated business, industrial and other land uses within the development including the Inland Port. West Park is prepared to fully develop all needed utilities, such as a water and wastewater. Because of the size of the project, these new facilities will need to be constructed from the ground up, or major expansion to existing facilities, such as electric power and communications, will be needed. Those developing West Park do realize that joining forces with other communities such as Modesto or Patterson in having joint utility facilities could be of mutual financial benefit. This possibility, particularly for potable water and wastewater treatment and disposal, will be fully investigated as the planning of West Park proceeds.

The major utilities that will need to be developed are for (1) potable water treatment and distribution, (2) wastewater collection, treatment and disposal, (3) storm drainage and flood control, (4) electric power service distribution system, (5) natural gas distribution system, (6) and communications.

The small community of Crows Landing is lacking in up-to-date utilities such as a potable water system, and a wastewater collection treatment facilities. Because of community's close proximity of West Park, it is contemplated that the Project's new utility systems will be sized to accommodate the needs of Crows Landing.

Water Treatment and Distribution:

West Park will obtain raw water supply principally from surface supplies, and groundwater. It is proposed that a conjunctive use program be developed that will use both surface and groundwater sources in such a way that the sustainability of the groundwater source is maintained at all times. Future groundwater studies will determine the suitability of groundwater as a source, both qualitatively and quantitatively, and to determine the sustainable safe yield (acre-feet per acre per year) that will provide assurance that will maintain the long term viability of groundwater basin as a source.

A conceptual layout of a potable water system that can serve West Park is shown in Exhibit D. The proposed service area is generally north of Fink Road, west of Naval Road and State Route 33, south of Marshall Road and the Delta Mendota Canal (DMC), and east of the California Aqueduct (Aqueduct). The one exception is that water transmission pipes are planned east of West Park on Fink Road, Ike Crow Road and State Highway Route 33 for the purpose of serving the community of Crows Landing.

The water transmission system will have two pressure zones, the higher zone being between the DMC and the Aqueduct, and the lower zone being from the DMC to State Highway Route 33.

Water treatment will be provided by a new treatment facility located at the northwest corner of the Project in close proximity to the DMC and the Aqueduct. The treatment facility will be constructed in phases, and, at Project build out, will have a total capacity of about 14 million gallons per day (MGD). One reason this site was chosen was that raw surface water would be easily accessible from either or both canals.

Exhibit E shows a schematic layout of the proposed treatment process which has membranes as the principle treatment process. The facility will be design and constructed with the latest treatment technologies, and will meet all the water quality requirements of the various regulatory agencies, including the State of California Department of Health Services.

Wastewater Collection, Treatment, and Disposal:

Collection:

The topography of the Project site is such that the surface elevation falls generally from west to east with the lowest point being near the intersection of State Highway No. 33 and Marshall Road. Therefore, the most logical point for the wastewater treatment plant (WWTP) is in this low area. This will allow, as much as possible, the gravity flow of wastewater generated by the Project as well as the community of Crows Landing. Exhibit F shows the current planned location of the WWTP.

Three service areas are planned within the Project boundary, and a separate service area is assigned to the community of Crows Landing (See Exhibit F). Service Areas 1 & 2 is located between the DMC and the Aqueduct. Pipe collection systems will be installed between the two canals that will carry all wastewater by gravity flow to two pump stations located where two bridge crossing of the DMC are planned. The stations will then pump the wastewater through force mains that are attached to the bridge structures to disposal points in Service Area 3. Service Area 3 serves all of the Project area east of the DMC as well as conveying flows from Service Areas 1 & 2 to the WWTP.

The community of Crows Landing will be served by a sewer force main that will be installed on State Highway Route 33. A community service area will be established, and a local wastewater collection system will be installed and will carry the wastewater to a pump station that in turn will pump the wastewater into the force main to the WWTP.

Treatment:

All wastewater will be treated to a high tertiary level quality meeting all of the requirements of a discharge permit that will be issued by the State Regional Water Quality Control Board. The treatment process will be by sequencing batch reactors, which are ideal when expanding a plant in phases, or some other equivalent treatment process that will produce an effluent that will meet the expected strict permit requirements. The WWTP facility will be constructed in phases as the West Park development expands.

As an alternate to an on-site WWTP, is to pump Project wastewater to either the existing treatment plants of the City of Modesto, or the City of Patterson. West Park would contribute its proportionate share of either city's planned plant expansion. It is expected that such a cooperative effort would result in a considerable savings in cost to the city.

Effluent Disposal:

All possibilities for effluent disposal will be explored. The Project will have a dual non-potable water system (purple pipe) that will deliver effluent from the WWTP to the various landscape areas throughout the development, public and private. Effluent disposal in this manner will be maximized as much as possible.

The highly treated effluent from the WWTP can be considered a desired source of water for farm irrigation. Therefore, a study will explore the feasibility of this option. It is possible that the effluent could be accepted by a local irrigation district which could then blend the treated effluent with other irrigation water that is delivered to farmers in nearby areas.

The crops produced by the local farms or even open areas within the Project could be corn, switch grass, or other vegetable matter that could be used in the production of ethanol or cellulosic ethanol that would be a replacement fuel for gasoline and/or diesel fuels. The biofuels industry is considered in its infancy at this time, but great strides are expected in the coming years in developing marketable alternative fuels. A biofuels plant

is currently being planned to be located at the Port of Stockton which is a clear indicator that the development of biofuels are now being seriously pursued.

STORM DRAINAGE:

Drainage Patterns:

The West Park project lies at the base of the coast Range Mountains, The site generally slopes from west to east with an elevation of about 200-feet adjacent to the Aqueduct to about an elevation of 115-feet next to State Highway Route 33. Local drainage moves across the site generally to the east and northeast through local farm drainage ditches.

There are two significant mountain watersheds to the west of the Project. These watersheds are shown on Exhibit G. The largest is identified as Salado Creek drainage area, and has an area of about 25 square miles. Runoff from Salado Creek travels northerly through the northwest corner of the Project site, and therefore will have a small impact on West Park.

The second significant watershed is Little Salado Creek drainage area that has a tributary area of about 10 square miles. Storm water runoff from Little Salado Creek does have a direct impact on the Project area. Creek runoff enters the southwest corner of the Project area, and then flows northeast through the Project and across the existing airfield to the vicinity of State Highway Route 33 and Marshall Road at which point the storm water flow continues easterly towards the San Joaquin River. Small flows from the Little Salado Creek watershed are typically contained in local pipes, culverts and drainage ditches. But, higher significant flows overwhelm the local drainage system, and thus overflow and travels overland towards the northeast.

Potential for Flooding:

The Federal Emergency Management Agency, as part of their National Flood Insurance Program, has identified on Flood Insurance Rate Maps certain areas of the project that are subject to flooding. Exhibit H is an aerial map that shows the flood zones that are on the current FEMA flood maps. The areas that are subject to flooding are located in and around the northerly portion of the existing airport area, and up against the Delta Mendota Canal in the northwest portion of the Project site.

To address the potential flooding issue, a thorough and complete watershed analysis will be performed for Salado Creek and Little Salado Creek. This analysis will more accurately determine the potential for flooding. If it is found to be significantly different that what is shown on the FEMA flood maps, then a Letter of Map Revision, or LOMR, will be requested of FEMA. To achieve such a change, the watershed analysis along with other pertinent engineering information will be submitted to FEMA for their consideration.

All improvements proposed within the Project area that are in areas of significant flooding will require that the FEMA flood maps be further modified to take the area out of the flood zone. This will require that a Conditional Letter of Map Revision (CLOMR)

be obtained from FEMA, and after flood protection work is complete, obtain from FEMA a Letter of Map Revision (LOMR).

Proposed Storm Drainage System:

Exhibit I shows a preliminary layout of the proposed storm drainage system that will serve the West Park Development. The basic plan will be to direct all storm water runoff to two storm water quality detention basins, one located at the northwest corner of the Project site, and the other located near State Highway Route 33. The purpose of the basins will be to achieve some degree of disposal by percolation, but primarily to detain stormwater and dispose of it off-site during non-peak storm conditions. Eventual storm water disposal will be through a drain pipeline located on Marshall Road east of State Highway Route 33. This pipeline will carry runoff to eventual disposal at the San Joaquin River which is about three and one miles east of the Project site.

The Project storm water system will be sized to carry the design storm water runoff from the adjacent Salado Creek and Little Salado Creek watersheds.

ELECTRIC POWER, NATURAL GAS, AND COMMUNICATIONS:

Electric Power:

The current provider of electric power in the area of the Project site is the Turlock Irrigation District (TID). TID has an existing overhead 115 kV and 12 kV power grid in the general area. A TID substation does exist on at the west end of Marshall Road next to the DMC. TID is currently enlarging their facilities which will include a new substation in northwest Patterson. When complete, substation capacity will be available for electrical service to the Project.

Natural Gas:

Pacific Gas & Electric (PG&E) is the provider of natural gas in the area. PG&E does have major transmission pipelines within the general area, and it is expected that there will be sufficient capacity to serve the Project.

Communications:

It is expected that communications and data service will be available from local providers such as AT&T, Global Valley Networks and Comcast Corporations. It is expected that underground extensions of their facilities to the Project site will be necessary to fully serve West Park.

B-14
8/28/07

Summary of West Park public outreach meetings (to date)

315 RSVP's
175 attendees from RSVP list
67 walk ins
Total attendance: 232 (exclusive of Oakdale)

Attendees by place

Modesto—34
Ceres--8
Riverbank--9
Turlock—27
Newman—22
Crows Landing—44
Grayson—10
Patterson—(Aug 13)—24
Patterson—(Aug 14)—35
Paterson—(Aug 15)—29
Oakdale—(Aug 23rd)—(tbd)

As a result of these meetings, and in response to requests, West Park will be holding at least one more meeting in Patterson (on September 10th), and an additional Spanish language meeting in Crows Landing (date not yet determined).

Every meeting attendee and RSVP will receive a set of minutes of the meetings.

West Park has received over 300 response cards and other inquiries (email, letter etc) since the public outreach meetings began. These will be answered individually and each will also be provided with the minutes of the meetings.

In addition to these advertised meetings (by mail and newspaper advertisements in the Bee and all local papers) West Park has made presentations to the Patterson Rotary, the Hispanic Leadership Council and is scheduled to make presentations before the Modesto Rotary, the Crow Landing Road Business Association, the Turlock Chamber of Commerce, and the Stanislaus County League of Women voters.

Most of the public outreach meetings have been attended by representatives of the press (articles attached)

The Modesto Bee

 [Print This Article](#)

Posted on Mon, Aug. 20, 2007

Kamilos willing to talk to all who want to listen

last updated: August 20, 2007 03:55:26 AM

We didn't support Gerry Kamilos' proposal for the Crows Landing air field and we're still not fully convinced it will become the great job-generator that he claims. But we do acknowledge and commend the effort that Kamilos is putting into informing the public about his ideas. He's in the midst of a series of meetings with community leaders around the entire county. He mailed a slick brochure to thousands of residents and a longer piece to West Side residents. He's appearing before community groups such as the Hispanic Leadership Council and the League of Women Voters of Stanislaus. Kamilos has a long way to go to make this project a reality, but so far he gets an A for community outreach.

Patterson Irrigator

August 18, 2007 Patterson, CA

Developer's West Side tour winds down

GRAYSON — As developers promised 37,000 new jobs last week, several local Spanish speakers wanted to know how they could get in on the action.

PCCP West Park — the company that hopes to develop a massive industrial facility 5.5 miles southeast of Patterson — wrapped up its first series of West Side presentations Saturday with a Spanish-language meeting at the United Community Center.

Nearly a dozen attendees listened for an hour as company representatives described plans for a 7.5-square-mile industrial center at a former U.S. Navy airbase in Crows Landing. Then, many asked questions of the developers.

“What percentage of people will be hired locally?” one woman asked.

Developers didn't have specific numbers, but they said plenty of resources would be available for local people trying to get jobs at the proposed facility.

West Park officials are going throughout the county telling people about their project and fielding questions. They had initially planned 11 meetings in seven cities but have decided to visit the West Side two more times, because so many people were interested in attending.

At previous West Side meetings, including three in Patterson, many people were skeptical about the project. Some said the traffic and air pollution caused by the facility would be a huge detriment to the West Side. They peppered the project's traffic consultant with questions about plans to widen Highway 33, upgrade Interstate 5 interchanges and monitor traffic on rural roads.

By contrast, most questions at the Grayson meeting centered on how people could get jobs building the facility or working there when it's complete.

“When projects like this come along ... very often few people in the area get the jobs,” Grayson resident John Mataka said.

At one point, West Park representative Cathy Hallinan asked if there were any questions for the traffic and infrastructure consultants. A brief moment of silence passed before someone in the audience asked more questions about jobs.

“Unlike other industrial projects in the Central Valley that are about distribution, we will bring multiple industries to one spot to create a diverse job base,” West Park developer Gerry Kamilos said.

The Stanislaus County Board of Supervisors has given Kamilos until April to create plans for the development of the county-owned air base. As part of that process, the board required West Park to conduct community meetings before its Aug. 28 meeting.

While the planning process is still in early stages, Kamilos shared some details during the presentations.

At the heart of the project is a rail connection to the Port of Oakland. By project build-out, Kamilos said, trains would pass through Patterson 12 times a day. Each passing train would block traffic for two minutes, for a total of 24 minutes a day.

The railroad would carry goods from the Port of Oakland into the Central Valley, while Central Valley growers could use it as a cheaper way to export agricultural products, Kamilos said.

The 4,800-acre project would dwarf other business parks in the area — including the West Patterson Business Park.

The epic size is what will keep the Central Valley competitive in a global market and create jobs for a surging population, Kamilos said.

Along with the trains, there'd be a slew of other facilities. West Park has proposed setting aside land for health care offices, aviation industries, the California Department of Forestry and Fire Protection, agricultural industries, manufacturing and a job-training center.

West Park representatives often referred to the job-training center when attendees asked about employment opportunities, and Kamilos said he has a track record of hiring Central Valley firms to do construction on his projects.

“It's not, ‘Here's a degree, good luck,’” project representative Mike Lynch said. “It's ‘Here's a degree, and there are guys right there looking for those skills.’”

Though questions about jobs were the most common, folks at the Grayson meeting also raised environmental concerns.

When Mataka asked how much pollution the project would create, Kamilos responded that trains would help cut back on pollution by keeping trucks off the Altamont Pass, west of Tracy. He said the steep incline through the pass is often where trucks cause the most pollution.

“We need to change how we do our transportation if we want to see an increase in air quality,” Kamilos said.

Mataka also asked Kamilos whether trains could be used to ship Bay Area garbage and perhaps hazardous waste to the Central Valley, earning audience applause.

Patterson Irrigator
August 22, 2007
Developer's West Side Tour Winds Down

The developer assured the crowd garbage trains did not fit in with his project.

"I'm not going to allow that," Kamilos said. "If there was a proposal to ship trash, hazardous waste, sewage, etc., there is no way I'd be doing this project. Employers want a safe environment. Running trash and sewage is not conducive to a safe environment."

After the Grayson meeting, West Park representatives took their message to other parts of the county, with meetings Monday in Ceres, Tuesday in Modesto and this evening in Turlock. The final meeting this week will be Thursday in Oakdale, but because so many West Siders were interested, two more meetings will be scheduled for early September.

"We're looking forward to establishing dialogue, not only here today ... but over many years," Kamilos said.

To reach John Saiz at the Irrigator, call 892-6187 or e-mail him at john@pattersonirrigator.com

August 18, 2007

Patterson Irrigator

West Park questions linger

By John Saiz, Patterson Irrigator

Developers of a proposed giant industrial project at the former Crows Landing's naval airbase kicked off a two-week tour of seven cities this week, giving representatives a chance to discuss what they intend to build.

The PCCP West Park public outreach push at times resembled a rock band on the road, but instead of transporting guitars and amps from gig to gig, the women and men of West Park hauled slideshows and drawings.

"We've never done (outreach) to this degree," West Park developer Gerry Kamilos said. Fueling the public relations blitz is a proposed 7.5-square-mile industrial center at the former U.S. Navy airfield about 5.5 miles southeast of Patterson. The massive scope of the project will allow the Central Valley to stay competitive in the global marketplace, developers argue.

On the other hand, local activists say the project will forever change the West Side's way and quality of life.

West Park wrapped up the initial West Side portion of their tour today, with a Spanish-language meeting in Grayson. However, another Patterson workshop is slated for early September because of high demand, and West Park has promised a Spanish-language meeting in Crows Landing sometime in the future.

In addition to three Patterson workshops and the Grayson meeting, there were meetings in Crows Landing and Newman this week. Next week's meetings will be in Modesto, Turlock, Oakdale, Riverbank and Ceres.

Kamilos questioned

After an hour-long presentation by project spokeswoman Cathy Hallinan, attendees at each meeting asked Kamilos questions and commented on the project.

Common concerns at the meetings included traffic, air quality, water and loss of agricultural land.

"Jobs don't do a bit of good without anything to eat," said Frank Durao, who attended Wednesday's meeting in Patterson.

Crows Landing resident John Schuler asked Kamilos on Thursday whether he would want to move into town right next to his proposed industrial park. Kamilos did not directly answer the question, but responded by talking about the inevitability of growth in the Central Valley.

Though many answers to people's questions were unknown at the moment, Kamilos said they would be known once technical studies are complete.

Thursday, August 16, 2007

WEST SIDE INDEX

Meeting highlights West Park plans

NEWMAN – Gerry Kamilos brought his vision for the Crows Landing Naval Air Base to local residents at a community meeting on Tuesday.

Kamilos and consultants for his firm, PCCP West Park, shared conceptual plans for a business and industrial complex they said could create 37,000 new jobs in a region desperately needing economic development and jobs closer to home.

Their plan is based in large part on creating an inland port and rail link with the Port of Oakland, but also offers a diversity of land uses and opportunities.

Kamilos later fielded questions from the more than two dozen in attendance about the project's potential impacts – from traffic congestion to water concerns to what types of businesses would locate at Crows Landing.

The project, company attorney Cathy Flores Hallinan stressed, is about jobs – not houses.

“There is not one single home (in the project),” she stressed.

Hallinan, who outlined details of the plans, said the Crows Landing project would include the inland port operation (built over the shorter of two existing runways) with adjacent agricultural processing plants, two industrial areas encompassing 2,000 acres, 600 acres set aside for a distribution center, areas designated for airport industrial, a business park, workforce training center and regional safety center.

The project has already caught the attention of prospective employers, she said, whose companies could bring an almost endless diversity of jobs.

“Just open your imagination, and the jobs are there,” she commented. “This is going to be a great opportunity.”

But the Crows Landing proposal has also drawn scrutiny. Traffic – both on the rail lines and local roadways – has been a focal point of criticism and concern.

West Park officials said the short-haul rail component would run directly between Crows Landing and the Port of Oakland. Hallinan said projections call for one train a day to make the round-trip in 2011, increasing to six trains in 2021. Trains would be limited to 50 cars, and would pass in only two minutes traveling at 25 miles per hour, West Park officials stated.

Initially, however, the trains would cross Highway 33 to reach the air base property on a spur line.

Thursday, August 16, 2007

The Modesto Bee

Kamilos grilled for plan answers

By **CHRISTINA SALERNO**
csalerno@modbee.com

last updated: August 14, 2007 07:31:31 AM

PATTERSON -- Residents with lingering questions about developer Gerry Kamilos' plan for the former Crows Landing Naval Air Station quizzed him directly Monday night at the first of several neighborhood meetings being held about the project.

About 20 people showed up at the meeting at Patterson Senior Center, fewer than the nearly 40 residents who had registered to attend.

Kamilos' firm, PCCP West Park, is holding meetings throughout Stanislaus County to gather public input on its plans to transform the old air station into a 4,560-acre inland port and industrial center linked by rail to the Port of Oakland.

Attorney Cathy Flores Hallinan of Modesto opened the discussion with a presentation about the details of the project, stressing the 37,000 jobs that the developers estimate will be generated by the industrial park.

Those jobs, she said, will help put an end to long commutes for Stanislaus County residents and lessen the number of latchkey kids who are home after school when their parents are working or driving home.

"I see a lot of misery brought on by financial hardship. Try to keep an open mind tonight to see how the vision for this project will bring many changes in the economic situation in our county," Hallinan said.

She said a Crows Landing inland port could become the next major stop on a "Northern California logistical triangle," made up of the Ports of Oakland, Stockton and Sacramento.

During an hourlong question-and-answer session, Patterson resident Marvin Stewart, who commutes to the Bay Area for his job as an engineer, pressed the developers for information about what type of employment they expect to bring to the region.

"What types of jobs? What pay ranges? Are these industrial jobs? I'm an engineer. I want to know if there is opportunity for me here," Stewart said.

Kamilos said the project won't be the "typical Central Valley industrial park focused on distribution," but rather a diverse mix of employers offering job opportunities ranging from blue collar to white collar. That could include everything from technical positions to aircraft repair jobs, he said.

"If we settle for warehouse and distribution jobs, we have failed," Kamilos said.

Other residents wanted reassurances that the jobs would pay well enough to keep up with mortgage payments and the cost of living on the West Side.

"Do you realize that the people who bought their houses here with Bay Area wages have to earn a certain amount of money to make it? Can you guarantee these jobs will pay equal wages?" asked Barbara Hartsell.

While nobody could make that guarantee, Kamilos responded that wages are likely to increase over time as more economic growth is spurred in Stanislaus County. Dozens of commuters have indicated they would be willing to give up 10 percent to 15 percent of their salaries so they could work closer to home, Kamilos said.

Many of the other concerns raised by residents centered on the increase in train and truck traffic, as well as the project's impact on West Side roads and Highway 33. Farmland was also at the forefront of the discussion.

"You are altering the whole look of the West Side," said Patterson resident Chris Nunnemaker. "That brings 37,000 people who aren't here now on a daily basis. The freight sitting at the yard -- you are taking prime agricultural land out of usage to do that. ... How do you offset that much farmland and say it is a boon for agriculture? Those seem to be somewhat dubious plans."

Representatives from West Park said they are still examining the best ways to route truck traffic, including a new interchange off Interstate 5 and expanding Highway 33 to four lanes. With rising labor and fuel costs, Kamilos said, the rail line would provide an economic way for farmers to transport their goods.

"Your project doesn't mention water. Farmers always get caught in the middle when fighting over water. Twenty years from now, there may not be water in the valley. Have you thought of that?" asked George Packard.

After the meeting, Packard said he didn't get all the answers he wanted to hear, but was glad he attended.

"It's a little premature because they don't know the answers themselves," he said.

His wife, Rita Packard, agreed. But just having the meeting in the first place was important, she said, especially so early in the process.

"That way they can address some of our concerns now," Packard said.

Bee staff writer Christina Salerno can be reached at csalerno@modbee.com or 238-4574.



MIKE LYNCH

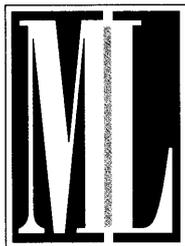
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Mike@mikelynchconsulting.com

BOARD OF SUPERVISORS
2007 AUG 23 P 4: 06

Supervisor William O'Brien
1010 Tenth Street, Suite 6500
Modesto, CA 95354

B-14
8/28/07



MIKE LYNCH

BOARD OF SUPERVISORS

2007 AUG 27 A 10: 07

Date: August 27th, 2007

To : Stanislaus County Supervisors

From: Mike Lynch Consulting

Re: West Park outreach efforts/news clippings

The attached news clippings were published over the weekend so were not include in the set provided to the Ad Hoc committee and the other Members of the Board last Thursday. I thought you should have a complete set.

cc- County Executive
Clerk of the Board

West Park developers appear to be listening



Written by PI Editorial Board / Saturday, 25 August 2007

PCCP West Park wrapped up most of its countywide tour this week, as the would-be developers of a 4,800-acre industrial park at Crows Landing's former naval airfield chatted it up with area residents about the project.

Many residents felt they received vague answers at West Park's community workshops about precisely where developers will find water for the project, how the business park will be financed and how traffic and air-quality concerns will be mitigated.

As a result, some were left wondering whether the meetings were anything more than a feel-good endeavor, a nice pat on the head from West Park developers.

However, after two weeks of meetings, it is apparent that West Park officials are taking note of people's concerns. A question asked at one meeting often was answered at the next, after project representatives did some homework. And while that might not help the person who initially asked the question, West Park officials plan to send minutes of all the meetings to participants.

Folks also should remember that the county-approved schedule for West Park places community meetings before traffic studies and other important documents, so the developer is not entirely to blame if answers are vague at this point.

West Park developer Gerry Kamilos said this week that the point of the meetings was to start a discussion with the community — and his team seems to be listening as well as talking.

For instance, Kamilos has said he plans to change the model for trains that would travel to the business park — thus shortening railroad crossing times — because of the outcry against rail among West Side residents.

More cynical residents may say the developer is changing his story, just telling them what they want to hear, and certainly the information presented was biased. But would it be better if West Park's plans remained "consistent" and unchanging? West Side residents would have far more reason for concern if project representatives failed to adapt to any of their wishes.

It still appears the 40-person-per-meeting limitation kept people away, as some folks opted not to show up to workshops when they didn't hear back from West Park representatives. However, project officials never turned anyone away at the meetings, even if they were not registered to attend. West Park plans to host three more meetings, and Kamilos says it will continue to do so as long as there is demand.

In short, Kamilos appears to have done what the county asked of him.

That doesn't mean residents shouldn't ask questions about this behemoth of a project; there is no doubt a massive industrial park near Crows Landing would change the area's way of life. The same could be said about some of the proposals made by the city's General Plan Advisory Committee during the past couple of months.

What's important is that growth is planned properly; that developers address residents' concerns; and that the community stay engaged in the process. If growth is coming, city and county leaders must plan for it intelligently — by taking a good, hard look at all options available.

Comments (0)

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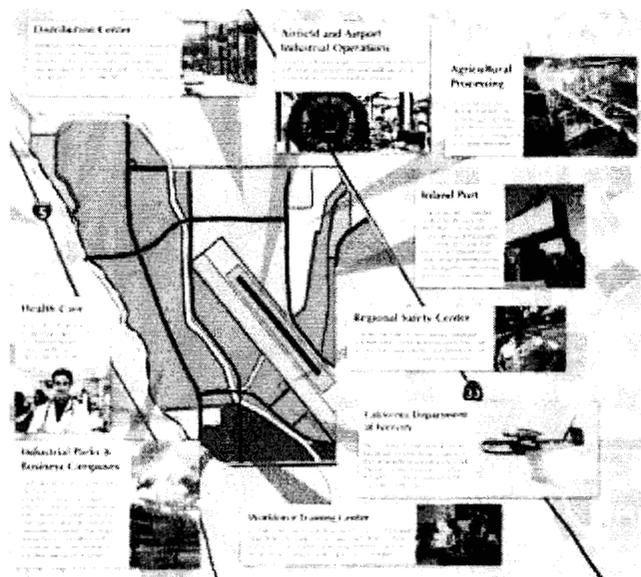
August 26, 2007 Patterson, CA

East Side residents inquire about West Park



Written by Jonathan Partridge / Patterson Irrigator / Saturday, 25 August 2007

Public comments vary from enthusiastic to skeptical at meetings to discuss plans for an industrial project at the former Crows Landing naval base.



Map image courtesy of PCCP West Park

The project might not be in their backyard, but dozens of residents in central and eastern Stanislaus County showed up to meetings this week to learn more about a proposed industrial park in Crows Landing.

Public comments varied from enthusiastic to skeptical as representatives of developer PCCP West Park presented plans for a 4,800-acre complex at the former Crows Landing naval base.

“What happens in the west does affect us,” Oakdale resident Susanne McBride said Thursday after a workshop at the Oakdale Community Center. “People have to understand that.”

West Park hosted meetings about its plans in Ceres, Modesto, Turlock and Oakdale this week. Project officials also had a workshop in Riverbank on Aug. 17.

The West Park team, led by Sacramento-area developer Gerry Kamilos, has proposed a project that would link the Port of Oakland to a new terminal at the Crows Landing Air Facility via rail. West Park’s proposal also includes a business park, industrial space, medical and job-training centers and a public safety site.

After selecting West Park's project outline in February, Stanislaus County supervisors have given the developer a little more than a year to complete a full-fledged project proposal, which they will vote on in April. In the meantime, West Park is required to complete several intermediate steps, including hosting this week's public workshops on the plans.

East Side attendees at the workshops had many of the same questions and concerns expressed at West Side meetings last week. Those included queries about what the project would mean for agriculture, traffic and air quality, potential jobs offered at the industrial park and the project's water and financing sources.

However, some folks also had questions about issues specific to their region, such as improving east-west roadways and creating cross-county modes of mass transit.

Like the West Side workshops, each East Side meeting was equal parts promotional and conversational. "They presented a very good sales meeting," said Oakdale resident Neil Hudson. He added that many questions must be addressed before the project can be approved.

Loads of questions

Larry Giventer, a professor of political science at California State University, Stanislaus, expressed cynicism during Wednesday's meeting in Turlock about the promise of 37,000 jobs at the business park and population projections for the region as a whole.

"Show me an employer anywhere in the San Joaquin Valley that has that kind of job density," he said. West Park representative Mike Lynch wrote in an e-mail later this week that no one has disputed that Kamilos' proposed Metro Air Park project in Sacramento is slated to have 17.5 jobs per acre. By contrast, the more expansive West Park project would have only 7.7 jobs per acre, he said.

Regardless, Giventer made it clear both during and after the meeting that he supported any project that would generate a good number of jobs.

"I'm not an opponent of the project, but I'm more of a realist," he said. "I'd like to know exactly what this project is."

By contrast, another man at the Turlock meeting questioned whether the project was a "Trojan horse" for housing and why developers thought the project would succeed.

Lifelong Modesto resident Ralph Sturtevant indicated at a meeting in Modesto that he was not a fan of the size of the project and how much farmland it would eliminate.

"I'm old enough to know what happened in San Jose, Santa Clara and that whole area," he said. On the other hand, a woman who said she works for the Alliance, the economic development agency that works on behalf of Stanislaus County and its cities, said she was all for the project and thought the Modesto workshop was informative.

"I liked it," said the staffer, who identified herself only as Jenny. "I think the people signing those petitions (against the project) should come to these meetings. ... (Kamilos) is willing to listen."

Common threads

Though each meeting was different, West Park representatives emphasized certain points throughout their countywide tour. For instance, they said the project's large size was needed to make each of its individual sectors, such as its business park and intermodal center, economically viable.

They also stressed that growth in the valley was inevitable and jobs would be needed.

Project officials regularly brought up a recent recommendation by Patterson's General Plan Advisory Committee that the city allow for a 5 percent annual growth rate, possibly leading to a population of more than 150,000 people in 2048.

"This is not the complete solution to the jobs-housing imbalance," Kamilos said Tuesday in Modesto. "This is more of a deposit."

Air quality was another talking point. West Park officials said the project would remove 1,200 trucks from the freeway that now travel from the Central Valley to the Port of Oakland each day. Lynch said a study indicated that truck emissions spike as trucks climb the Altamont Pass between Tracy and Livermore, and the intermodal station in Crows Landing would eliminate the need for that. But officials never addressed how trucks picking up goods from Crows Landing might contribute to air pollution locally.

As for traffic on area roads, West Park regional traffic engineer Chris Kinzel said most traffic would be from workers commuting to the job center. Potential employees could come from as far as Los Banos, Tracy and eastern Stanislaus County, he said. As a result, a comprehensive traffic study would be done of Merced, Stanislaus and San Joaquin counties, he said.

West Park representatives also responded to questions about financing, saying they planned to use private funding, state infrastructure bond money and contributions from other counties involved in their working group.

They described the project as a rare opportunity for Northern California cities and counties to team up to get state bond money.

"Too often, taxpayer money goes down to Southern California," Kamilos said Tuesday.

Project representative Cathy Hallinan told the group in Turlock that other counties had committed to overpay the amount Stanislaus County would not provide.

Kamilos clarified by phone Thursday that jurisdictions involved have expressed a willingness to make the project work, but no commitments will be made until a bond application is in place.

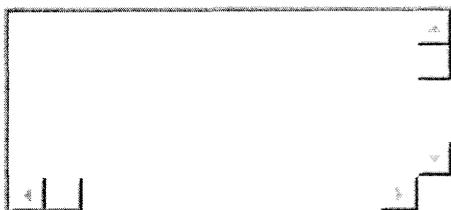
Looking ahead

West Park is planning three more community workshops — a Patterson meeting on Sept. 10, a Spanish-language meeting in Crows Landing at a later date and a third meeting at a yet-to-be-determined place and time.

Meanwhile, representatives will give a project update to the county Board of Supervisors on Tuesday.

Though Kamilos did not go to Wednesday's or Thursday's meetings because of family commitments, he said all the meetings he had attended had varied tones based on who was there.

"Even the Patterson meetings were all different," he said.



City seeks loan after housing slowdown



Written by John Saiz / Patterson Irrigator / Saturday, 25 August 2007

Council agrees to meet with West Park developer.

In one of its shorter meetings of the year Tuesday, the Patterson City Council approved borrowing money for sewer plant expansions and set up meetings with the prospective developer of the Crows Landing Air Facility.

Council members expressed frustration with the meetings they are having with PCCP West Park, the group that is negotiating with Stanislaus County to develop the former Crows Landing naval airbase. They said they want more information.

Mayor Becky Campo and City Manager Cleve Morris have had monthly meetings with West Park developer Gerry Kamilos. On Tuesday, the council decided to meet as needed with West Park officials, county staff and county Supervisor Jim DeMartini.

“This is an opportunity to have the county there,” said Councilwoman Annette Smith, who will also be joining the meetings.

The council hopes to get more information about a proposed 7.5-square mile industrial center proposed for the county-owned airfield between Patterson and Crows Landing.

The council also directed Morris to invite Kamilos to give a presentation about his project at City Hall. If he accepts the invitation, it would be the second presentation he has given to the council.

This time, the council is requesting that Kamilos give the same presentation he has given to the Alliance, an economic development agency used by Stanislaus County and its cities.

The council also had the option to decide whether city staff should meet with West Park officials, but the meeting minutes do not indicate that issue was addressed.

With a 5-0 vote, the council also decided to request \$706,330 from the Economic Development Bank of Stanislaus County, which provides loans to spur economic development. The money would pay for designs for sewer plant expansions.

The council had approved paying \$896,870 for the design work in September, but the money is not available because developers of the recently approved Villages of Patterson housing project will not start work on their 3,100-home project as quickly as first expected.

Eventually, the sewer treatment plant expansion will allow the system to accommodate development in the 817-acre West Patterson Business Park. Morris said the loan could be paid back with money from the Villages of Patterson when it develops or when the business park grows.

This is the second time in two months the council has authorized incurring debt to cover costs it expected the housing market would handle. In July, the council unanimously decided to issue as much as \$5.2 million in bond anticipation notes to pay debt that was about to be due. The city had accumulated the debt in the previous year when the council issued bond anticipation notes.

Morris said the city wasn't in a position to pay the original notes because the nearly 1,000-home Patterson Gardens housing development had not built out as quickly as anticipated.

The high rate of foreclosures that has accompanied the slowing housing market also prompted the city to start the foreclosure process last month on many Patterson homes that have delinquent property taxes.

Part of the property taxes people pay go to fees the city imposes on most new housing in Patterson. The city has sold bonds based on revenue the fees will generate. As a part of a sale agreement of those bonds, the city had to start foreclosure proceedings to ensure the bond purchasers will receive their money.

Patterson Finance Director Margaret Souza said the city is still in good financial standing, even with the high foreclosure rate. However, the city could face tough economic times if the same foreclosure rate persists next year, she said.

Souza said the type of revenue the city collects on housing generally goes to pay for the impact of that housing such as lighting, roads, sewer and water. So, the city's finances are typically insulated from the housing market.

B-14
rec'd @
BOB meeting



California Cotton Ginners & Growers Associations

1785 N. Fine Avenue, Fresno, CA 93727
Phone: (559)252-0684 | Fax: (559)252-0551
WEB SITE: WWW.CCGGA.ORG

August 23, 2007

William O'Brien, Chairman
Board of Supervisors
Stanislaus County
1010 Tenth Street, Suite 6500
Modesto, CA 95354

Re: Crows Landing Development/Short Haul Rail System

Dear Chairman O'Brien,

On behalf of the cotton growers and cotton gins in the State of California, I would like to express our collective support for the Crows Landing Development and a short haul rail system from the Port of Oakland to Crows Landing and continuing rail line down to the Mendota/Firebaugh area.

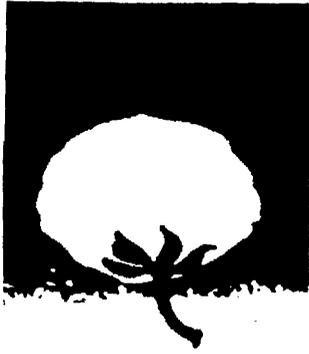
We believe that these projects will improve the industry's transportation needs and significantly improve air quality. Currently, the congestion in the Port of Oakland Area is a tremendous impediment in the shipping of cotton through the Port. Under current conditions, our cotton shippers can only turn around one truck in a single day. The ability to only travel to Mendota or Crows Landing to deliver containers of baled cotton will provide a tremendous benefit to our members. In addition, this in turn will help to reduce traffic and congestion, thereby improving air quality in the San Joaquin Valley.

We look forward to working with your County and Mr. Kamilos to see the Crows Landing Development and a short haul rail system through. We pledge our support for this project and will help in any way possible to see it succeed. Should you have any questions, please feel free to contact me at (559)252-9684 or via email at roger@ccgga.org.

Sincerely,

Roger A. Isom
Vice President and Director of Technical Services

c: Stanislaus County Board of Supervisors



Telephone (559) 448-1825

Fax (559) 448-1899

www.dunca-cotton.com

DUNAVANT OF CALIFORNIA

A Division of Dunavant Enterprises, Inc.

8225 North Fresno Street Fresno, California 93720

P.O.Box 26600 Fresno, California 93729-6600

August 27, 2007

William O'Brien, Chairman
1010 Tenth Street, Suite 6500
Modesto, CA 95354

Dear Supervisor O'Brien:

On behalf of Dunavant Enterprises, Inc, which is the worlds largest private cotton merchandiser, I am writing to express our support for the Crows Landing Development and a short haul rail system from the Port of Oakland to Crows Landing and then down into the San Joaquin Valley.

We believe that these projects will improve the industry's transportation needs and significantly improve air quality. As I am sure you are aware, the San Joaquin Valley is under pressure to improve its air quality. It is our belief the short rail system will make a considerable difference by reducing traffic and their emissions.

We look forward to working with your County and Mr. Kamilos to see the Crows Landing Development and a short haul rail system through.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "R. Brian McGuire". The signature is stylized and cursive.

R. Brian McGuire
Dunavant of California



August 27, 2007

William O'Brien, Chairman
Board of Supervisors
Stanislaus County
1010 Tenth Street, Suite 6500
Modesto, CA 95354

Re: Short Haul Rail System/Crows Landing Development

Dear Chairman O'Brien

California Citrus Mutual (CCM) is an Exeter-based trade association representing citrus growers throughout California. A high percentage of the acreage is located in the counties of Madera, Fresno, Tulare and Kern.

CCM is supportive of the concept of a short haul rail service from the San Joaquin Valley to the Port of Oakland. The population growth in the San Joaquin Valley and the resulting traffic congestion and air quality issues require a long term solution to these issues. We believe the short haul rail service being proposed at Crows Landing is one such project that will go a long ways in addressing these concerns. Additionally, in conjunction with this project, we are interested in a second inland center being located in Fresno County, which would not only benefit businesses in this area, but would increase the container rail traffic through Crows Landing and further enhance its economic viability.

It is our hope that the Board of Supervisors will seriously consider the regional benefits to be derived from the Crows Landing Development. Should you have any questions, please feel free to contact me, 559-592-3790.

Sincerely,

Shirley Batchman

Shirley Batchman
Director of Industry Relations

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