THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS

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DEPT:	Chief Executive O	ffice		BOARD AGENDA #		1'6
	Urgent 🔲	Routine		AGENDA DATE.	June 19), 2012
CEO C	concurs with Recon	nmendation	YES NO [4/5 Vote Required Y		NO 🔳
SUBJECT:						
Project Extensi Specific Regard	at the Former Cro ion through Januar c Plan Components ling Project Commi	ws Landing y 31, 2013, s, Draft Lan	Air Facility; Consi to Complete a Dra d Use Documents	Holdings, LLC Logistics Ceder a Request from the Mast Environmental Impact R, and Draft Ground Leases	ster Dev eport (D	eloper for an EIR), Draft
STAFF REC	COMMENDATIONS:					
	cept an update and ject at the former C	•	•	port for the Crows Landing perty.	/West P	ark development
Dra use	ft Environmental Ir	npact Repo round lease	ort (EIR), Draft Spe es, and select opt	ry 31, 2013, for the Master cific Plan components to s ions for proceeding with d	upport th	ne EIR, draft land
				(Continued on Page 2)		
FISCAL IMF	PACT:					
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and appro Ayes: Sup Noes: Sup	ved by the following pervisors:_Chiesa,_Mo pervisors:	y vote, onteith, and (De_Mai	Chairman O'Brien	seconded by Supervisor <u>Ch</u>		
Abstaining	g: Supervisor <u>: </u>	Withrov				
1) <u>X</u>	Approved as recor					
2)		الم ما				
3) 4)		aea				
MOTION:		commendati	ions 1 and 2 (a) incl	uding the revisions to the ag	reement a	18
	presented at the Bo					

CHRISTINE FERRARO TALLMAN, Clerk

ATTEST:

File No.

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STAFF RECOMMENDATIONS: (Continued)

- (a) Authorize additional time period for the Master Developer, West Park Holdings, LLC, to complete the following: preparation of a complete Draft EIR, Draft Specific Plan, Draft Development Agreement (DA), and Draft Ground Leases; and approve the associated draft Reimbursement, Deposit and Forfeiture Agreement; or
- (b) Decline to proceed with the project as identified as item (a) above, and direct staff to return within 90 days with strategic alternatives for proceeding with the development of the County-owned former Crows Landing Air Facility.

FISCAL IMPACT: (Continued)

Through the end of 2005, the County managed a pre-existing lease with Michelena Farms. From 2006 to 2009, the County held a lease with Pride of San Juan, based in Hollister, CA. The County holds a three-year lease with Wheeler and Sons. The lease term will expire in November 2013 and includes an option to extend the lease for two one-year terms. The lease with Wheeler and Sons has generated \$127,000 to date (mid-way through year two), and it is estimated to provide a total of \$260,716 over the three-year term. The Crows Landing budget absorbs an annual facility security expense of \$18,000 through cooperation with the Stanislaus County Sheriff and an expense of \$11,600 for bi-annual regional water reporting compliance provided by the Westside Resource Conservation District. As of June 7, 2012, an unencumbered balance of \$941,757 is available for airport development.

The Master Developer, PCCP West Park, has been solely responsible for all project consultant and master development costs to date, including environmental impact analysis services. In addition to paying for the costs associated with the required environmental studies, which total approximately \$3.8 million to date, the Master Developer successfully defended the project through a 22-month legal challenge at a cost of approximately \$430,000.

In addition to these project-related costs, the Master Developer has submitted \$179,000 to the County to support a cost-share agreement for project-related staff time, third-party fiscal analysis and legal counsel related to the development of a Draft Development Agreement (DA) and ground lease terms and conditions. The attached

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Cost Reimbursement, Deposit and Forfeiture Agreement requires the Developer to deposit \$2,750,000, of which \$2,000,000 would be used during the extension period to defray costs associated with completion of the Draft EIR (see **Attachment 1**). In addition, the Master Developer has provided a letter of intention for a June 18, 2012 deposit of \$1 million dollars as good faith security. These monies will be held in an Attorney/Client Trust Account at Union Bank pending receipt of full balance to the County on or before July 10, 2012 (see **Attachment 2**). The use of funds remaining in the account following completion of the Draft EIR is discussed below.

Should the Board terminate the County's relationship with the Master Developer, considerable cost will be associated with the development of a Draft EIR and the subsequent issuance of a Request for Proposals (RFP) to identify a new master developer. Staff estimates that such costs could range from \$1 million to \$1.7 million and require a delivery timeframe of up to 36 months.

It is possible, though not guaranteed, that a subsequent master developer would reimburse the County for some or all of the EIR costs incurred. The use of existing environmental studies and documents also may reduce this estimated cost; however, any cost reduction would be dependent on the quality and applicability of available documents. At this time, the Master Developer is not obligated to release any documentation or studies that have not been delivered to the County already and made public as part of the public record.

DISCUSSION

Project Background and History

On October 12, 2004, the Stanislaus County Board of Supervisors accepted the conveyance of a portion of the former Crows Landing Naval Air Facility from the United States of America to the County, pursuant to Public Law 106-82. This law provided the County with 1,352 acres of the 1,528-acre former air facility, and allowed for the transfer of the remaining 176 acres to the County upon the completion of environmental activities and site clean up by the U.S. Navy.

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Transfer of Remaining Property

Of the 176 acres yet to be transferred to the County, six parcels totaling approximately 95 acres are ready for transfer. To transfer these parcels, the property owner, the National Aeronautics and Space Administration (NASA), must complete an Environmental Baseline Survey (EBS) and Finding of Suitability to Transfer (FOST) document, which must be circulated for a 30-day public comment period. NASA anticipates that the EBS and FOST documents will be circulated for public comment later this year and the clean parcels will be transferred to the County in 2013. The timeframe associated with the transfer of the remaining 81-acre parcel (Parcel C) will depend on the success of environmental remediation by the U.S. Navy. To request an early transfer, the Navy must treat the area for at least one year, and the effectiveness of the treatment must be confirmed. Following satisfactory treatment, the County can apply to the State for an early transfer of the property.

County Plans for Base Reuse

Stanislaus County has pursued the reuse of the Crows Landing Facility since its decommissioning by NASA in the late 1990s. In April 2001, the Board of Supervisors adopted a reuse plan prepared by the Stanislaus County Crows Landing Steering Committee. Under the reuse plan, it was envisioned the facility could be developed as a General Aviation (GA) airport and industrial business park to help offset the jobs-to-housing imbalance that has persisted historically in Stanislaus County.

The re-use plan encouraged retention of an agricultural lease until a development strategy was established and development commenced. The Crows Landing Steering Committee was formed that developed eight Guiding Principles for site development activities.¹

Guiding Principles for Crows Landing Reuse and Development:

[•] Protect air facility from incompatible land uses;

Set aside land for runway expansion;

Look toward multi-modal transportation and distribution options;

Integrate ground distribution;

[•] Capitalize on proximity to Interstate 5;

Maintain sensitivity to surrounding communities;

Improve infrastructure and services for the community of Crows Landing; and

Develop attractive entrance/presence that creates a positive statement for the area.

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Beginning in 2005, the County prepared an Airport Layout Plan (ALP) for the proposed Crows Landing GA Airport that would use the shorter of the two decommissioned runways at the airfield. The County also prepared an Airport Land Use Compatibility Plan. The completion of both documents is necessary to obtain a permit from the Caltrans Division of Aeronautics to open and operate a new public-use airport.

DEVELOPMENT APPLICATION PROCESS

Initial RRF Process (2006 to 2008)

On September 26, 2006, the Board directed staff to proceed with a Request for Proposal (RFP) for a Master Developer for the former Crows Landing Air Facility. The intention of the RFP was to solicit development proposals for the former military airfield from private interests that would be consistent with the Guiding Principles identified by the Crows Landing Steering Committee. Staff received two proposals.

In April 2008, after an exclusive negotiation process lasting approximately 14 months, the Board of Supervisors selected PCCP West Park as the Master Developer. An initial Notice of Preparation (NOP) to prepare an EIR was circulated soon after for the development of a 4,800-acre project that included the former Crows Landing Air Facility property.

Current Project Application Process

Since 2008, the proposed project was delayed significantly by a legal challenge and an unprecedented downturn in the local, regional, and global economies. The County and the Master Developer prevailed over the legal challenge.

Dynamic Economic Conditions and Investment Changes

Concurrent with the September 2008 demise of the U.S. financial markets and without warning, the parent company of Lehman Brothers Holdings (Lehman) filed for bankruptcy re-organization. Lehman ultimately abandoned most of its project commitments, leaving its partners saddled with debt. Unlike most of its commitments, however, Lehman chose to remain in a passive position with regard to the West Park project. This passive position proved difficult for PCCP West Park because Lehman

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could neither provide PCCP West Park with funds to move forward nor would it allow PCCP West Park to pursue other funding possibilities.

The projected capital needs of the West Park Logistics Center Project have required a change in equity partners. Since the summer of 2011, Lehman evolved from a bankruptcy estate with significant attorney input to the Legacy Asset Management Company (LAMCO), for which the shareholders are the approximately 6,000 remaining creditors. Nevertheless participation negotiations for the West Park Logistics Center Project remained difficult.

Since February 2012, the Master Developer has made significant progress in replacing LAMCO with new investment capital. After months of dialogue, a buyout structure was negotiated by LAMCO's management in May 2012 and will be affirmed and documented in June 2012, with completion of the buyout scheduled for late June 2012. Going forward, the Kamilos Companies will serve as the managing partner along with new capital partners, and the initial capital will be sufficient to prepare the Draft Specific Plan and Draft EIR for public circulation and obtain project approvals.

Ongoing Progress

On March 8, 2011, PCCP West Park updated the Board of Supervisors on the status of its proposed project and requested a 15-month extension to revise its proposal and complete the Draft EIR. The Board granted the extension.

During the past 15 months, the Master Developer successfully negotiated a buyout of Lehman Financial Services' interest in the project. Though necessary, the recent negotiations and pending buyout agreement have caused delays. Progress has been ongoing since the Master Developer received the Board extension on March 8, 2011. During this time the Master Developer placed considerable focus on making potential stakeholders aware of the project.

Since March 8, 2011, the Master Developer has also expended considerable effort to revise the proposed project to reflect the changing market conditions. The project footprint was resized from 4,800 acres to approximately 2,900 acres (see **Attachment 3**). Environmental analyses to support the forthcoming Draft EIR have been ongoing as well. The County issued a NOP to prepare an EIR for the revised project, known as West Park Logistics Center Project, on October 31, 2011 (see **Attachment 4**).

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The forthcoming Draft EIR will include program-level analysis to address all components associated with the proposed West Park Logistics Center Project, project-level analysis for components that would be developed during the first phase of development, and necessary Specific Plan components would be provided to support this level of CEQA analysis. Based on the result of the environmental analysis, the various components associated with the proposed project may be modified to avoid or reduce potential environmental impacts. The development agreement, which is part of the project entitlements, will include a project phasing plan that the Board also will consider, based on the results of the environmental analysis.

The project described in the NOP is summarized in the following pages.

PROPOSED PROJECT DESCRIPTION

The following proposed project description is provided for information purposes only. A decision by the Board of Supervisors to approve an extension to the Master Developer through January 31, 2013, to deliver a Draft EIR and Draft Specific Plan components does <u>not</u> constitute any land use approval, property conveyance, or right to develop property, nor does it prevent the County from modifying any requested land use entitlements or leases based on information provided in the Draft EIR or through the required public hearing process.

The West Park Logistics Center would be developed on approximately 2,930 acres located between I-5 and SR 33 in western Stanislaus County. The project would provide a major regional employment center that would complement both the local and regional transportation infrastructure. The proposed project is anticipated to generate approximately 3,000 jobs during the construction phase and 13,000 new permanent jobs for local residents that would not require commuting to the Bay Area or other distant job centers. Following development, the proposed project would improve the County's jobs-to-housing ratio and provide jobs as envisioned in the County's Guiding Principles for reuse of the former Crows Landing Air Facility.

The proposed West Park Logistics Center project would include six major project elements as described in the Table 1.

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Table 1. West Park Logistics Center Projects Components and Acreage		
General Land Use Designation	Acreage	
A. Inland Port/Short-Haul Shuttle Rail	157	
B. Solar Energy Facility	850	
C. Employment Intensive Uses:		
Industrial Commercial	1,085	
Business Park	80	
Work Force Training	25	
D. General Aviation Airport	383	
E. Public Facilities	55	
F. Infrastructure and Public Facilities:		
Treatment Facilities (water, sewer, drainage)	90	
Roads/Open Space/Drainage Channels	150	
Delta Mendota Canal (within project only)	55	
G. Wastewater/Sewer Improvements to the Crows Landing Community	N/A	
Total	2,930	

Note: All acreages are approximate and may be adjusted during the Specific Plan process.

Actions and Entitlements

The actions and land use entitlements/approvals from Stanislaus County and other agencies required for the proposed project include, but are not limited to, those presented in Table 2.

Table 2. Required Approvals for the West Park Logistics Center Project		
Type of Approval	Agency	
Certification of a program and project-level EIR for the West Park Logistics Center Project	County Board of Supervisors	

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Type of Approval	Agency		
 Completion and approval of: Specific Plan and subsequent General Plan amendment, rezoning; Tentative and final parcel map; Development Agreement; Williamson Act Cancellation; and Transportation Systems Management Plan 	County Board of Supervisors		
Permit to operate a public-use airport	Caltrans Division of Aeronautics		
Adoption of an Airport Land Use Compatibility Plan	County Airport Land Use Commission		
Ground leases to use land within the former Crows Landing Air Facility (CLAF)	County Board of Supervisors		
Approval of infrastructure and public facility improvement plans for industrial, distribution, commercial, and business park development, and upgrades to rail crossings along state highways and/or County roads	Caltrans, the County Board of Supervisors, and various other federal, state, and local agencies		
Approval of a Public Facilities Financing Plan and the formation of a financing district to implement the project	County Board of Supervisors		
Approvals for proposed improvements to state highways roadway crossing(s) over the California Aqueduct and the short-haul shuttle rail operations	Various State Agencies		
Approvals for proposed improvements to roadway crossings over the Delta-Mendota Canal	Federal/State Agencies		
Approval of formation of, or annexation to, a community services district or other special district, or permission for out-of-service-boundary service agreements	County Local Area Formation Commission (LAFCO)		

Note: Public hearings and other necessary processes would occur prior to the approval of any action listed in this table.

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A brief description of the seven proposed project components that will be analyzed in the forthcoming Draft EIR (and potentially modified based on the environmental analysis) is provided in the following pages.

1. Inland Port/Short-Haul Shuttle Rail Operations

The approximately 157-acre Inland Port would consist of an intermodal storage yard for receiving inbound and dispatching outbound container freight trains. An adjacent intermodal-loading yard would transfer containers between railcars and truck chassis. The facility would provide parking for chassis and containers through the reuse of a former runway and its adjacent taxiway for industrial/loading tracks.

The short-haul shuttle rail operations serving the inland port would shuttle (transport) containers between the facility and the Port of Oakland. The short-haul freight route would use the Union Pacific Railroad (UPRR) tracks, which are currently leased by California Northern Railroad (CNRR). The rail line is along the east side of SR 33 and adjacent to the northeast portion of the West Park project site. Initially one train would travel in each direction daily between the Port of Oakland and West Park, and later increase to two trains in each direction daily.

Pursuant to discussion with UPRR staff over the last 21 months, the short-haul shuttle service would be operated directly by UPRR. The intermodal transfer facilities would be operated by the Port of Oakland at the water port terminus and by West Park at the inland port terminus.

2. Solar Energy Facility

A 2009 study by the Stanislaus County Economic Development and Workforce Alliance concluded that the proposed project area showed great potential for the development of a solar generation facility. The West Park Logistics Center project was amended in 2011 to include the development of an approximately 850-acre solar energy facility in the western portion of the project area between Ward Avenue and the Delta-Mendota Canal. The solar facility would generate approximately 100 to 150 megawatts of electrical energy at project build out, which would be distributed into the electrical energy grid in coordination with the power generation elements of the Turlock Irrigation District. The site is currently in agricultural operation, with portions enrolled in Williamson Act contracts that have filed for non-renewal. The first phase of the proposed solar generation facility (approximately 250 acres) is not enrolled in a

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Williamson Act contract. The proposed solar facility would be developed using methods that provide for minimal ground disturbance, so that the area can revert to agricultural use at the end of its productive life (10 to 15 years).

3. Employment Intensive Uses: Industrial, Commercial, and Business Park

The proposed West Park Logistics Center project will include a variety of industrial, commercial, and business park land uses, as well as work force training on approximately 1,190 acres. In conjunction with the inland port and airport, these land uses would accommodate a broad range of employment-intensive uses that can support growth and diversification of the local and regional economy, as envisioned by the County in its Guiding Principles for reuse of the former military facility.

4. Proposed Public-Use General Aviation (GA) Airport

The proposed project would include the reuse of approximately 383 acres of the former Crows Landing Air Facility (CLAF) for the development of a public-use GA airport. Pursuant to the terms of property conveyance, the airport would remain available to NASA or other federal agencies as necessary. Previous studies performed by the County have indicated that there is interest in the development of a new GA airport to serve the local aviation community, and interest has increased pending the closure of the Patterson Airport.

The proposed development of an airport as part of the West Park Logistics Center project is consistent with the County's previously developed goals for reuse of the former CLAF. The County's Guiding Principles included two airport-related objectives: protecting the former CLAF from incompatible land use and setting aside land for future runway expansion as needed. The proposed GA airport would include one runway with a minimum length of 5,300 feet and associated facilities (e.g., taxiways, navigational aids, fuel, etc.) and include an option to provide a 1,000-foot runway extension later based on demand. The proposed project components associated with the West Park Logistics Center Project would be designed to be compatible with the development and ongoing safe operation of a GA airport.

5. Proposed Public Facilities

The proposed project would include approximately 55 acres to assist the County government's basic function of providing public safety and related services by designating an area for the development of fire protection, law enforcement and security services training and facilities. The facilities and services would support users of the

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proposed project area and the residents of western Stanislaus County. The proposed public facilities area would be sited adjacent to the airport so that emergency services that depend on aviation can have ready access to the airport.

6. Infrastructure and Public Utility Improvements.

Several infrastructure and public utility improvements are proposed as part of the West Park Logistics Center Project.

- Primary improvements include the following: I-5/Fink Road interchange improvements to accommodate increased truck and passenger vehicle use;
- SR33 widening and signalization improvements, including the re-establishment of the former at-grade railroad crossing just south of Marshall Road;
- Upgrades to existing at-grade railroad crossings (as necessary);
- Improvements to the sanitary sewer, domestic water, storm drainage and dry
 utilities as needed to serve the project. The improvements would be compatible
 with a GA airport and include the investigation of potential regional solutions in
 coordination with the cities of Patterson and Newman and other regional
 infrastructure providers; and
- Improvements to on-site, perimeter, and nearby roads as necessary.

Specific analyses to be provided to support the Draft EIR include the following:

- Traffic Circulation Plan:
- Water Supply, Treatment and Distribution System Evaluation;
- Wastewater Collection, Treatment, and Disposal System Evaluation;
- Storm Drainage Conveyance, Treatment, and Discharge System; and
- Dry Utilities System.

7. Water/Sewer Service Improvements for the Crows Landing Community

The proposed project includes providing an improved potable water distribution and wastewater collection system to the community of Crows Landing. The proposed improvements are identified in the County's Guiding Principles for redevelopment of the former military property.

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Development Agreement

The Master Developer and County staff are negotiating a Draft Development Agreement (DA) for consideration by the Board of Supervisors following certification of the EIR and all required public hearings. The development agreement will describe such items as:

- Vested rights;
- A prohibition on residential development (except caretaker units);
- Payment of development impact fees;
- Developer obligations including payment for all project infrastructure and improvements to the Crows Landing community (water and sewer); and
- Phasing of development on the County-owned property.

Ground Leases

The Master Developer and County staff are negotiating draft ground leases for the proposed Inland Port Facility and the portion of the former military facility that would be dedicated to commercial, industrial, and business park uses. The leases would be presented to the Board of Supervisors for consideration following certification of the EIR and all required public hearings. Lease terms under negotiation include:

- Term of the lease:
- Escalating rent provisions over the term of the lease;
- Phase and percentage rent payable to the County;
- Phasing of development of the land;
- Prohibition on residential uses (except caretaker units during the term of the lease):
- Lease extensions;
- Lease termination; and
- Default provisions.

Public Facilities Financing Plan

A Public Facilities Financing Plan (PFFP) will be prepared as part of the Specific Plan process to identify project costs and available funding mechanisms. Funding alternatives that will undergo a detailed analysis in the PFFP will include: impact fees,

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land-secured bonds, bonds secured by a pledge of revenues, developer funding, and other alternatives.

It is expected that costs will change over time; therefore, each funding mechanism identified in the PFFP will include a method to adjust the amount of funding to reflect current costs at the time of development.

SUCCESSES AND CHALLENGES DURING THE PAST 15 MONTHS

During the past 15-month extension period granted by the Board of Supervisors, the Master Developer has continued to pursue the proposed West Park Logistics Center Project. Accomplishments and challenges are summarized in the following paragraphs.

Successes and Progress

The County and West Park Holdings, LLC have continued to work together during the past 15-month extension period. Progress has been made in the following areas:

- 1. Environmental (CEQA) Planning and Entitlement
 - o Specific-Plan Development
 - Cost Sharing Requirements
- 2. Community Outreach
- 3. Targeted Marketing
- 4. Adherence to Cost Share Agreements/Ongoing Project Investment
- 5. Investment Changes

1. Environmental (CEQA) Planning and Entitlements

In March 2011, the Board of Supervisors approved a 15 month-extension for the Master Developer to prepare and circulate a Draft EIR. The West Park team prepared an Initial Study to determine the technical studies that would be necessary to support the EIR and fulfill CEQA requirements.

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a. <u>Notice of Preparation (completed)</u>. The Master Developer performed technical analyses and revised the proposed land use plan during the spring and summer of 2011. The project team prepared a Notice of Preparation (NOP) in the early fall of 2011 for public review and comment. The NOP of a Draft EIR for the Proposed West Park Logistics Center Project was submitted to the State Clearinghouse on October 31, 2011, and circulated for 30 days (SCH No. 2011102061).

Two Public Outreach and Scoping Meetings were held to solicit comments about the scope of environmental review for the proposed project at the following locations and dates:

- Bonita Elementary School, Crows Landing, California (November 10, 2011, from 6 p.m. to 8 p.m.); and
- Stanislaus County Agricultural Center, Modesto, California (November 17, 2011, from 6 p.m. to 8 p.m.).

Approximately 40 people in total attended these two meetings, and a total of 21 comment communications were received.

The results of NOP circulation confirmed that several technical studies would be necessary to provide for a thorough environmental review, and new project timeline would be required for County review and approval.

b. <u>Specific Plan Preparation (ongoing)</u>. The Master Developer has prepared an outline of the scope of the proposed Specific Plan for the West Park Logistics Center that reflects the revised land use plan and the necessary technical studies. The development team will review and finalize the Specific Plan outline in consultation with Stanislaus County during the summer of 2012, and a formal project application will also be submitted in the summer of 2012.

Table 3 identifies the technical studies/analysis that the County and Master Developer determined would be necessary and their status to date.

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Table 3. Technical Studies and Progress-to Date		
Technical Study	Progress	
Airport Layout Plan	100%	
Airport Land Use Compatibility Plan	100%	
Biological Resources	90%	
Cultural Resources (Additional investigation for Pioneer Cemetery completed)	90%	
Geology, Soils, Mineral Resources	90%	
Population, Employment, Housing	30%	
Hydrology, Drainage, Water Quality	25%	
Traffic and Circulation	25%	
Utilities (water, storm drainage, dry utilities)	25%	
Public Health, Hazards, and Public Safety	20%	
Other studies underway: Air Quality Fiscal Impact and Financial Feasibility Greenhouse Gas Emissions Climate Change Noise	<u><</u> 20%	

2. Community Outreach

Since PCCP West Park received the extension from the Board of Supervisors in 2011, the project team has reached out to numerous groups and agencies within Stanislaus County (see Table 4). The purpose of the meetings was two-fold: The project team hoped to discuss the project scope and schedule, and the impact of market conditions on the proposed project and its implementation. In addition, the project team hoped to gather data from the individuals, groups, and agencies and address project-related questions and concerns.

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Table 4: PCCP West Park Community Outreach Summary (2011 to 2012)				
City of Patterson: Mayor and City Staff	Stanislaus County Staff			
City of Newman: Mayor and City Staff	Stanislaus County Board of Supervisors			
Patterson Chamber of Commerce	Stanislaus County Workforce Alliance			
West Stanislaus Agriculture Conservation District	Turlock Irrigation District			
Modesto Chamber of Commerce	Port of Oakland Staff			
Del Puerto Water District	San Joaquin Valley Air Pollution Control			
Newman Rotary	Stanislaus County Farm Bureau			
Crows Landing Community Services Board	Public meeting: Modesto			
California Department of Transportation	Public meeting: Crows Landing			
Modesto Bee Editorial Board	Patterson Irrigator			
Mattas Newspapers	WSPACE			

General topics of concern expressed by the groups included:

- Traffic,
- Air quality, and
- · Potential threat of housing development later.

Project goals supported by the groups included:

- Job creation and diversity, and
- Economic stabilization.

3. Targeted Marketing

During the period from 2011 to 2012, West Park has engaged the services of a real estate services company to help identify potential tenants for the proposed West Park Logistics Center. Mr. Kamilos and other West Park staff have reached out to local, national, and international entities as summarized in the following paragraphs.

 CBRE. CBRE, a premier, full-service real estate services company, was retained by West Park to market the West Park Logistics Center Project and its component uses to potential users. (This CBRE team secured WW Granger, Kohl's, and CVS into the West Side industrial areas.) CBRE has met with

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potential users and identified several specific employers associated with the logistics and warehousing industries.

- Building Developer Discussions. Buyers of land who wish to construct buildings or facilities for specific clients focus on opportunities for which all approvals are in place, building permit fees are well defined, utilities have been constructed and negotiated to site, and building pads have been completed. Such conditions allow a buyer to construct buildings as quickly as possible after the purchase of the land. The Master Developer has been engaged in discussions with groups who have expressed interest in purchasing a finished parcel, but these entities are not interested in unimproved and/or un-entitled properties. Seefried Development, McDermody Properties, and Keystone Development have expressed interest in acquiring finished and improved parcels to accommodate client needs.
- Turlock Irrigation District (TID). TID provides electricity to the project area and
 offers prices that are approximately 30% lower than PG&E. TID is coordinating
 with Spinnaker Energy, West Park's strategic partner for solar energy
 development. The development of a 50 to 100 MW solar energy project by
 Spinnaker on the western portion of the West Park Logistics Center site could tie
 into an existing TID substation.
- WW Grainger and Blue Diamond Growers. Both businesses have expressed support for a short-haul container shuttle rail between the Port of Oakland and the proposed West Park Logistics Center. Access to alternative methods to transport containers of both consumer products and agricultural exports is critical to the long-term logistics strategies of both businesses. The potential development of an Inland Port at the West Park Logistics Center influenced the businesses to locate new facilities on the West Side and in the City of Turlock.
- Port of Oakland. The Port of Oakland has been supportive of the West Park Inland Port as a means to provide alternative modes to bring containers in and out the port. The Port has undergone extensive improvements, such as the deep dredging along the outer harbor terminal, to allow the largest container ships to dock. Ports America, the largest port terminal operator in the World, has invested over \$80 million to improve capacity at the Port; and Evergreen, a container

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shipping company, has installed two new cranes. The Port provides an advantage to freight rail services over trucking by allowing trains to enter the port on a 24/7 basis while trucks can only enter the port for 12 hours a day.

 Union Pacific Railroad (UPRR). UPRR has worked cooperatively with West Park since 2006, and it has updated its regional operation model to operate up to two trains a day to and from Crows Landing. UPRR will need to make off-site improvements to its facilities to accommodate an anticipated overall increase in freight rail use, which includes increases associated with West Park's short-haul shuttle service (see Attachment 5).

4. Adherence to Cost Share Agreements/Ongoing Project Investment

The proponents for the West Park Logistics Center Project have fully complied with all financial requirements of Stanislaus County.

- In early 2012, West Park made an advance payment of \$179,000 to the County to support the staff time required to process the Draft EIR and Specific Plan during the development process.
- To date, PCCP West Park has spent \$3.8 million on the project, of which \$2.5 million was expended to complete tasks requested by the County.

5. Investment Changes

Prior to 2008, Lehman Brothers was one of the foremost international financial firms in the world, and it served as the primary capital investment partner in the proposed project since its inception.

Although the project proponents have had access to only limited resources since the economic crisis of 2008, they have continued to pursue planning and entitlement efforts for the proposed West Park Logistics Center.

Current Issues

1. Market Dynamics

The U.S. economic downturn led to additional unemployment in the Central Valley and the implementation of reduced programing in both private and public sectors. The Master Developer changed the name of the proposed project from the "West Park

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Specific Plan Project" to the "West Park Logistics Center Project" and revised the project size and components to better reflect the opportunities in today's marketplace.

- a. <u>Alternative Energy Production</u>. With the emergence of the renewable energy industry as a result of rising petroleum prices and State/Federal requirements, a large solar renewable energy component has been incorporated into the West Park project. Spinnaker Energy, LLC, a boutique sustainable energy development company, was selected as West Park's renewable energy development partner for an approximately 850-acre solar facility that will be located just west of the former Crows Landing Air Facility property.
- b. Reduced Project Footprint. To minimize regional traffic impacts and create a focus on the under-utilized Fink Road/I-5 interchange, the footprint of the proposed project was reduced from approximately 4,800 acres to 2,900 acres. The reduced project size will allow better truck management and direct traffic to the Fink/I-5 interchange. The revised land use plan required an additional nine-month effort by West Park Holdings, LLC.

2. Changes in the Investment Capital Market

As a result of challenges to the global and U.S economies, especially in California, the capital markets for re-entitle and development projects in any real estate sector remain very difficult. Many institutional investors have abandoned the pre-entitlement project market after suffering devastating losses in the last market collapse. However, several institutional investors are intrigued by supply-chain goods movement projects that serve Fortune 500 companies through long-term leases, and they are showing an interest in financing large, logistics center buildings with readily available build-to-suit leases with corporate guarantees.

The delivery of these building types, purchased or leased by a Fortune 500 company, is executed by a vertical commercial developer. The vertical commercial developer needs to demonstrate a building delivery and construction start up on a very short schedule and will only purchase fully serviced and accessible finished land sites. In many cases, the vertical commercial developer will work with a master land developer who can provide a finished, fully serviced and accessible parcel.

In today's environment for land development, master developer financing programs are available mostly from private equity sources who realize that their early capital is the

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most risky due to the tough and lengthy California approval processes. Many projects in California, the size of West Park, can require 4 to 8 years to secure construction approvals, or even longer if litigation occurs. For West Park, the initial capital and the capital required to secure approvals will be derived from private sources. Implementation of a broader range of capital investment opportunities will be available following entitlement and approvals to finance major infrastructure on a phased basis.

Industrial and Distribution Marketing Strategies

The proposed West Park Logistics Center Project focuses on four key logistics service strategies: Regional, Statewide, West Coast-Western States, and Same Day/Next Generation Service. Each strategy is summarized in the following paragraphs.

1. Regional Strategy

The Regional Strategy focuses on serving an area within a 4-hour travel distance from the distribution facility. Users are primarily consumer product retailers who forward products to individual retail outlets. The West Park Logistics Center will be able to serve most of Northern California, Reno-Sparks Nevada, and the Central Valley to the area south of Bakersfield.

2. Statewide Strategy

The Statewide Strategy focuses on servicing the entire State within the 11-hour Federal time limitation restrictions for truck operators, for which the West Park location readily allows. Users are primarily consumer product retailers who move products to a larger geographic spread of individual retail centers.

3. West Coast-Western States Strategy

The West Coast-Western States Strategy also focuses on servicing to the maximum distance possible within the 11-hour Federal driving time limit restrictions. West Park can serve the area from central Oregon to the north, Mexico to the south, and southern Idaho, Utah, and Arizona to the east. These users are primarily commercial product retailers who serve industrial markets for large or higher priced goods and equipment.

4. Same Day/Next Generation Service

Same Day/Next Generation Service strategy focuses on the continued growth of e-commerce. Internet-based retailers require the Next Generation system to provide a delivery drive time of 2 hours from a fulfillment facility. Services based at West Park

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could serve the Monterey, Silicon Valley, East Bay, North Bay, San Francisco peninsula, and mid-Central Valley markets. These users primarily are e-commerce consumer goods companies who focus on expediting deliveries and minimizing vehicle miles traveled.

Existing Users

The West Side of Stanislaus County is already a proven market for all of these key logistics strategies. Examples of categorical users include:

Regional User: CVSStatewide User: Kohl's

West Coast-Western States User: WW Grainger

Same Day/Next Generation User: Amazon

Based on the significant increase in fuel costs, many companies located outside of California that distribute consumer products are re-evaluating their logistics strategies. Several companies are considering California, and especially the Central Valley, for the expansion or relocation of their logistics centers, including: JC Penney, Sears, Crate & Barrel, O-Reilly Auto Parts, Target, and Walmart.

Other Market Considerations

1. Agricultural Products

More than 800,000 containers per year of agricultural products are shipped to Asia through the Port of Oakland, which is the largest agricultural product export seaport in the U.S. Products are destined primarily for China and Japan and typically include nuts, rice, wine, chicken feet, olive oil, and powdered milk. These products are trucked to the Port of Oakland everyday using the interstate highway system (Interstates 5, 580, 680, and 880) and State highways (State Routes 33, 99, 132, 140, and 152).

2. Distribution Efficiencies

a. <u>Two-way Container Use</u>. Almost 80% of the trucks that take containers holding agricultural products to the Port of Oakland return to the Central Valley empty. This inefficiency adds unnecessary cost to the farmers and ranchers who move product for export. West Park's Short-Haul Shuttle Rail would provide an opportunity to consolidate

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agricultural products (export-oriented) at the Inland Port in combination with the major distribution centers for consumer/material goods (import-oriented), thereby reducing costs to farmers and ranchers who move products for export.

b. <u>Decreased Travel Time</u>. For more than 30 years, imported products distributed to Northern Californian consumer markets are trucked to distribution centers in the Reno/Sparks, Nevada area. The contents are transferred to delivery trucks to return to Northern California markets including Modesto, Sacramento, and San Francisco. Distributors have identified this inefficiency, and new logistics facilities are being built closer to the Northern California consumer markets, such as the facilities in Patterson.

3. Food Processing

The diversity of crops grown in Stanislaus County and the region has narrowed in recent years, but the demand for a diversified crop pallet will likely re-emerge as Asian economies grow and the need for imported goods increases (e.g., China).

The proposed West Park Logistic Center Project will be developed in a location that is central to agricultural operations throughout California's Central Valley, thereby positioning itself to become a key collection point of containerized agricultural products for export from the Port of Oakland to Asia. The project will provide opportunities for agricultural industrial/food processing and packaging with a direct link to the Port of Oakland.

4. Population Growth

The population of Northern California currently exceeds 10 million, allowing the region to emerge as a separate market from Southern California. This emerging market will bring more business to the Port of Oakland, as containers will be shipped directly to Port of Oakland rather than to the Port of Los Angeles or the Port of Long Beach. Companies with significant logistics requirements will look to the logistical triangle marked by the Port of Oakland, Sacramento, and Western Stanislaus County.

5. Increased Focus on the Port of Oakland

The Port of Oakland is the third busiest port on the west coast of the U.S., but it is not used primarily as a first-port-of-call; most import-laden vessels stop first at the Port of Los Angeles/Long Beach to offload containers. Afterward, they proceed to Oakland to drop off remaining loads and pick up (mostly agricultural) containers.

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The emergence of Northern California as a distinct market area will increase the volume of goods that pass through the Port of Oakland, and this volume will be further augmented by goods transported to and from the Port using rail services. As a result, containers that are currently trucked to Northern California from the Port of Los Angeles/Long Beach will likely be transported directly to the Port of Oakland as a first-port-of-call.

6. Local and Regional Benefits

In addition to the direct cost savings to both agricultural exporters and goods distribution importers from increases in container and travel efficiencies, development of the West Park Logistics Center Project can provide significant region-wide benefits, including: reduced congestion on key transportation corridors; and increased activity at the Port of Oakland due to the increased freight rail throughput. At the local level, a direct benefit will include the creation of new and diversified jobs that will not require workers to commute to the San Francisco Bay Area.

DEVELOPER'S REQUEST FOR EXTENSION THROUGH JANUARY 31, 2013

Proposed Extension of Project Schedule

To date, the Master Developer has invested more than \$3.8 million in pursuit of the proposed West Park project, including expenditures to: prepare technical reports; fund County staff; consultant and legal costs; defensive litigation; continue negotiations for ground leases; and maintain land positions.

Significant progress has been made to prepare the Draft EIR, and the remaining components can be completed prior to January 31, 2013 (see **Attachment 6**). The updated project schedule provided by the Master Developer identifies that the Master Developer shall deliver the Draft Specific Plan components and a Draft EIR to County staff by January 31, 2013. Administrative drafts of all documents shall be provided to the County for review by early December 2012. The Master Developer is aware that review periods for County staff and the ability of consultants to respond to County comments will be restricted by holiday schedules. As such, the earliest possible delivery of administrative drafts is critical.

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Deposit to Stanislaus County

The Master Developer will provide cash deposits to the County in the amount of \$2.75 million on or before July 10, 2012. In the interim, the Master Developer has provided a statement intending a June 18, 2012 deposit of \$1 million dollars as an initial payment to be held in an attorney/client trust account earmarked for the West Park Project. This good faith deposit will be released to the County along with the balance (\$1.75M) on or before July 10, 2012. (see **Attachment 2**).

1. Deposit for Environmental Processing and Entitlement (\$2.0 million)

The Master Developer shall provide the County with a deposit of \$2.0 million to complete the work necessary to: deliver a complete Draft EIR and Draft Specific Plan components to County Staff by the end of January and perform public outreach during the entitlement process. The funds will be placed into escrow for use pursuant to the terms of the attached agreement prior to July 10, 2012. Currently the Master Developer has reached a mutually accepted buy out structure with Lehman Brothers, and final documentation with Asset Committee signature will be completed by the end of June 2012. The Master Developer is bringing new capital into the project, and such new capital will not enter into a funding agreement until the Lehman agreement is signed up. Payables to Remy Moose & Manley (legal consultants) have been negotiated and documented, HDR and Transystems (rail consultants) payment agreements will be in place the week of June 17, 2012. The funding of the required deposits will occur on or before July 10, 2012.

2. Cash Deposit for Crows Landing Airport Development (\$750,000)

The Master Developer shall provide Stanislaus County with deposit of \$750,000 for the development of the Crows Landing GA airport. The funds will be placed into escrow for use pursuant to the terms of the attached agreement on or before July 10, 2012. If the Master Developer provides a Draft EIR that is complete and adequate for review as determined by the discretion of the County Chief Executive Officer or her designee prior to January 31, 2013, the funds will be credited against any obligation the Investors have for airport improvements in the proposed development agreement.

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Forfeiture of Deposit

In the event that the West Park team fails to deliver a Draft EIR and Draft Specific Plan to County staff by January 31, 2013, the Master Developer shall forfeit the deposits to the County as follows:

- 100% of the remaining balance of the \$2.0 million deposit for use by the County for any further environmental, engineering, legal, and financial analysis applicable to the County obtaining land use entitlements for development on the county property; and
- If the Draft EIR and Draft Specific Plan components are not completed and found adequate by County staff by January 31, 2013, \$375,000 of the \$750,000 deposit for airport development will be retained by the County for use for any further environmental, engineering, legal, and financial analysis applicable to the proposed GA to be located on the County-owned property, and \$375,000 will be returned to the Master Developer.

Indemnification

The draft agreement also requires the Master Developer to indemnify, defend, and hold harmless the County from any legal challenges arising from the Cost Reimbursement Agreement and, if subsequently approved, any land use entitlements and the ground leases for the West Park Logistics Center. The agreement also requires the Master Developer to post a letter of credit in an amount determined by the County Chief Executive Officer and County Counsel, to be necessary to pay the costs of defense for any lawsuit filed challenging any potential action of the Board of Supervisors to certify the EIR or approve any related land use approvals or ground leases.

OTHER ALTERNATIVES

Should the Board reject the Master Developer's request for processing an extension through January 31, 2013, the Board may consider the following alternative for in-house preparation of a Specific Plan and subsequent environmental review pursuant to CEQA.

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Under this scenario, County staff would be responsible for the development of a Draft Specific Plan for the former Crows Landing Air Facility property including the necessary infrastructure and financing plans and preparation of a project-level EIR. The completion of a project-level Draft EIR would position the County to offer a Master Developer a "shovel-ready" project. If a Master Developer desired to amend the adopted Specific Plan prepared by the County, additional environmental analysis could be required.

Cost and Timeframe

The timing and costs associated with the in-house planning and environmental analysis alternative would include the following tasks:

- Issuing a Request for Proposal (RFP) process to hire a consultant to prepare the necessary studies, specific plan, and environmental documents;
- Preparing and reviewing environmental documents, public outreach, and approval/certification; and
- Issuing an RFP to identify and authorize a Master Developer to implement the project.

Table 5 presents the estimated cost and timeframe associated with the in-house preparation of a Specific Plan and subsequent processes.

Table 5: In-house Preparation of Specific Plan and Environmental Documentation, Cost and Timeframe				
Task	Cost	Duration (months)		
RFP – Document Preparation Consultant	\$20,000	3 to 6		
Document Preparation				
Specific Plan Development	\$400,000	6 to 8		
Financial Needs Assessment /Financial Strategic Plan	\$100,000	6		
DEIR	\$600,000	8 to 12		
Document/Entitlement Approval/Certification	\$30,000	4 to 6		
RFP/Negotiations – Master Developer	\$100,000	3 to 6		
TOTAL	\$1,250,000	30 to 44 months		

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The timeframe associated in with EIR preparation considers that the availability and applicability of previously developed studies may be limited, and that the nature of the proposed project may have changed since previous studies were performed. An additional expense of approximately \$200,000 would be incurred by the County in anticipated staff costs during the 30 to 44 month project period, as staff would be required to manage consultants, review project documents, and process entitlements.

Considerations

1. Legal Responsibility

Should the County select this alternative, it will assume the full responsibility of project development, including any legal costs associated with the entitlement approval/certification process. As noted previously, the Master Developer has already expended approximately \$430,000 to defend the project in a suit filed by the City of Patterson.

2. Alternative Project Timeframe

The most significant difference between the Master Developer's request for an application processing extension compared to the in-house alternative is associated with the project schedule.

Should the Board decide to allow the Master Developer to assume responsibility for completion of the Draft EIR and Draft Specific Plan components to support the Draft EIR, the timeframe associated with EIR certification and the completion of subsequent agreements would be greatly reduced. As shown on Table 5, approximately 30 to 44 months and approximately \$1.1 to \$1.7 million in County funding would be required for the County to prepare a Draft Specific Plan and Draft EIR, compared to the six-month timeframe requested by the Master Developer.

CONCLUSION

The proposed West Park development project has experienced delays as a result of major, unforeseen issues, including a legal challenge and a global economic crisis. Although the project has been delayed, the Master Developer has continued to make progress despite a difficult economic landscape in which many other projects have simply failed.

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The former Crows Landing military air facility continues to present a tremendous opportunity for Stanislaus County and the Central Valley as a whole. Its location near Interstate 5, existing infrastructure (including runways), and potential regional connections to both Sacramento and the San Francisco Bay Area present economic development opportunities that continue to support the County in its vision to "create a regional job center that provides good paying job opportunities for Stanislaus County residents and for the region." ²

POLICY ISSUES:

The Board must consider the progress and status of the proposed West Park Logistics Center Project and the time extension requested by West Park Holdings, LLC to complete a Draft EIR. In doing so, the proposed project and the extended timeframe supports the Board's priority of promoting A Strong Local Economy through business park development and job creation objectives for its communities.

STAFFING IMPACT:

Existing County staff, facilitated through the Chief Executive Office and including the Department of Planning and Community Development, Public Works' Department, Department of Environmental Resources, and County Counsel (County Crows Landing development team) will continue to support and oversee the County's day-to-day interests in the development process for the Crows Landing property.

CONTACT PERSON:

Keith D. Boggs, Assistant Executive Officer. Telephone: (209) 652.1514

² **Board approved project vision**: "To create a job center that provides good paying job opportunities for Stanislaus County residents and for the region." County Board of Supervisors – August 2005

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Attachments:

- 1. Cost Reimbursement, Deposit and Forfeiture Agreement
- 2. Money on Deposit, Letter of Intent
- 3. Project Area Map
- 4. West Park Logistics Center Notice of Preparation (NOP)
- 5. Union Pacific Railroad Letter of Interest
- 6. Proposed West Park Time Line Extension

COST REIMBURSEMENT. DEPOSIT AND FORFEITURE AGREEMENT

THIS COST REIMBURSEMENT, DEPOSIT AND FORFEITURE AGREEMENT (this "Agreement"), dated and made effective as of June 19, 2012 (the "Effective Date"), is entered into by and between the County of Stanislaus, a political subdivision of the State of California ("County") and West Park Holdings, LLC, a Delaware limited liability company ("Developer"). County and Developer are hereinafter collectively referred to as the "Parties."

RECITALS

- A. County is or will be the owner of one thousand five hundred twenty eight (1,528) acres of real property located in the County of Stanislaus and known as the Crows Landing Naval Air Facility as shown on the map attached hereto as Exhibit A and incorporated herein by this reference ("County Property"). Developer is the owner or has the legal right to acquire approximately one thousand two hundred forty (1,240) acres of real property adjacent to the County Property as shown on Exhibit A ("Developer Property").
- B. On February 27, 2007, the Board of Supervisors of the County authorized an exclusive negotiation with Developer regarding the master development of the Property. County and Developer entered into a Pre-Development Agreement dated June 5, 2007 ("**Pre-Development Agreement**"), which set forth the respective roles and obligations of County and Developer and the procedures for developing a project description for master development of the Property.
- C. The Parties have engaged and continue to engage in discussions and studies related to the infrastructure costs, fiscal impacts and economic feasibility of the Project.
- D. County and Developer intend to negotiate a Development Agreement ("DA") and Ground Leases ("Leases"), which, following completion of an environmental impact report and all required public hearings would be considered by the Board of Supervisors. The DA and Leases will set forth terms and conditions relating to the development of the County and Developer Property. Developer's project application includes the proposed development of an intermodal inland port facility, commercial, industrial and business park improvements, and a solar energy facility, together with related infrastructure improvements (all of the foregoing, collectively, the "Project").
- E. The County has determined that an Environmental Impact Report ("EIR") is required for processing the **Project** application pursuant to the California Environmental Quality Act ("CEQA"). This Agreement is intended to express the Parties' agreement regarding Developer's indemnification obligation and its obligation to pay costs incurred by the County and any consultants or attorneys retained by the County.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. <u>Incorporation of Recitals</u>. The Parties agree that the Recitals constitute the factual basis upon which the County and Developer have entered into this Agreement. County and Developer each

acknowledge the accuracy of the Recitals and agree that the Recitals are incorporated into this Agreement as though fully set forth at length.

- 2. No Obligation to Certify EIR or Approve Project. Nothing in this Agreement creates a binding obligation to approve or develop the Project. Each Party expressly acknowledges and agrees that this Agreement creates no obligation on the part of any Party to: (i) enter into a DA, (ii) certify any CEQA document, (iii) grant any approvals or authorizations required for the Project, (iv) agree to any specific terms or obligations, (v) provide financing for the Project, or (vi) proceed with the development of the Property. The Parties acknowledge that the Project may be revised as the environmental, financial and planning processes proceed. No promises, representations, or warranties have been made, expressly or implicitly, by the County, its officials, agents, or employees and, it is specifically agreed that no person has any authority to make such representation, promise, or warranty, to Developer that the Agreement will in any way influence the actions of the County with respect to the approval or denial of such applications, agreements, permits, or entitlements. The provisions of this section are hereby incorporated into each and every section of this Agreement as though set forth in their entirety in each such section.
- 3. <u>Term.</u> The term of this Agreement (the "**Term**") shall commence on the Effective Date, and shall terminate on January 31, 2013, unless earlier terminated as provided herein, but the provisions of <u>Sections 4, 6 and 7</u> shall survive termination of this Agreement and remain in effect until the obligations therein have been fully satisfied.
- **4. Deposit of Escrow Funds; Use of Funds.** On or before July 10, 2012, Developer will deposit with the County Treasury the following funds:
- 4.1 <u>CEQA Escrow Account</u>. Developer shall deposit two million dollars (\$2,000,000) in a separate account to be held by the County ("**CEQA Escrow Account**"). Funds in this **CEQA Escrow Account** shall be used by the County to pay Consultant expenses incurred for work performed on or after June 19, 2012 for the **Project** services provided to Developer by Consultants under this Agreement. Such **Project** services may include, but are not limited to:
- (1) Completion of a Draft **EIR** pursuant to the California Environmental Quality Act, Public Resources Code § 21000 et seq., including all scientific, engineering, technical, and other analyses contained therein; and
- (2) Developer's Consultant, financial and legal services related to the **EIR** and the **Project**, including airport and short-haul railroad consultants, above and beyond those services for which the Developer has already provided a deposit.
 - (3) Public outreach activities related to the Draft **EIR**.

Developer has entered into contracts with the consultants identified in <u>Exhibit B</u> ("Consultants") to prepare the EIR. With funding solely from the CEQA Escrow Account, County will pay Consultant invoices related to preparation of the EIR for work performed on or after June 19, 2012 and upon submission by Developer of a complete copy of the Consultant invoice and written authorization by the Developer to pay the invoice. Under no circumstances, shall County be obligated to pay any amount that exceeds the available balance in the CEQA Escrow Account. County shall make such payments within fifteen (15) days of receipt of such written request from Developer. In the event that any portion of the funds deposited

in the **CEQA Escrow Account** are subject to any subsequent court order or lien and not available for use by the County, the County may suspend payments to **Consultants** until such time as the court order is no longer in effect and/or the lien is no longer effective.

Developer further acknowledges the **CEQA Escrow Account** payment does not include any additional fees and charges as required by law, ordinance, or resolution to be paid to County by Developer, such as application fees, inspection fees, and other processing fees for entitlements or permits that may be required for the **Project** generally including staff processing costs, county-retained consultants (including but not limited to short haul, **CEQA** peer review, and/or financial consultants) and legal services related to the Draft **EIR** and the **Project** entitlements which shall be the subject of a separate agreement between the County and Developer. Developer also acknowledges and agrees that funding in the CEQA Escrow account shall not be used to pay Consultant fees for work performed prior to June 18, 2012.

In the event that the Board of Supervisors certifies the **EIR**, any funds remaining in the **CEQA Escrow Account** shall be retained by the County for on-going **Project** expenses, including staffing costs. Use of such funds shall be in the complete discretion of the County.

- 4.2 <u>Airport Improvement Escrow Account</u>. Developer shall deposit seven hundred and fifty thousand dollars (\$750,000) in a separate account to be held by the County ("**Airport Improvement Escrow Account**"). In the event that the Board of Supervisors certifies the **EIR** and approves the **Project**, these funds shall be credited against any financial obligation the Developer has for the general aviation airport.
- **5. Draft EIR Deadline.** Developer has advised the County that Draft **EIR** can be completed by **Consultants** prior to January 31, 2013. Based on this representation, Developer either by itself or in association with **Consultants** shall deliver to the County a hard copy and an electronic file of the Draft **EIR** in a form adequate for commencement of the public review period required by **CEQA**, as determined in the sole and reasonable discretion of the County Executive Director or her designee, no later than January 31, 2013. The electronic file of the Draft **EIR** shall be provided in its original and modifiable form. In the event Developer fails to satisfy its obligations under this Section, the provisions of Section 6 shall take effect.
- **6. Forfeiture.** In the event the Draft **EIR** is not complete in a form adequate, as determined in the sole and reasonable discretion of the County Executive Director or her designee, for commencement of the public review period required by **CEQA** by the deadline identified in <u>Section 5</u>, the following forfeiture terms shall be implemented and govern disbursement of the escrow funds deposited pursuant to <u>Section 4</u>. Developer further agrees that all **EIR** drafts, technical studies and related materials will be forfeited to the County. County may use such drafts, studies and related materials for any purposes County desires, including a subsequent and separate proceeding related to the **County Property**.
- 6.1 <u>CEQA Escrow Account</u>. All unused funds in the **CEQA Escrow Account** shall forfeited by Developer and retained by County. Developer will receive no reimbursement. County will use the funds for any further environmental, engineering, legal and financial analysis applicable to the County obtaining land use entitlements for development on the **County Property**.
- 6.2 <u>Airport Improvement Escrow Account.</u> Fifty percent (50%) of the **Airport Improvement Escrow Account** funds (\$375,000) shall forfeited by Developer and retained by County. Fifty percent (50%) of the **Airport Improvement Escrow Account** funds (\$375,000) shall be returned to Developer.

County will use the funds for any further environmental, engineering, legal and financial analysis applicable to proposed general aviation airport proposed to be located on the **County Property**.

7. No Liability.

7.1 <u>Project Costs.</u> Developer hereby acknowledges and agrees that County has no obligation whatsoever to approve of any general plan amendment, zone change, **DA**, **Leases** or related land use entitlements for the **Project**. County has no obligation whatsoever to reimburse Developer for any costs incurred by Developer during the term of this Agreement, including reimbursement costs for County retained consultants.

7.2 Indemnification.

- (a) Developer hereby covenants, on behalf of itself and its permitted successors and assigns, to indemnify, hold harmless and defend County and its elected and appointed officers, officials, employees, agents and representatives ("Indemnitees") from and against all Claims and liability, arising out of or in connection with this Agreement provided however, Developer shall have no indemnification obligation with respect to the gross negligence or willful misconduct of any Indemnitee.
- (b) Developer specifically agrees to indemnify, hold harmless and defend Indemnities from any and all administrative, legal or equitable actions or other proceedings instituted by any person not a party to this Agreement challenging the validity of this Agreement, "arising from" the County's processing of the application or implementation of this Agreement, the approval of any entitlement following certification of an EIR, and/or certification of the EIR for the Project. As used herein, "arising from" shall include any Claim regarding County's processing of the application brought before such time as the processing is complete as well as any liabilities for personal injury or death, or property damage, resulting from the planning, field analyses and approval of the **Project** or of operations by Developer, its officers, employees, agents or consultants under this Agreement. Prior to issuance of a Final EIR, Developer shall provide the County with a letter of credit with the County named as the payee in an amount approved by the County Executive Director and the County Counsel sufficient to pay the costs of a defense of any lawsuit filed challenging any potential action of the Board of Supervisors to certify the EIR or approve any related land use approvals or the **Leases**. Developer shall take all actions necessary to maintain the letter of credit in effect through the later of the applicable statute of limitations for any legal challenge to certification of the EIR or approval of the land use approvals for the Project or the Leases or the completion of any litigation challenging any potential action of the Board of Supervisors to certify the EIR or approve any related land use approvals or the Leases.
- (c) The obligations of Developer under this indemnification shall survive the termination of this Agreement, regardless of whether any approvals, permits or entitlements are granted by County.
- (d) County will promptly notify Developer of any Claim that is or may be subject to this indemnification and will cooperate fully in the defense.
- (e) County may, in its respective unlimited discretion, participate in the defense of any Claim if the County defends the Claim in good faith. To the extent that the County uses any of its resources responding to a Claim, Developer shall reimburse County its respective reasonable expenses upon

demand. Such expenses include, but are not limited to, staff time, court costs, legal fees (County Counsel's time at their regular rate for external or non-County agencies or retained outside counsel), and any other direct or indirect cost associated with responding to the Claim. Managerial staff time shall not be reimbursable. Developer shall not pay or perform any settlement by the County of the Claim unless the settlement is approved in writing by Developer, which approval shall not be unreasonably withheld.

- (f) Developer shall pay all court ordered costs and attorney fees.
- (g) Developer hereby covenants, on behalf of itself and its permitted successors and assigns, to indemnify, hold harmless and defend **Indemnitees** from and against all claims from any person or entity that may claim an interest or lien on the funds in the **CEQA Escrow Account** or the **Airport Improvement Escrow Account**, provided however, Developer shall have no indemnification obligation with respect to the gross negligence or willful misconduct of any Indemnitee.
- **8.** <u>Termination; Effect of Termination.</u> This Agreement may be terminated for cause at any time by any Party. Upon thirty (30) days prior written notice and upon a showing of cause, each Party shall have the right to terminate this Agreement in its sole discretion. Upon termination as provided herein, or upon the expiration of the **Term**, this Agreement shall forthwith be void, and there shall be no further liability or obligation on the part of each Party or their respective officers, employees, agents or other representatives; provided, however, the provisions of <u>Section 4</u> (Deposit of Escrow Funds; Use of Funds), <u>Section 6</u> (Forfeiture) and Section 7.2 (Indemnification) shall survive such termination.
- **9. Notices.** All notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this section. All such notices shall be sent by:
 - (i) personal delivery, in which case notice is effective upon delivery; or

(ii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

County: Cou

County of Stanislaus

1010 Tenth Street, Suite 6800

Modesto, CA 95354

Attn: Chief Executive Officer Telephone: (209) 525-6333 Facsimile: (209) 525-6226

with a copy to:

The Office of County Counsel

1010 Tenth Street, Suite 6400

Modesto, CA 95354

Attention: County Counsel Telephone: (209) 525-6376 Facsimile: (209) 525-4473 **Developer:** West Park Holdings, LLC

111249 Gold Country Blvd, Suite 190

Gold River, CA 95670 Attn: Gerry Kamilos Phone: (916) 631-8440 Facsimile: (916) 631-8445

with a copy to: Trainor Fairbrook

980 Fulton Avenue Sacramento, CA 95825 Attn: Charles W. Trainor Phone: (916) 929-7000 Facsimile: (916) 929-7111

- **10. Developer Expenses.** Developer shall pay for its own third-party costs and expenses (including, without limitation, all employee compensation and operational/project expenses) incurred in connection with processing the **Project** and related requested permits or approvals.
- 11. <u>Severability</u>. If any term or provision of this Agreement or the application thereof shall, to any extent, be held to be invalid or unenforceable, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions of this Agreement or the application of such terms and provisions to circumstances other than those as to which it is held invalid or unenforceable unless an essential purpose of this Agreement would be defeated by loss of the invalid or unenforceable provision.
- 12. <u>Entire Agreement; Amendments in Writing; Counterparts</u>. This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, oral and written, between the Parties with respect to such subject matter. This Agreement may be amended only by a written instrument executed by the Parties or their successors in interest. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
- 13. <u>Successors and Assigns; No Third-Party Beneficiaries</u>. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided however, that neither Party shall transfer or assign any of such Party's rights hereunder by operation of law or otherwise without the prior written consent of the other Party, and any such transfer or assignment without such consent shall be void. Subject to the immediately preceding sentence, this Agreement is not intended to benefit, and shall not run to the benefit of or be enforceable by, any other person or entity other than the Parties and their permitted successors and assigns.
- **14. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- 15. Relationship of Parties. The Parties agree that nothing in this Agreement is intended to or shall be deemed or interpreted to create among them the relationship of buyer and seller, or of partners or joint venturers.

16. Captions. The captions used in this Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions hereof.

SIGNATURES ON THE NEXT PAGE

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first written above.

COUNTY

COUNTY OF STANISLAUS, a political subdivision of the State of California

Ву:

William O'Brien

Chair of the Board of Supervisors

ATTEST:

By:

Christine Ferraro Tallman

Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

By:

Chief Executive Officer

APPROVED AS TO FORM:

By:

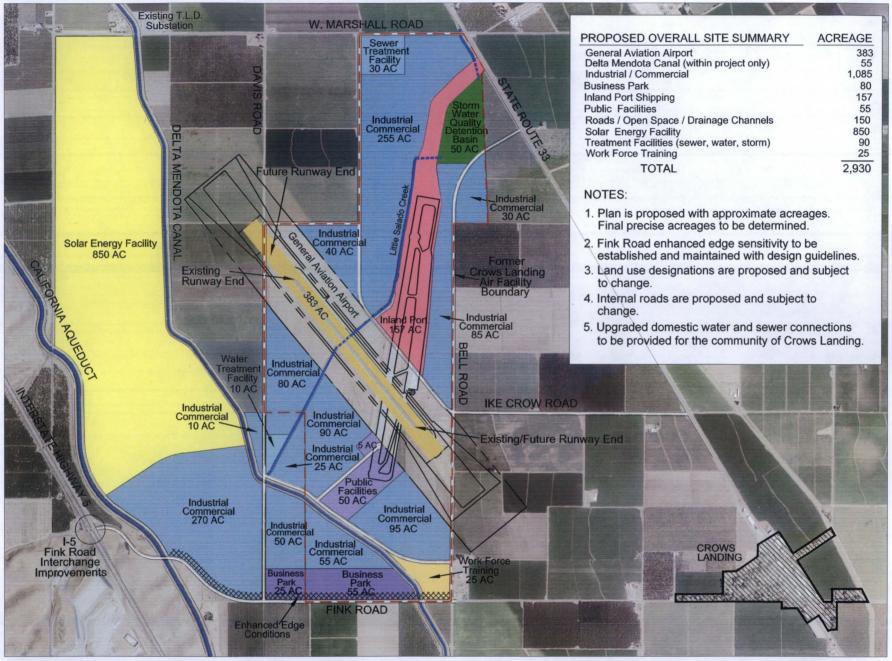
John P. Doering County Counsel

DEVELOPER

WEST PARK HOLDINGS, LLC, a Delaware limited liability company

By:

Gerry A Kamilos, co-Trustee of the Gerry and Karen Kamilos Family Trust u/t/a dated August 31, 1998, sole Member



West Park Logistics Center Project Stanislaus County, CA Proposed Site Plan - Exhibit 3

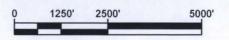




EXHIBIT B AUTHORIZED DEVELOPER CONSULTANTS

AECOM Allred Land Consulting **Davies Public Affairs** Armando Flores Goodwin Consulting Group HDR Inc.

Jarvis Faye & Deporto Don Johnson Consulting

Mike Lynch Consulting

Neumiller & Beardslee

Mead and Hunt

Michael E. Ongerth Consultant

Smith Watts Martinez LLC

Stantec

TJKM

Trainor Fairbrook

Project Management Applications

Wallace Kuhl

Walters Land Planning

Watermark Engineering

Various support companies (reprographics, deliveries, etc.)

NEYHART, ANDERSON, FLYNN & GROSBOLL

A PROFESSIONAL CORPORATION ATTORNEYS AT LAW

JOHN L. ANDERSON WILLIAM J. FLYNN RICHARD K. GROSBOLL BENJAMIN K. LUNCH SONYA M. GORDON

EILEEN M. BISSEN CHLOE 1. QUAIL

1380 LEAD HILL BLVD., STE. 106 ROSEVILLE, CALIFORNIA 95661 (916) 652-2221 FAX (916) 652-1211 Liptonapc@aol.com

OF COUNSEL TO THE FIRM

MARK HANLEY LIPTON Linton & Linton APC Admitted in California and Nevada (Roseville Office)

STANLEY H. NEYHART (1909-1994)

June 15, 2012

Monica Nino, Chief Executive Officer County of Stanislaus 1010 10th Street, Suite 6800 Modesto, Ca. 95354

Re: West Park Holdings LLC, West Park Project - County of Stanislaus

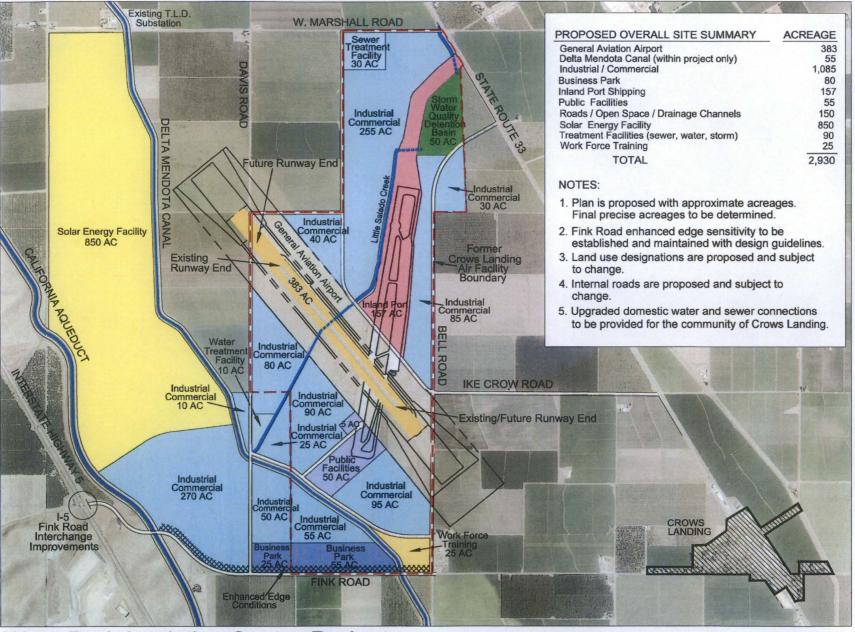
Dear Ms. Nino:

This office serves as legal counsel for several investment funds. Based on communications with your office and Gerry Kamilos, in order to further the finalization between the County of Stanislaus and West Park Holdings in regards to a development project which I understand has been subject to ongoing negotiations between West Park and the County, one of my clients will be depositing \$1,000,000 in my Client Trust Account at Union Bank. I anticipate the deposit will be in the Client Trust Account by close of business June 18, 2012. The deposit is made to further finalization of terms between West Park and the County so project development can move to the next phase. If you have any questions please let me know.

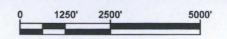
Very truly yours,

Mark H. Lipton MARK HANLEY LIPTON

MHL:vr



West Park Logistics Center Project Stanislaus County, CA Proposed Site Plan - Exhibit 3







CHIEF EXECUTIVE OFFICE
Richard W. Robinson
Chief Executive Officer

Patricia Hill Thomas Chief Operations Officer/ Assistant Executive Officer

Monica Nino Assistant Executive Officer

Stan Risen
Assistant Executive Officer
1010 10th Street, Suite 6800, Modesto, CA 95354
Post Office Box 3404, Modesto, CA 95353-3404

Phone: 209.525.6333 Fax 209.544.6886

NOTICE OF PREPARATION

Date: October 31, 2011

To: State Clearinghouse, Responsible Agencies, Trustee Agencies and Interested Parties

From: Keith Boggs

Deputy Executive Officer – Economic Development

Stanislaus County

1010 10th Street, Sixth Floor

Modesto, CA 95354 (boggsk@stancounty.com)

Subject: Notice of Preparation of a Draft Environmental Impact Report for the Proposed

West Park Logistics Center Project (Public Comment Period October 31, 2011

through December 1, 2011)

Stanislaus County will serve as the lead agency under the California Environmental Quality Act (CEQA) for the preparation of an Environmental Impact Report (EIR) for the proposed West Park Logistics Center project, which proposes to develop an approximately 2,930 acre site with the following major components:

- Inland port and short-haul shuttle rail operation;
- Solar energy facility;
- Industrial commercial, and business park and work force training land uses;
- General aviation airport;
- Infrastructure and public facility improvements; and
- Water supply and wastewater collection services to the community of Crows Landing.

The project site is located in an unincorporated area of western Stanislaus County, between Interstate 5 (I-5) and State Route (SR) 33, south of the City of Patterson and north of Fink Road.

The proposed project includes a General Plan Amendment, Rezone, Specific Plan, and other associated land use entitlements. The EIR will also evaluate the reuse of the former Crows Landing Air Facility (CLAF) and incorporate the development of a public-use general aviation airport, related disposition and development agreement, and ground leases on portions of the former CLAF property. All of these actions are collectively referred to as the "proposed project", which is located on the western side of Stanislaus County, south of the City of Patterson. Comments on the NOP must be received by **December 1, 2011.**

A lead agency must prepare a Notice of Preparation (NOP) to inform all responsible and trustee agencies and the Governor's Office of Planning and Research of the forthcoming EIR. The NOP must provide sufficient information about a proposed project and its potential environmental impacts to allow agencies and individuals to make a meaningful response related to the scope and content of the EIR and to the environmental information that pertains to each agency's statutory responsibilities in connection with the proposed project. Another purpose of the NOP is to solicit input on alternatives that should be considered during preparation of the EIR.

Two public scoping meetings will be held during the NOP public review period to allow agencies and the public to provide questions or comments on the content of the forthcoming EIR.

Scoping Meetings: Proposed West Park Logistics Center						
Thursday, November 10, 2011 6 p.m. to 8 p.m.	Thursday, November 17, 2011 6 p.m. to 8 p.m.					
Bonita Elementary School, Cafeteria 425 Fink Road Crows Landing, CA 95313	Stanislaus County Ag Center – Harvest Hall Pavilion 3800 Cornucopia Way Modesto, CA 95358					

Comments are invited from interested parties by 5:00 p.m. on December 1, 2011. Written comments or questions concerning the EIR must be directed to the County's Deputy Executive Officer and Economic Development Manager at the following address:

Keith Boggs, Deputy Executive Officer – Economic Development Stanislaus County 1010 10th Street, Sixth Floor Modesto, CA 95354 (boggsk@stancounty.com)

All comments must include the commenter's full name and address in order for staff to respond appropriately. Further information regarding the project may also be obtained from the following website: www.crowsbizpark.biz.

The proposed West Park Logistics Center project is a new proposal before Stanislaus County, presented by the project's sponsor and primary developer, PCCP West Park, LLC. An NOP for an earlier, larger project known as the "West Park Specific Plan" (WPSP) was submitted to the State Clearinghouse in June 2008, and assigned SCH #2008062066. That earlier 2008 project is no longer active. The current project varies significantly from the previously proposed project in that it is significantly smaller in size (2,930 acres rather than 4,800 acres) and includes the development of a solar energy facility.

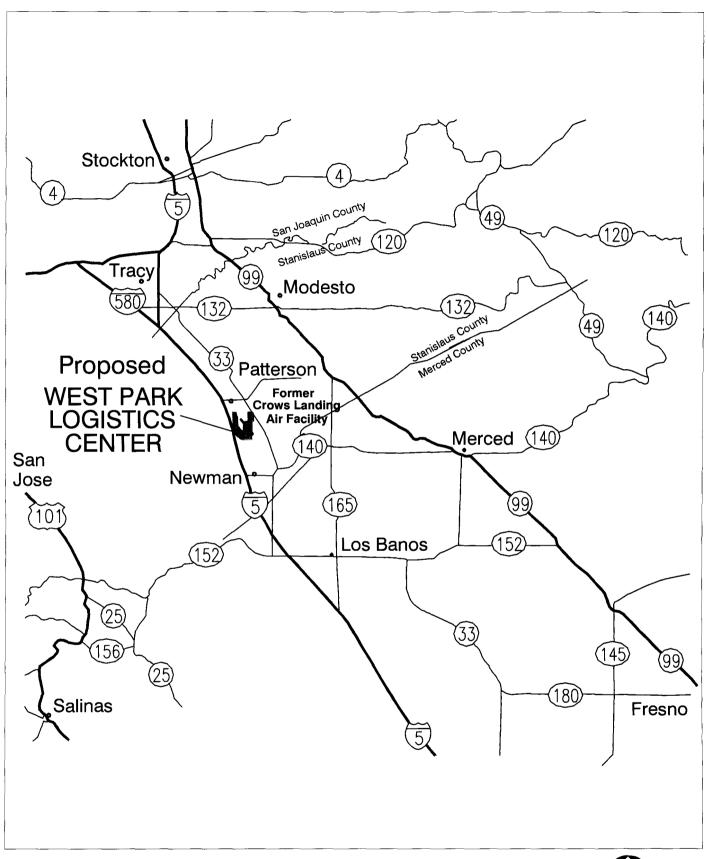
The project location, description, and the potential environmental resources and issues that will be addressed in the EIR are presented in the following pages. Pursuant to Section 15063a of the CEQA Guidelines, the County did not prepare an Initial study to determine if the project may have a significant effect on the environment, because it determined that an EIR will clearly be required for the project.

PROJECT LOCATION

The project site is approximately 2,930 acres in size and consists of the approximately 1,528-acre former National Aeronautics and Space Administration (NASA) Crows Landing Air Facility (CLAF) and approximately 1,402 acres of undeveloped land surrounding the former CLAF. It is located in an unincorporated area of western Stanislaus County, between Interstate 5 (I-5) and State Route (SR) 33, south of the Patterson city limits and its adopted Urban Services Boundary/Sphere of Influence, and north of Fink Road.

The project site is generally surrounded by agricultural land uses, with some rural residential land uses to the southeast. The existing agricultural land uses to the north are proposed for industrial and residential development under the City of Patterson's General Plan. The Delta-Mendota Canal runs through the project site in a north-south direction. The California Aqueduct runs in a north-south direction just west of the site and along its southwest boundary.

Regional access to the project site will be provided from I-5 and SR 33. Local access to the project site will be provided by Fink Road at its southern edge, West Marshall Road at its northern edge, Ward Avenue at its western edge and Bell Road at its eastern edge. Davis Road bisects the site in a north-south direction.

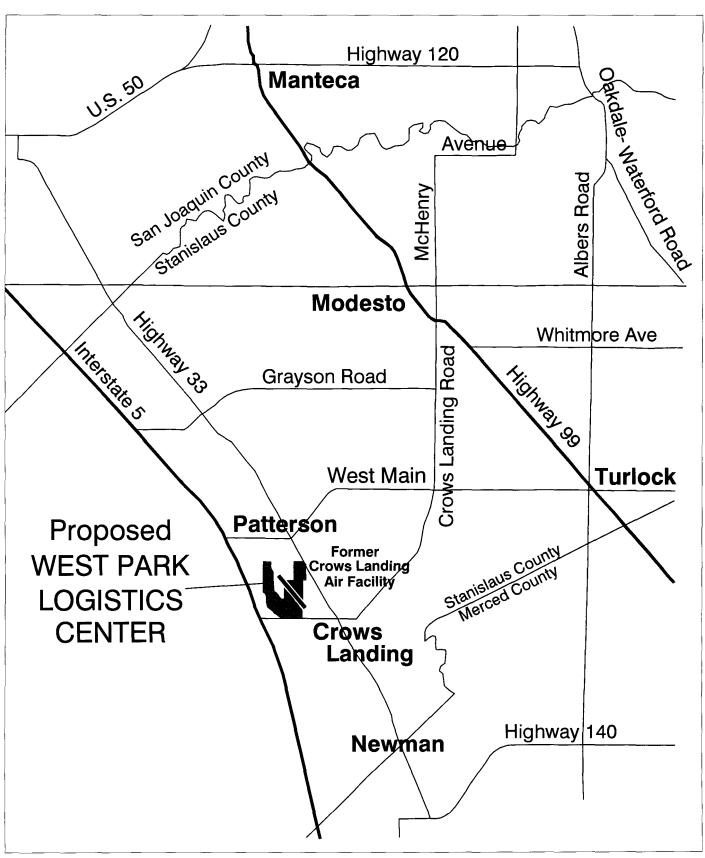


West Park Logistics Center Project Stanislaus County, CA



October 31, 2011

Regional Location Map - Exhibit 1



West Park Logistics Center Project Stanislaus County, CA



NTS October 31, 2011

PROJECT BACKGROUND

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION CROWS LANDING AIR FACILITY

The former CLAF was originally commissioned in May 1942 as the Naval Auxiliary Air Station, Crows Landing. In 1994, NASA assumed operation of the facility from the U.S. Navy as part of the U.S. Department of Defense's Base Closure and Realignment (BRAC) process for the Naval Air Station at Moffett Field. Thereafter, the facility became known as the NASA CLAF. Public Law (PL) 106-82, enacted by the U.S. Congress in 1999, allowed NASA to convey CLAF to the County of Stanislaus following environmental remediation.

In 2004, the U.S. government conveyed 1,352 acres of the approximately 1,528-acre facility to Stanislaus County and authorized the transfer of the remaining 176 acres upon completion of environmental activities and site cleanup. Under a 1992 memorandum of understanding between NASA and the U.S. Navy, the U.S. Navy remains responsible for site cleanup activities, with input from the California Department of Toxic Substances Control and the Central Valley Regional Water Quality Control Board. The terms of the conveyance allow NASA to "retain the right to use the property for aviation activities, without consideration and on other terms and conditions mutually acceptable to NASA and Stanislaus County" (PL 106-82).

PROPERTY CONVEYANCE AND ACCEPTANCE BY STANISLAUS COUNTY

For many years, the unemployment rate in Stanislaus County has been higher than the statewide average, and the wages associated with many jobs in the project vicinity are not sufficient to sustain a family. Many local residents must commute to the San Francisco Bay Area (Bay Area) to obtain a sustainable wage. Stanislaus County (County) acknowledged the tremendous opportunity the former CLAF could provide to its residents, and it began to study potential site reuse following CLAF decommissioning by NASA in the late 1990's.

The County assembled a task force, which developed a preliminary reuse plan for the former airfield. As part of the plan, the County identified both short- and long-term strategies and goals for facility reuse. The short-term strategy focused on reuse of the CLAF as a general aviation airport. The long-term strategy focused on development of an intermodal distribution center (inland port). The County envisioned the creation of a regional job center that would provide job opportunities for County and regional residents.

The County's guiding principles for site reuse included the following goals, which served as the foundation for the proposed project's purposed, need and objectives:

- Protect the former CLAF from incompatible land uses;
- Remain sensitive to land acquisition opportunities for future runway expansion;
- Look to multimodal transportation and distribution options;
- Integrate ground distribution and capitalize on the site's proximity to I-5;
- Maintain sensitivity to surrounding communities;
- Improve infrastructure and services to the community of Crows Landing; and
- Develop an attractive presence that creates a positive statement for the area.

In 2005, the County Board of Supervisors and the Stanislaus County Redevelopment Agency both granted approval to move forward with the redevelopment of the former CLAF. County staff and the Crows Landing Steering Committee evaluated various aviation scenarios that would allow the County to maintain aviation use while optimizing its opportunities for economic development. Public workshops were held in July 2006, and February and March 2008 to obtain public input.

PROPOSED INLAND PORT AND SHORT-HAUL SHUTTLE RAIL BACKGROUND

California faces a significant roadway transportation infrastructure shortfall for the movement of goods throughout the state and to/from other regions of the United States. The State recognizes the need to develop new and innovative approaches to accommodate increasing trade volumes through collaborative and joint venture goods movement solutions. One solution would tap into underutilized portions of Northern California's privately-owned rail system to provide an alternative to the current system of moving containerized goods by truck between the Port of Oakland and the San Joaquin Valley. On March 20, 2007, the Stanislaus County Board of Supervisors passed a resolution that supported the development of a short-haul rail transportation project and the use of approximately 170 acres of the former CLAF (or adjacent property) for the development of a future intermodal transportation facility.

A major component of the proposed West Park Logistics Center project is the development of an Inland Port on the former CLAF to serve as the rail hub in the Central Valley for the shuttling of containerized freight to and from the Bay Area, as well as other major cargo handling centers along the West Coast of the United States.

Support of Short-Haul Shuttle Rail Opportunities:

On October 19, 2007, the Stanislaus Council of Governments (StanCOG), as the Metropolitan Planning Organization for the County, passed a resolution supporting the development of a new rail transportation link between Crows Landing and the Bay Area. The resolution requested that an application be prepared for State Trade Corridor Infrastructure Funding (TCIF) to support the development of a short-haul shuttle rail link in cooperation with several northern California regional planning agencies, including the San Joaquin Council of Governments (SJCOG), the Altamont Commuter Express (ACE), the Metropolitan Transportation Commission (MTC) and the Ports of Stockton and Sacramento.

The proposed short-haul shuttle rail project is included in the California Goods Movement Action Plan as both a short-term action and as a project that should be recommended for TCIF bond funding in the Bay Area/Central Valley Access Improvement Corridor. The proposed short-haul shuttle rail project also is listed as a priority in the California Marine and Intermodal Transportation System Advisor Council's list of projects and is included in the MTC's 2035 Regional Transportation Plan as a Bay Area Region/Multi-County System Efficiency Project. As noted, the proposed inland port and short-haul shuttle rail project has been adopted through resolution of StanCOG, included in the San Joaquin Valley Goods Movement Plan, which was prepared by the San Joaquin Valley Policy Committee and endorsed by both StanCOG and SJCOG.

The TCIF and associated State transportation improvement funding provides a \$3 billion infrastructure program for improved access to California's ocean seaports and borders. The County's request for TCIF is referred to as the San Joaquin Valley Short Haul Rail/Inland Port TCIF Bond Project, or the inland port/short-haul shuttle rail component, and the proposal was undertaken as a collaborative public/private effort between StanCOG and the implementing entities: the County, San Joaquin Regional Rail Commission and PCCP West Park, LLC (project applicant).

The proposed West Park Logistics Center project represents the culmination of several years of active project development work and collaboration between transportation planning agencies from both the Bay Area and California's Central Valley. The bond application package included a letter signed by the executive directors of several Northern California councils-of-government and regional transportation agencies. The letter described the relationship of the proposed project to the other projects nominated for funding and how the group of projects offers a coordinated strategy for developing the Northern California trade corridors identified by the CTC. The County submitted the project application to the CTC on January 17, 2008.

After numerous public hearings and workshops on the project proposal, the CTC voted on April 10, 2008, to allocate \$22.4 million to the proposed project from the State's TCIF funds, to be matched by \$22.4 million by the West Park project developer. The funding is subject to the completion of specific requirements or baseline conditions, including compliance with CEQA and the granting of entitlements. CTC staff has acknowledged the value inherent in the proposed West Park Logistics Center project and stated that the merits of the proposed project were great enough to recommend the project for funding priority following the completion of the baseline requirements.

PREVIOUS STUDIES

As noted earlier, an NOP for a prior West Park Specific Plan project (WPSP) was submitted to the State Clearinghouse on June 18, 2008 and assigned State Clearing House #2008062066. That project is no longer active. Previous technical studies associated with that effort (listed below for reference purposes only) will be updated and modified, as appropriate, to reflect the proposed components of the new West Park Logistics Center project as part of the CEQA analysis and Specific Plan.

- 1. Short Haul Rail/Inland Port Master Plan by DMJM Harris, HDR Engineering and Tioga Group (August 2007) and third party review by Global Insight in March 2008.
- 2. Economic Impact Analysis by Goodwin Consulting Group (April 2008).
- 3. Fiscal Impact And Financial Feasibility Analysis by Goodwin Consulting Group (April 2008).
- 4. Preliminary Traffic Circulation Master Plan by TJKM (October 2007).
- 5. Air Quality Analysis Northern California Inland Port/Short-haul Rail Project by EDAW (January 2008).
- 6. Treated Effluent Disposal/Sewer Master Plan/Storm Drainage Water Quality Master Plan/Water System Master Plan by Stantec (November 2007).
- 7. Dry Utilities Master Plan by Stantec (August 2007).
- 8. Preliminary Environmental Site Assessment by Wallace Kuhl (November 2007).
- 9. Preliminary Geotechnical Engineering Report And Geologic Hazard Investigation Report by Wallace Kuhl (November 2007).
- 10. Ecological Reconnaissance And Preliminary Wetland Delineation by Wallace Kuhl (November 2007).
- 11. Draft Disposition And Development Agreement by Stanislaus County (April 2008);
- 12. Crows Landing Airport Layout Plan ~ Draft Narrative Report by Mead & Hunt (December 2008).
- 13. Crows Landing Airport Compatibility Plan, Draft by Mead and Hunt, Inc. (January 2009).
- 14. Results Of Geophysical And Historical Investigations To Locate A Pioneer Cemetery At The Former Naval Auxiliary Air Station, Crows Landing, CA by Brian N. Damiata (January 2010).

The revised reports and updated data will be available, as part of the EIR and Specific Plan process, on the County's project website at: www.crowsbizpark.biz.

PROJECT DESCRIPTION (Proposed Specific Plan)

The proposed West Park Logistics Center project will include the development of industrial commercial, business park, work force training, general aviation and solar energy generation uses on approximately 2,930 acres, as shown in Table 1 and Exhibit 3.

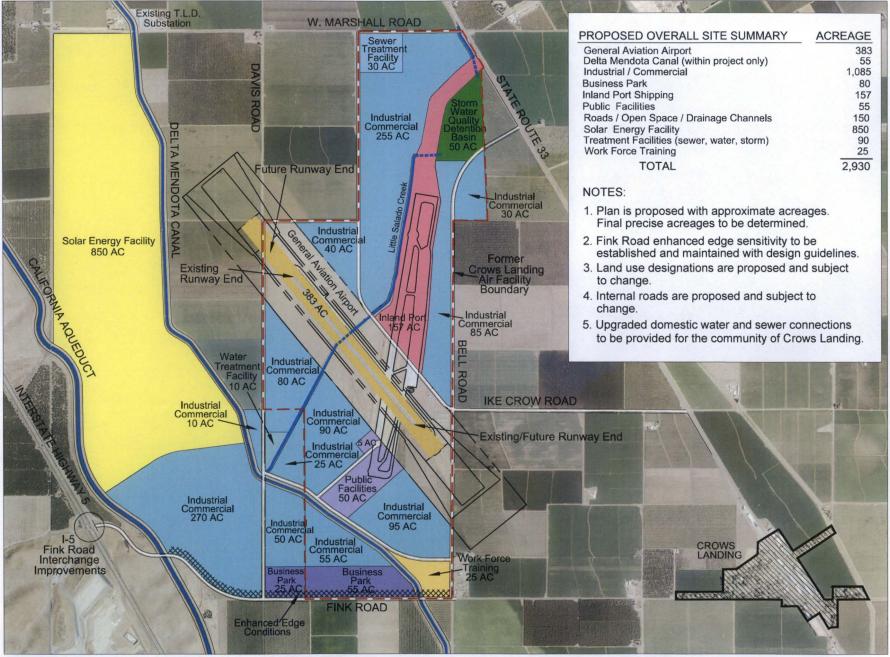
The location of the proposed project between I-5 and SR 33 in western Stanislaus County will facilitate the development of a major regional employment center that will complement both the local and regional transportation infrastructure. The combined development of these components is anticipated to generate approximately 3,000 construction phase and 13,000 new direct permanent jobs for local residents that will not require commuting to the Bay Area and other distant job centers. Ultimately, the proposed project will improve the County's jobs/housing ratio.

TABLE 1 – APPROXIMATE ACREAGE OF PROPOSED WEST PARK LOGISTICS CENTER LAND USES*						
General Land Use Designation	Estimated Acreages					
A. Inland Port/Short-Haul Shuttle Rail	157					
B. Solar Energy Facility	850					
C. Employment Intensive Uses:						
Industrial Commercial	1,085					
Business Park	80					
Work Force Training	25					
D. General Aviation Airport**	383					
E. Public Facilities	55					
F. Infrastructure and Public Facilities:						
Treatment Facilities (water, sewer, drainage)	90					
Roads/Open Space/Drainage Channels	150					
Delta Mendota Canal (within project only)	55					
Total	2,930					

^{*} All acreages are rounded and approximate and may be adjusted during the Specific Plan process.

These major land use components are described in more detail in the following paragraphs. Potential specific land uses that may be developed in association with this proposed project and that would be consistent with general aviation and inland port development are further described in Table 2 at the end of this Project Description section.

^{**}Runway expansion, if determined as needed in the future, may include impacts to lands not included within the boundary of the proposed West Park Logistics Center. Additional, independent studies would be required prior to runway extension.



West Park Logistics Center Project Stanislaus County, CA Proposed Site Plan - Exhibit 3





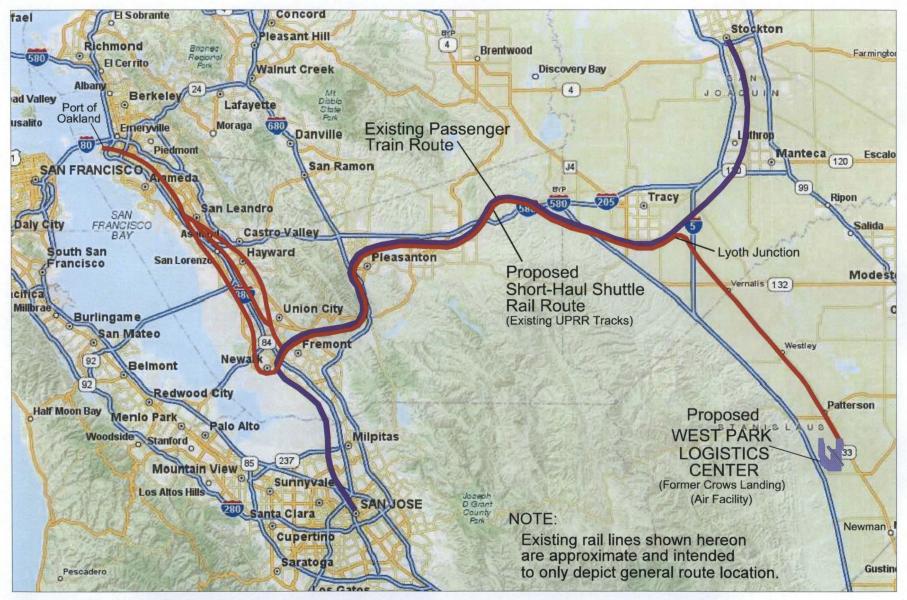
The actions and entitlements from Stanislaus County and other agencies required to implement the proposed project include, but may not be limited to, the following:

- General Plan Amendment, Rezoning, Specific Plan, Tentative and Final Parcel Map, Development Agreement, Williamson Act cancellation, Transportation Systems Management Plan:
- The receipt of a permit from the Caltrans Division of Aeronautics to operate a public-use General Aviation Airport on the former CLAF, based on the proposed Airport Layout Plan (ALP);
- Adoption of an ALUCP for the new GA Airport by the Stanislaus County Airport Land Use Commission:
- A disposition and development agreement and ground leases for use of land within the former CLAF;
- Infrastructure and public facility improvement plans for industrial, distribution, commercial and business park development and upgrades to rail crossings (if needed) along state highways and/or County roads;
- A Public Facilities Financing Plan and the formation of a financing district to implement the project;
- Approvals from the State for proposed improvements to state highways, roadway crossing(s) over the California Aqueduct and the short-haul shuttle rail operations;
- Approvals from the federal government for proposed improvements to roadway crossings over the Delta-Mendota Canal; and
- Approval by Stanislaus County Local Area Formation Commission (LAFCO) if the proposed project requires the formation of or annexation to a community services district or other special district, or allow for out-of-service-boundary service agreements.

A. Inland Port/Short-Haul Shuttle Rail Operations

The approximately 170-acre West Park Inland Port will consist of an intermodal storage yard for receiving inbound and dispatching outbound container trains and an adjacent intermodal loading yard to transfer containers between railcars and truck chassis. This facility will provide parking for chassis and containers by reusing part of the former CLAF Runway 17-35 and its adjacent taxiway for industrial/loading tracks. The intermodal rail terminals will load and unload containers to and from railcars, receive containers from and deliver containers to trucks, and perform services that allow the line-haul railroad to pick-up and deliver fully loaded trains. This facility will include truck access, administrative, maintenance, and personnel facilities/parking.

The short-haul shuttle rail operations serving the inland port will shuttle (transport) containers between the facility and the Port of Oakland (see Exhibit 4). This short-haul freight route will use the Union Pacific Railroad (UPRR) tracks, which are currently leased by California Northern Railroad (CNRR). The rail line is along the east side of SR 33 and is adjacent to the northeast portion of the West Park project site. These tracks run northerly toward the east-west UPRR mainline near Tracy, California. Using either a new connection to the east-west mainline at Lyoth Junction or a switching near Lathrop, the route to the Port of Oakland then continues on the Oakland subdivision to Niles Junction in Fremont. From Niles Junction, one of three possible northern track alignments owned and operated by UPRR would be used to travel to the Port of Oakland.



West Park Logistics Center Project Stanislaus County, CA

Proposed Short-Haul Shuttle Rail Route - Exhibit 4 (Existing UPRR Tracks)



Build out of the short-haul shuttle rail project will occur over a 10- to 15-year period. Initially there will be one train in each direction daily between the Port of Oakland and West Park, with a later increase to two trains in each direction daily.

Pursuant to discussion with UPRR staff over the last 21 months, it is anticipated the short-haul shuttle rail service itself will be operated directly by UPRR. The intermodal transfer facilities will be operated by the Port of Oakland at the water port terminus and by West Park at the inland port terminus. Representative uses are provided in Table 2.

B. Solar Energy Facility

A 2009 study by the Stanislaus Economic Development & Workforce Alliance concluded that the proposed project area showed great potential for the development of a solar generation facility. The report noted that solar projects had already been developed in the region based on: the availability of land, labor and the number of local companies providing solar energy related services and materials; the proximity to three separate energy utilities; and the fact that Stanislaus County averages over 300 days of sunshine per year.

The proposed West Park Logistics Center project includes the development of an approximately 850-acre solar energy facility along the west side of the project between Ward Avenue and the Delta-Mendota Canal. This solar facility is planned to generate approximately 100 to 150 megawatts of electrical energy, which would be distributed into the electrical energy grid in coordination with the power generation elements of the Turlock Irrigation District. Revenues from the facility, as they become available, will be used to assist in the funding of other components of the overall West Park Logistics Center project.

The site of the proposed solar facility is currently in agricultural operation and enrolled under various Williamson Act Contracts. The methods used to develop the solar facility will provide for minimal ground disturbance, allowing a reversion to agricultural uses, as an option, at the end of its productive life. The solar facility is anticipated to have a productive life of approximate 10 to 15 years, which may be extended as technologies advance. The project includes a request to cancel affected Williamson Act Contracts.

C. Employment Intensive Uses: Industrial Commercial, Business Park, Work Force Training

The proposed West Park Logistics Center project will include construction and operation of a variety of industrial commercial and business park land uses, as well as work force training on approximately 1,190 acres of the overall approximately 2,930-acre project site. In conjunction with the inland port and GA airport, these land uses will facilitate the project purpose, need and objectives outlined later in this NOP, specifically to accommodate a broad range of employment intensive uses that can support growth and diversification of the local and regional economy. Representative uses for each land use designation are described in Table 2.

D. Public-Use General Aviation Airport at Crows Landing Airport

The proposed project will include the reuse of approximately 383 acres of the former 1,528-acre CLAF through the development of a public-use GA airport. Previous studies have indicated that there is interest in the development of a new GA airport to serve the local aviation community.

The County's guiding principles for CLAF reuse included two airport-related objectives: protecting the former CLAF from incompatible land use; and, setting aside land for runway expansion, as necessary. The proposed GA airport will include one runway with a minimum length of approximately 5,300 feet and associated facilities (e.g., aprons, taxiways, navigational aids, and fuel facilities). The proposed Airport Layout Plan (ALP) shows the capacity for a 1,000-foot runway extension in the future, based on demand. Pursuant to the terms of property conveyance, the GA Airport will remain available to NASA or other federal agencies as necessary.

The development of a GA airport as part of the West Park Logistics Center project is consistent with the County's previously developed goals associated with the reuse of the former CLAF. The proposed project components associated with the development of the West Park Logistics Center project will be designed to be compatible with the development and ongoing safe operation of a GA airport. Representative uses are described in Table 2.

E. Public Facilities

The proposed project will include approximately 55 acres to assist the County government's basic function of providing public safety and related services by providing an area for fire, law enforcement and security services training and facilities. These public facilities and services will support the new businesses and employees of the proposed project, as well as the residents of western Stanislaus County. The proposed public facilities area will be sited adjacent to the GA Airport so that emergency services that depend on aviation can have access to the new airport. Representative uses are described in Table 2.

F. Infrastructure and Public Utility Improvements

Several infrastructure and public utility improvements will be associated with the proposed West Park Logistics Center project, which may include the following primary improvements:

- I-5/Fink Road interchange improvements (horizontal and vertical clearances, onramp and offramp transitions, signalization) to accommodate increased truck and passenger vehicle use;
- SR33 widening and signalization improvements, including the re-establishment of the former at-grade railroad crossing just south of Marshall Road. The new crossing will support the inland port's proposed rail spur from the UPRR line east of SR33;
- Upgrades, if determined necessary, to existing at-grade railroad crossings from the West Park inland port to the UPRR east-west mainline near Tracy, CA;
- Improvements to the sanitary sewer, domestic water, storm drainage and dry utilities as needed to serve the project. The improvements will be designed in a manner to be compatible with a GA airport, and include the investigation of potential regional solutions in coordination with the cities of Patterson and Newman and other regional infrastructure providers; and

• Improvements to onsite, perimeter and nearby roads, as determined necessary based on the potential traffic effects associated with development of the proposed project.

The scope of analysis in the Specific Plan and EIR for these improvements will include:

Traffic and Circulation Plan

Evaluation of the proposed project's impacts will consider the local and regional transportation network, including appropriate freeway segments, County designated local and arterial roads, and public transit. The plan will also establish the local and regional street standards and identify the triggers for transportation improvements. This will be achieved by first establishing the goals and objectives for the proposed project followed by detailed analyses, which will include, but not be limited to, the following elements:

- Establish the level of service requirements for County and Caltrans facilities;
- Define the existing traffic conditions for the project and its environs including existing truck and traffic volumes;
- Prepare a traffic demand model for the project including trip generation based on land use;
- Define modal splits for the project including integration with public transit;
- Model the network to define traffic volumes produced by the project as development proceeds;
- Based on the network model, define improvements to the transportation network that will be required at each phase of development;
- Define network improvements based on traffic volume, geometric and structural requirements;
- Examine appropriate truck routes within the transportation network; and
- Define street standards for the various local and arterial roads in the network, including structural, cross-section, streetscape and associated elements.

Water Supply, Treatment and Distribution System

The evaluation of the water supply, treatment and conveyance systems to serve the proposed project and the existing Crows Landing community will include, but not be limited to, the following elements:

- Define water demand and quality standards based on proposed land uses, including analysis of water demands to serve agricultural processing facilities;
- Evaluate water supply source alternatives, which may include:
 - Surface water (sources could include the Delta Mendota Canal and the California Aquaduct);
 - o Groundwater;
 - o Conjunctive use of surface and groundwater, including feasibility of a groundwater recharge program;
 - Supply and maintenance agreement with existing water district(s);
 - New community services/water district; and
 - o Imported water from other areas of the state.
- Examine treatment options (if required) based on the water quality of the source;

- Define the operating requirements for the system and the elements of the water system including treatment, pumping, storage, main requirements and location; and
- Define system elements that will be required at each phase of development.

Wastewater Collection, Treatment and Disposal System

Evaluation of the collection, treatment and disposal of wastewater from the proposed project and the existing Crows Landing community will include, but not be limited to, the following elements:

- Define wastewater flows and quality based on proposed land uses, including analysis of wastewater flows from agricultural processing facilities;
- Evaluate disposal alternatives, which may include:
 - Surface water discharge;
 - Crop irrigation;
 - Use of recycled water in the project;
 - o Evaporation;
 - o Groundwater recharge;
 - Disposal and maintenance agreement with existing wastewater district(s); and
 - o New community services/wastewater district.
- Examine treatment methods based on the disposal option including treatment disposal options for agricultural processing facilities;
- Define the system requirements for each treatment/disposal option, including the collection system, pumping, treatment, storage, disposal and location; and
- Define system elements that will be required at various stages of development.

Storm Drainage Conveyance, Treatment and Discharge System

Evaluation of the handling of storm drainage resulting from the development of the proposed project, as well as storm drainage resulting from existing upland flow, will address the appropriate handling of storm water to mitigate the impact of the project from both a water quality and quantity perspective. The storm drainage system analysis will include, but not be limited to, the following elements:

- Establish the existing conditions that will affect storm runoff, including climate, soils and topographic data;
- Define both the onsite and upland watersheds that that will affect the project and define runoff flows that are presently experienced;
- Prepare a hydraulic model to compute the projected storm water runoff generated by the project based on proposed land uses:
- Define the storm system layout and sizing requirements for handling, storing, treating and discharging storm runoff; and
- Define system elements that will be required at various stages of development.

Dry Utilities System

Evaluation of the requirements to serve the proposed project with electricity, communications and natural gas will be performed to service the project with a reliable dry utilities infrastructure system. The dry utilities systems analysis will include, but not be limited to, the following elements:

- Determine the demand for electricity based on proposed land uses and the service provider alternatives, which may include:
 - Tying into an existing energy supplier, such as Turlock Irrigation District's existing electrical substation along Marshall Road;
 - Cogeneration; and
 - Alternative energy generation, both onsite and offsite.
- Determine the demand for natural gas based on proposed land uses and the service provider alternatives, which may include:
 - o Tying into an existing supplier, such as PG&E; and
 - o Examine alternatives to natural gas, if available and feasible.
- Determine the communication requirements based on proposed land uses and the service provider alternatives, which may include:
 - Tying into an existing communications network, such as AT&T, Frontier Communications or Comcast; and
 - Examining the need for cable television and exploring alternative service methods.
- Discuss options for servicing with the various utility companies;
- Assess possible alternative sources of energy; and
- Define various system elements and the phasing of those elements;

G. Provision of Water/Sewer to Crows Landing Community

New potable water distribution and wastewater collection systems will be provided to the community of Crows Landing as part of the proposed project

H. Public Facilities Financing Plan

A Public Facilities Financing Plan (PFFP) will be prepared as part of the Specific Plan process to identify project costs and the various funding mechanisms which may be available to pay for public facilities.. Impact fees, land-secured bonds, bonds secured by a pledge of revenues, developer funding, and other funding alternatives will be analyzed in detail in the PFFP. It is expected that costs will change over time, and, therefore, each funding mechanism identified will include a method for adjusting the amount of funding to reflect current costs at the time of development.

I. Development Phasing

It is anticipated that market conditions and other relevant factors will influence the timing of development of individual parcels and land uses associated with the proposed project. Each new development area within the project site is expected to include the construction of roads, utilities, and other essential infrastructure as will be identified within the various public utility analyses and the PFFP.

J. Specific Plan Administration

The West Park Logistics Center Specific Plan will establish policies, land uses, and development criteria for the project to guide the review process for future development project applications. It will become effective upon final review and approval of both the Specific Plan and EIR by the Stanislaus County Board of Supervisors.

The County will have the authority to interpret the Specific Plan. The descriptions of the proposed project to be set forth in the Specific Plan, including approximate acreages, land uses, employment numbers and all other data and figures will be intended to guide future development of the project. However, actual development may vary from such estimates and the County will determine whether an application for entitlements or development permits is consistent with the Specific Plan.

All development within the Specific Plan will be required to comply with the policies and requirements of the Specific Plan, as well as all applicable mitigation measures established by the EIR. The County will be responsible for enforcement through the applicable development application review procedures set forth in the Specific Plan document and the County's development codes.

Inland Port/Short-Haul Shuttle Rail Operations

The West Park Inland Rail Port will consist of an intermodal storage yard for receiving inbound and dispatching outbound container trains and an adjacent intermodal loading yard to transfer containers between railcars and truck chassis. This facility will provide parking for chassis and containers by reusing part of the former CLAF Runway 17-35 and its adjacent taxiway for industrial/loading tracks.

Potential uses associated with this designation include, but are not limited to:

- Air cargo facility
- Bus/transit terminal
- Container shipping and storage
- Communication structures (as compatible with the adjacent airport)
- Food storage and distribution (including cold storage)
- Fire, law enforcement, and security facilities
- Distribution centers and service offices
- Dray, freight or truck yard
- Equipment repair and assembly
- Freight terminal and offices

- Heavy truck parking facility and wash
- Intermodal loading, storage, and tracks
- Intermodal transfer facility
- Loading facilities
- Outside storage (with approved screening)
- Parcel delivery (no public pick-up)
- Petroleum and oil storage (in accordance with use permits)
- Public parking and garage
- Public utilities
- Rail and truck terminal

Solar Energy Facility

An approximately 850-acre solar energy facility will be developed in association with the West Park Logistics Center.

- Control equipment and facilities
- Energy transmission
- Equipment storage

- Maintenance facility
- Solar array

Industrial Commercial Land Uses

Approximately 1,085 acres of the proposed West Park Logistics Center project will be designated for Industrial Commercial Land Uses. The intent of this hybrid designation is to accommodate a broad range of employment intensive uses that can support growth and diversification of the local and regional economy.

Specific land uses envisioned for this area include, but are not limited to, various forms of light or heavy industrial uses, such as manufacturing or distribution uses, as well as various forms of light commercial uses, such as service and wholesale operations. Retail uses are not anticipated except to support site users and employees. Specific uses and entitlement requirements will be determined based on the location of the proposed use within the industrial commercial area and the compatibility of the proposed use with surrounding environment and uses, including the proposed GA airport and Inland Port and compliance with design standards and guidelines.

- Agriculture/food processing, packaging, storage and distribution
- Assembly of pre-manufactured items
- Aviation support facilities (e.g., safety and security, cargo facilities)
- Broadcasting/production/communications facilities
- Campus facilities (college or adult training)
- Container and package shipping and storage
- Business Incubator
- Business-to-business support services
- Distribution
- Equipment repair (computers, office machines, etc.)
- Gasoline service station (including car wash)
- Heavy equipment sales, rental and repair
- Machine shops
- Industrial Operations
- Manufacturing

- Rail/bus terminal (to transport workers)
- Truck terminal and parking
- Worker-related support facilities: daycare, limited retail (ATM, fast-food restaurant, fitness center)
- Vehicle and heavy equipment sales, service, and repair (agricultural equipment, auto, aircraft and aviation equipment, trucks and lift equipment, etc.)
- Office use
- Packaging and delivery service (no public retail facility)
- Parking and garages
- Public utilities and services
- Research and development, including associated laboratories and offices (agriculture, electronics,
- Vehicle rental and associated offices (agricultural, aircraft, auto)
- Wholesale and warehouse (e.g., building supplies, farm and garden, feed and grain, etc.)

Business Park

Approximately 80 acres of the proposed project will be developed to support business park uses, which can support and complement other site uses. Business park uses will be developed in the southernmost portion of the project area adjacent to Fink Road.

- Academic and training support offices
- Automated banking services (ATM)
- Bus or transit terminal (stop)
- Business and business incubator offices, research and development offices
- Broadcasting/production and communication facilities
- College/training campus facilities
- Computer/business/electronic equipment assembly, sales and service
- Convenience store
- Corporate, municipal, facility district offices
- Day care center
- Direct marketing/internet business (no public or retail sales)

- Gasoline service station (with car wash)
- Manufacturing technology and support
- Mini-storage
- Parcel delivery service (no public pick-up)
- Parks and pedestrian pathways
- Printing, publishing, and reprographics
- Public parking and garages
- Public utilities and services, headquarters and facilities
- Real estate, lending and escrow offices
- Rental car facilities and offices
- Research and development offices & labs
- Restaurants and fast-food takeout
- Technical, trade and vocational school

Work Force Training

A total of 25 acres of the proposed project will be designated for work force training, providing the skills needed for onsite industries and related services, as well as vocational and college instruction.

- Academic/support offices
- Automated banking facilities (ATM)
- Broadcast studio (radio, TV and communication facilities)
- Bus/transit terminal (stop)
- College/campus facilities
- Convenience store
- Cultural facilities
- Day care center
- Fire, law enforcement, and security facilities
- Fitness center

- Library/bookstore
- Offices
- Parcel delivery service (no public pick-up)
- Park and pedestrian pathways
- Public employment services
- Public parking and garages
- Public utilities and services
- Research and development (including offices and laboratories)
- Restaurants and fast food take-out
- Technical/trade schools & vocational training

General Aviation Airport

The proposed general aviation (GA) airport will include a single runway to support a variety of local aviation needs (agriculture, recreation, corporate, etc.). Proposed land uses on the airport will be directly related to, or dependent upon, aviation to operate.

Potential uses associated with this designation include, but are not limited to:

- Air cargo and parcel delivery (no public pick-up)
- Aircraft rental, parts, sales, and service
- Aircraft fuel facilities
- Aircraft parking and storage
- Air ambulance and emergency services
- Fire suppression

- Law enforcement
- Helicopter parking/heliport
- Passenger and pilot support (terminal building, lounge)
- Vehicle parking
- Vehicle rental

Public Facilities

A basic function of County government is providing public safety and related services. The proposed project includes 55 acres to support the various public facilities and services that will support the new businesses and employees as well as the residents of western Stanislaus County. The proposed public facilities area will be sited adjacent to the GA airport so that emergency services that depend on aviation can have access to the new airport.

- Ambulance service (including air ambulance)
- Automated banking facility (ATM)
- Bus/transit terminal (stop)
- Communication facilities, including towers when compatible with aviation
- Cultural facilities
- Fire, law enforcement, and security facilities

- Local, County, State, and Federal government offices and facilities
- Outside storage
- Parcel delivery service (no public pick-up)
- Public parking and garages
- Public utilities offices, facilities, and services
- Special District offices and facilities

PROJECT PURPOSE, NEED AND OBJECTIVES

The proposed project will provide for development of a County-owned public-use GA airport facility at the former CLAF and an inland port/short-haul shuttle rail operation, industrial commercial, business park and work force training development, and supporting infrastructure and roadway improvements on an approximately 2,930-acre site in western Stanislaus County. The proposed project will provide the following local and regional benefits:

- Enable the growth of international trade opportunities and support development at the Port of Oakland, thereby supporting the growing economy and population of northern California's and the Central Valley;
- Support agriculture and other exporters by increasing productivity through consolidation of shipments, warehousing, equipment storage, food processing, and logistical support functions;
- Reduce overall truck miles traveled by providing for the distribution of imported goods to consumers through the Port of Oakland;
- Improve economic stability in the Central Valley through the creation of sustainable, "family-wage" local jobs in an area that is experiencing an unemployment rate that exceeds the State's average;
- Improve air quality, reduce greenhouse gases, and reduce overall energy consumption by reducing regional vehicle miles traveled and utilizing on-site green operations and renewable energy sources and policies;
- Reduce overall congestion on the highway system by reducing reliance on commuting to the Bay
 Area and by providing a rail alternative to trucking for containers moving between the Port of
 Oakland and the San Joaquin Valley, thereby reducing truck traffic on the I-880 and Altamont
 Corridor; and
- Provide new potable water distribution and wastewater collection systems for the existing community of Crows Landing; and
- Provide expanded revenue opportunities through increased property values within the project for funding local schools.

The proposed project is designed to facilitate the reuse of the former CLAF and development of adjacent land by private enterprise or public agencies to attract and retain business and industry, encourage employment opportunities, provide public infrastructure improvements and strengthen the economic base of Stanislaus County.

Implementation of the proposed project will allow the western portion of Stanislaus County to diversify its economic base and help alleviate the impacts of truck traffic on some of the most congested highway corridors in the United States. The proposed project will assist in establishing the region's finance, services and foreign trade leadership. It will attract new businesses to provide much needed employment opportunities during the next 10 to 15 years. Moreover, the proposed project complies with the guiding principles that were originally set forth by the County when it accepted the conveyance of the former CLAF property in 2004.

TYPE OF ENVIRONMENTAL IMPACT REPORT

Where specific development details are known, the EIR will provide a project-level analysis for the proposed project consistent with California Code of Regulations (CCR) Section 15161. Where specific development details are not known, the EIR will provide a program-level, or "first-tier", analysis of the project consistent with California Public Resources Code (PRC) Sections 21083.3, 21093 and 21094; and CCR Sections 15152 and 15168.

The environmental analysis of the proposed West Park Logistics Center project will include the potential environmental impacts of adopting and implementing a General Plan Amendment, Specific Plan, Rezone and other required entitlements.

The environmental analysis will consider the environmental effects of adoption and implementation of the proposed project; including offsite project-related improvements that would be construction during development of the proposed project. The EIR will identify performance standards (e.g. setbacks, measures to protect agricultural, biological, cultural and visual resources) and mitigation measures that would apply to all development under the Specific Plan (as conditions-of-approval) of the West Park Logistics Center project. These performance standards will be incorporated into the Specific Plan to avoid or reduce potential project-related environmental impacts to the extent feasible. To the greatest extent possible, the County intends to evaluate this proposed project at a project level so that no further CEQA evaluation will be required to gain further regulatory approvals following adoption of the Specific Plan, barring the occurrence of any of the circumstances described in PRC Section 21166 or State CEQA Guidelines Sections 15162 and 15163.

CEQA includes a number of different but complementary means for streamlining environmental review consistent with an approved General Plan, Specific Plan or Rezoning action. More than one of these provisions might apply to future entitlements in the approved Specific Plan area. See, for example, PRC Section 21083.3 (streamlined review for projects consistent with General Plans, Community Plans or Rezoning actions for which an EIR was prepared); 14 CCR Section 15183 (same); PRC Sections 21093 and 21094 (tiering); 14 CCR Section 15153 (same). The extent of environmental review, if any, for future development entitlements will depend on several factors, including the streamlining provisions of CEQA that are most applicable to a particular proposed entitlement; consistency of the development with the adopted Specific Plan; and the extent to which the programmatic analysis, performance standards and mitigation measures have anticipated and accounted for the site-specific impacts of the requested entitlements.

POTENTIAL ENVIRONMENTAL EFFECTS OF THE PROPOSED PROJECT

Stanislaus County has reviewed the proposed project and determined an EIR should be prepared to address all environmental resources issue areas listed in Appendix G of the CEQA Guidelines. Accordingly, the environmental issues described below will be evaluated in the EIR. In addition to anticipated environmental issues, information regarding the probable environmental effects of the proposed project is provided below as required by State CEQA Guidelines Section 15082(a)(1)(C).

It is anticipated implementation of the proposed project will result in potential environmental effects in all issue areas described below. However, the actual effects will be identified during the EIR process. The EIR will address direct, indirect and cumulative effects in all issue areas. The EIR will include feasible mitigation measures to reduce significant environmental impacts, where appropriate.

Aesthetics: The EIR will describe the potential visibility of the proposed project from surrounding land uses and view sheds. It also will describe the changes in visual character and potential effects to scenic resources that would result from the conversion of the project site from a largely agricultural use to industrial park development. An assessment of the proposed project's lighting/glare impacts will be provided.

Agriculture: The EIR will evaluate the project-related conversion of agricultural land to other uses and will identify any indirect impacts on surrounding agricultural lands, such as potential land use conflicts and the proposed project's potential to induce future conversion of surrounding agricultural land to other uses. The EIR will address the proposed project's contribution to cumulative loss of agricultural lands in the region. The EIR will also evaluate the potential for project-related cancellation of Williamson Act contracts or conflicts with agricultural zoning.

Air Quality: The EIR will describe regional and local air quality in the project vicinity and evaluate the potential air quality effects of the proposed project during construction (temporary, short term) and operation (long term). The proposed project's estimate air emissions will be modeled and compared to emission thresholds of the San Joaquin Valley Air Pollution Control District, as well as the Bay Area Air Quality Management District for the short-haul shuttle rail operations. The potential effect of proposed aviation uses will be considered using appropriate models and criteria set forth by the Federal Aviation Administration (FAA). The EIR will evaluate whether the project could cause a cumulatively considerable net change in emissions for any criterion air pollutant for which the project region is in non-attainment status. The EIR will also include a health risk assessment to evaluate exposure to toxic air emissions, and will evaluate exposure to potential sources of odor.

Biological Review: The EIR will describe the existing biological resources at the project site, including Little Salado Creek, and will evaluate the proposed project's effects on those biological resources (wetland, botanical, wildlife and aquatic).

Cultural and Paleontological Resources: The EIR will include a cultural and paleontological resource impact assessment for the proposed project. The EIR will describe the existing cultural and paleontological resources on the project site and affected offsite areas and will evaluate the proposed project's impacts on these resources, including the potential to affect undiscovered resources. The EIR will also include a Native American Heritage Commission (NAHC) search of the Sacred Lands File and consultation with the list of suitable tribal representatives and individuals that may have an interest in the project, as provided by NAHC.

Geology, Soils and Mineral Resources: The EIR will evaluate seismicity of the local area, presence of existing fault lines and effect on development, the potential for erosion of site soils, soil stability, and expansive characteristics of site soils, and the potential loss of availability of any economically valuable mineral deposits.

Hydrology, Drainage and Water Quality: The EIR will evaluate the proposed project's effect on hydrology, drainage and water quality characteristics of the local aquifer, including water supply, groundwater recharge, alteration of drainage patterns, erosion, stormwater discharges, wastewater management and flooding.

Land Use and Planning: The EIR will evaluate the proposed changes to onsite conditions in terms of consistency with all adopted applicable plans, such as the Stanislaus County General Plan, the Stanislaus County Airport Land Use Compatibility Plan, the California Inter-Regional Intermodal System Implementation Plan and other relevant adopted plans and policies.

Noise: The EIR will describe the proposed project's construction and operational noise impacts (including traffic, railyard, and airport operations) and will compare these impacts to applicable noise thresholds. It will also address the noise/land use compatibility of the propose project with existing and future expected noise levels, including noise generated by use of the proposed onsite general aviation facility, railyard and traffic noise generated at nearby roadways and freeways. The EIR will also include a vibration analysis to determine the compatibility of proposed onsite land uses.

Parks and Open Space: The EIR will analyze the proposed project's potential to increase the use of or substantially degrade existing local and regional parks. It will also evaluate the proposed project's consistency with applicable adopted plans and policies for parks and open space.

Population, Employment and Housing: The EIR will present existing population, housing and employment figures for Stanislaus County and the projected changes in these variables as a result of overall regional development. The analysis will include a review of County goals and policies; potential changes in population, housing, and employment characteristics resulting from the proposed project; and the potential for secondary environmental impacts from those changes. The population analysis will compare the amount and type of growth anticipated under the proposed project with estimates from the Stanislaus County General Plan, the U.S. Census Bureau, the California Department of Finance, the Stanislaus County Council of Governments and other adopted planning documents. The EIR will address the proposed project's effect on regional jobs/housing ratios and population demographics.

Public Health and Hazards: The EIR will summarize the results of hazardous materials assessments performed for the former CLAF and will evaluate the operational characteristics of the proposed project to determine potential impacts related to use of hazardous material and emergency response plans. The EIR will also address safety issues specifically related to the proposed onsite airport, inland port/short-haul shuttle rail operation and industrial operations. The EIR will address the potential that a significant hazard to the public may be created from proposed wastewater treatment solutions and through the transport, use, or disposal of hazardous materials, as well as reasonably foreseeable upset or accident conditions involving the release of hazardous materials into the environment. The EIR will also address the potential for the introduction of exotic species into the Central Valley from goods and products coming into the Port of Oakland. Seismic hazards will be addressed as part of the geology evaluation. Flooding hazards will be addressed as part of the hydrology evaluation.

Public Services: The EIR will evaluate the potential for adverse physical effects on the environment related to construction of new governmental facilities required to provide public services such as fire and law enforcement protection, schools and solid waste, and the project's effect on the availability of public resources to communities in the project's vicinity.

Traffic and Circulation: The EIR will evaluate the proposed project's impacts on local and regional transportation facilities, including appropriate freeway segments and ramp and local rail lines. The evaluation will be based on a transportation analysis that will evaluate local intersections, roadway segments, merge/diverge/weave, project-related vehicle trips, proposed site circulation and access, local transit operation, and the surrounding roadway network. The EIR will identify triggers for transportation improvements. The traffic and circulation section also will analyze effects on public transit, as well as public transit needs and alternative modes of transportation.

Utilities: The EIR will evaluate the potable water, recycled water, source water for groundwater recharge (if applicable), wastewater treatment/conveyance/discharge systems and stormwater conveyance/treatment/discharge systems proposed as part of the project. If the proposed project will obtain water from a public water supply system, a Water Supply Assessment consistent with Senate Bill 610 (PRC Section 21151.9, Water Code 10910) will be prepared. The EIR will analyze the potential impacts

resulting from provision of new onsite utilities, including water treatment and conveyance, wastewater treatment/conveyance/discharge systems, stormwater conveyance/treatment/discharge systems, electricity and natural gas services, communications, and extension of water distribution to and wastewater collection from the community of Crows Landing.

Greenhouse Gas Emissions/Global Climate Change: The EIR will evaluate the proposed project's contribution to global climate change by calculating the existing average and 1990 California emission levels of carbon dioxide equivalent (CO2-e) as referenced in Assembly Bill 32 (the California Climate Solutions Act of 2006), and other indicators and will compare them against those associated with implementation of the proposed project. The focus of the chapter will be a calculation of the proposed project's generation of greenhouse gases and an assessment of whether the net change in such will constitute a substantial contribution to the significant adverse cumulative impact of global climate change.

Growth Inducement: The EIR will analyze the potential for the proposed project to induce growth in Stanislaus County and local communities, and will examine the proposed project's potential for inducing additional growth on adjacent lands and on the region. The EIR also will analyze growth-inducement potential from construction of the offsite water and sewer systems to the community of Crows Landing.

Cumulative Impacts: The EIR will analyze the potential cumulative impacts of the proposed project as related to each of the environmental technical sections, and as related to the adopted general plans of adjacent jurisdictions.

ALTERNATIVES

Consistent with the requirements of CCR Section 15126.6, the EIR will examine a range of reasonable alternatives to the proposed project. The alternatives must be feasible to attain most of the objectives of the proposed project while avoiding or substantially lessening at least one of the significant environmental effects of the proposed project. One of the purposes of the NOP is to solicit input from interested agencies and the public regarding potential alternatives to the proposed project. Therefore, the alternative examined in the EIR will include a project development alternative that incorporates input from the public scoping process, as well as a No Project Alternative as required by State CEQA Guidelines Section 15126.6.

Jerry S. Wilmoth General Manager Network Infrastructure

Attachment 5

UNION PACIFIC RAILROAD 10031 Foothills Blvd. Roseville, California 95747

P 916 789 6360

June 4, 2012

Ms. Monica Nino Chief Executive Officer County of Stanislaus 1010 10th Street, Suite 6800 Modesto, California 95354

Re: Proposed West Park Project

Dear Ms. Nino:

The purpose of this letter is to provide you an update of Union Pacific Railroad's discussions regarding the proposed West Park Logistics Center project and efforts to implement a rail served intermodal facility at the former Crow's Landing Naval Facility in Stanislaus County (Project).

Union Pacific and the West Park team are having ongoing discussions where Union Pacific has outlined proposed business terms, operating parameters and capacity improvements necessary to support the inland port you are pursuing. Union Pacific and PCCP West Park, LLC have an agreement in place to provide for a more detailed feasibility study for short haul intermodal rail service moving between Oakland and the Crows Landing facility.

Union Pacific is generally supportive of the overall project and looks forward to continuing efforts to fully vet the requirements for the implementation of this Project. If you have any questions, please feel free to give me a call.

Sincerely,



WEST PARK LOGISTICS CENTER ~ Proposed Entitlement Schedule

	Prior	2012						2013			
Work Task	Completion	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Crows Landing Air Facility ~ Cemetery Investigation	✓										
Crows Landing Air Facility ~ Draft Land Use Plan	1										
Patterson Lawsuit	✓										
CEQA/EIR:											
Notice of Preparation	✓				ľ		ļ				
Field & Office Studies			•	•	▶	>					
EIR Document:											
- Draft Preparation			>	>	▶		•	ĺ	ĺ]	ĺ
- Admin Draft Review by County					!		▶	▶		i	
- Finalize Draft								•	•		
 Submit Draft to Board of Supervisors 					i		1	ł	FS	}	ì
- Public Review, Hearings and Action									1	TBD	
Land Planning:											
Concept Land Use Plan	✓										
Refine Land Use Plan		•	•	•	[[[
Sustainability Planning			>	>							
Engineering Master Plans & Studies		•	•	>	▶						
Specific Plan Document:				ł	ļ		ľ		ł		Ì
- Draft Preparation			>	•	▶		•				İ
- Admin Draft Review by County							•	•			
- Finalize Draft]		Į.	•	•	ļ	ļ
 Submit Draft to Board of Supervisors]				FS		
 Public Review, Hearings and Action 										TBD	
Symbol Key:					<u> </u>						
Previously Completed =	✓										
In Process =	>										
Final Submittal =	FS										
To Be Determined =	TBD										

acknowledge the accuracy of the Recitals and agree that the Recitals are incorporated into this Agreement as though fully set forth at length.

- 2. No Obligation to Certify EIR or Approve Project. Nothing in this Agreement creates a binding obligation to approve or develop the Project. Each Party expressly acknowledges and agrees that this Agreement creates no obligation on the part of any Party to: (i) enter into a DA, (ii) certify any CEQA document, (iii) grant any approvals or authorizations required for the Project, (iv) agree to any specific terms or obligations, (v) provide financing for the Project, or (vi) proceed with the development of the Property. The Parties acknowledge that the Project may be revised as the environmental, financial and planning processes proceed. No promises, representations, or warranties have been made, expressly or implicitly, by the County, its officials, agents, or employees and, it is specifically agreed that no person has any authority to make such representation, promise, or warranty, to Developer that the Agreement will in any way influence the actions of the County with respect to the approval or denial of such applications, agreements, permits, or entitlements. The provisions of this section are hereby incorporated into each and every section of this Agreement as though set forth in their entirety in each such section.
- 3. <u>Term.</u> The term of this Agreement (the "Term") shall commence on the Effective Date, and shall terminate on January 31, 2013, unless earlier terminated as provided herein, but the provisions of <u>Sections 4, 6 and 7</u> shall survive termination of this Agreement and remain in effect until the obligations therein have been fully satisfied.
- **4.** <u>Deposit of Escrow Funds; Use of Funds</u>. On or before July 10, 2012, Developer will deposit with the County Treasury the following funds:
- 4.1 <u>CEQA Escrow Account</u>. Developer shall deposit two million dollars (\$2,000,000) in a separate account to be held by the County ("**CEQA Escrow Account**"). Funds in this **CEQA Escrow Account** shall be used by the County to pay Consultant expenses incurred for work performed on or after June 19, 2012 for the **Project** services provided to Developer by Consultants under this Agreement. Such **Project** services may include, but are not limited to:
- (1) Completion of a Draft **EIR** pursuant to the California Environmental Quality Act, Public Resources Code § 21000 et seq., including all scientific, engineering, technical, and other analyses contained therein; and
- (2) Developer's Consultant, financial and legal services related to the **EIR** and the **Project**, including airport and short-haul railroad consultants, above and beyond those services for which the Developer has already provided a deposit.
 - (3) Public outreach activities related to the Draft EIR.

Developer has entered into contracts with the consultants identified in <u>Exhibit B</u> ("Consultants") to prepare the EIR. With funding solely from the CEQA Escrow Account, County will pay Consultant invoices related to preparation of the EIR for work performed on or after June 19, 2012 and upon submission by Developer of a complete copy of the Consultant invoice and written authorization by the Developer to pay the invoice. Under no circumstances, shall County be obligated to pay any amount that exceeds the available balance in the CEQA Escrow Account. County shall make such payments within fifteen (15) days of receipt of such written request from Developer. In the event that any portion of the funds deposited

in the **CEQA Escrow Account** are subject to any subsequent court order or lien and not available for use by the County, the County may suspend payments to **Consultants** until such time as the court order is no longer in effect and/or the lien is no longer effective.

Developer further acknowledges the CEQA Escrow Account payment does not include any additional fees and charges as required by law, ordinance, or resolution to be paid to County by Developer, such as application fees, inspection fees, and other processing fees for entitlements or permits that may be required for the Project generally including staff processing costs, county-retained consultants (including but not limited to short haul, CEQA peer review, and/or financial consultants) and legal services related to the Draft EIR and the Project entitlements which shall be the subject of a separate agreement between the County and Developer. Developer also acknowledges and agrees that funding in the CEQA Escrow account shall not be used to pay Consultant fees for work performed prior to June 18, 2012.

In the event that the Board of Supervisors certifies the EIR, any funds remaining in the CEQA Escrow Account shall be retained by the County for on-going Project expenses, including staffing costs. Use of such funds shall be in the complete discretion of the County.

- 4.2 <u>Airport Improvement Escrow Account</u>. Developer shall deposit seven hundred and fifty thousand dollars (\$750,000) in a separate account to be held by the County ("Airport Improvement Escrow Account"). In the event that the Board of Supervisors certifies the EIR and approves the Project, these funds shall be credited against any financial obligation the Developer has for the general aviation airport.
- **Draft EIR Deadline.** Developer has advised the County that Draft **EIR** can be completed by **Consultants** prior to January 31, 2013. Based on this representation, Developer either by itself or in association with **Consultants** shall deliver to the County a hard copy and an electronic file of the Draft **EIR** in a form adequate for commencement of the public review period required by **CEQA**, as determined in the sole and reasonable discretion of the County Executive Director or her designee, no later than January 31, 2013. The electronic file of the Draft **EIR** shall be provided in its original and modifiable form. In the event Developer fails to satisfy its obligations under this Section, the provisions of <u>Section 6</u> shall take effect.
- 6. Forfeiture. In the event the Draft EIR is not complete in a form adequate, as determined in the sole and reasonable discretion of the County Executive Director or her designee, for commencement of the public review period required by CEQA by the deadline identified in Section 5, the following forfeiture terms shall be implemented and govern disbursement of the escrow funds deposited pursuant to Section 4. Developer further agrees that all EIR drafts, technical studies and related materials will be forfeited to the County. County may use such drafts, studies and related materials for any purposes County desires, including a subsequent and separate proceeding related to the County Property.
- 6.1 <u>CEQA Escrow Account</u>. All unused funds in the **CEQA Escrow Account** shall forfeited by Developer and retained by County. Developer will receive no reimbursement. County will use the funds for any further environmental, engineering, legal and financial analysis applicable to the County obtaining land use entitlements for development on the **County Property**.
- 6.2 <u>Airport Improvement Escrow Account</u>. Fifty percent (50%) of the **Airport Improvement Escrow Account** funds (\$375,000) shall forfeited by Developer and retained by County. Fifty percent (50%) of the **Airport Improvement Escrow Account** funds (\$375,000) shall be returned to Developer.

B-16

Agenda V. B. 16 West Park

Will the following questions be addressed?

What is the cost to Stanislaus County if

- 1] an extension, as sought, is granted to Mr. Kamilos?
- 2] the extension is denied and the County has to start back at Square 1?

Is there [now] a competent industrial/commercial developer available to take over West Park if the extension is denied?

What is now the timeline to have the first employing tenant functioning in West Park if the extension is granted and Mr. Kamilos proceeds. Who is the tenant and approximately how many jobs will be created in the first year?

Stephen Bonrepos Retired teacher Member, StanCOG Citizen Advisory Committee



June 18, 2012

Keith D. Boggs Assistant Executive Officer GSA Director / County Purchasing Agent Stanislaus County 1010 10th St., Ste 6800 Modesto, CA 95354

Dear Mr. Boggs,

The Port of Oakland is Northern California's primary seaport for containerized cargo across the Pacific and around the world. Oakland is one 3 key gateways on the US west coast for containerized trade, along with the twin ports of Tacoma and Seattle in the Puget Sound, and Long Beach / Los Angeles in San Pedro Bay.

Key to Oakland's long term success is an efficient intermodal transportation system where goods can quickly move through the Port. As the region's economy grows, so will its goods movement and international commerce. Surrounding the Port of Oakland however, is a built-out urban environment with little space for the Port to expand. State-of-the-art logistics facilities have been built throughout the region in recent years, particularly in areas further from the urban Bay Area with significant undeveloped land. Stockton and Tracy are two such examples of expanded logistics sites, due to their central location, short drive from Oakland, and nearby UP and BNSF intermodal rail terminals.

The Port of Oakland supports these key logistics centers and the concept proposed at Crows Landing as well. Development of a rail served logistics center at West Park will likely be an attractive location for some of the region's largest shippers looking for a central location within the state. Additionally, if the intermodal terminal were linked to other parts of the country or the Port of Oakland this would add to the development's attractiveness.

From a global competitiveness standpoint, the Port, along with BNSF and Union Pacific, has been focused on increasing discretionary cargo moving between Asia and inland regions like Chicago. These cargoes are critical to ensuring that Northern California continues to have a healthy port with numerous ocean services throughout the world.

The Port understands that the West Park proponents are working with Union Pacific on a service plan for short-haul rail service to and from the Port of Oakland. The Port recognizes the benefit of reduced congestion on the region's highways by moving more goods by alternative means such as a short-haul intermodal rail service.

We look forward to working with the County on the West Park project and other trade opportunities that may arise in the future.

Respectfully,

Mark Erickson

Senior Maritime Projects Administrator



OMAR R. BENJAMIN Executive Director

March 2, 2011

Mr. Rick Robinson, Chief Executive Officer County of Stanislaus 1010 10th Street, Suite 600 Modesto, CA 95354

Dear Mr. Robinson:

Following passage of Proposition 1B in 2006, both the Port of Oakland and the County of Stanislaus worked together with the Metropolitan Transportation Commission to create a Northern California Trade Corridor Coalition. This coalition submitted the region's highest priority goods movement projects for state funding, including the San Joaquin Valley Short Haul Rail / Inland Port Project proposed by the County of Stanislaus, as well as projects here at the Port of Oakland and improvements to Union Pacific and BNSF main lines in Northern California.

The Port of Oakland would like to reiterate its support for the improvement and expansion of the rail network in Northern California. Port staff understands that West Park is working collaboratively with Union Pacific on a service plan which will accommodate short-haul rail service without negatively impacting long-haul intermodal service to and from the Port of Oakland. From a global competitiveness standpoint, the Port is highly focused on efficient rail connections to Chicago and other inland points across the country.

We look forward to working with the County on this specific opportunity and other trade opportunities that may arise in the future.

//९\/ •

Omar R. Benjamin Executive Director

HILLWOOD AND CLARION PARTNERS ANNOUNCE JOINT VENTURE TO DEVELOP FULFILLMENT CENTER FOR AMAZON IN SAN BERNARDINO, CALIFORNIA Thu, 03 May 2012 00:00:00 GMT

Contact: Karen Modlin, Public Strategies (214-773-2152), kmodlin@pstrategies.com

SAN BERNARDINO, Calif.--(EON: Enhanced Online News)--Hillwood and Clarion Partners today announced that the more than 950,000 square foot facility under development as part of the AllianceCalifornia project in San Bernardino, CA, will become an Amazon fulfillment center after the building is complete. The joint venture began construction on the facility earlier this year. Amazon is expected to take occupancy as early as this autumn.

"We've been planning to develop this property for some time, and we're thrilled that Amazon will be moving in after the facility is completed," said John Magness, Senior Vice President, Hillwood and leader of Hillwood's Inland Empire office. "We appreciate all the support from the community, and we look forward to Amazon starting operations in San Bernardino."

"We are excited to be a part of this project and we look forward to a long and successful relationship with Amazon and the community," said Stacey Magee, Senior Vice President/Regional Manager for Clarion Partners.

"We appreciate Hillwood and Clarion's ongoing work and thank Governor Brown and state and local officials for their support, which will allow us to create more than 1,000 full time jobs with benefits in San Bernardino when the facility begins shipping to customers," said Dave Clark, Amazon vice president, global customer fulfillment.

Hillwood will serve as the developer of the project. The joint venture will serve as the landlord for the facility and will lease the space to Golden State FC LLC once the building is complete. Golden State FC LLC will operate the fulfillment center for Amazon.

The facility will be located on Central Avenue, east of Tippecanoe Avenue.

About Hillwood:

Hillwood, a Perot company, is ranked as one of the top commercial real estate investors and developers in the country and the top residential developer in Dallas-Fort Worth. Hillwood's developments currently house facilities for 58 companies listed on the Fortune 500, Global 500 or Forbes List of Top Private firms. Hillwood is best known for its Alliance brand that includes the 17,000-acre AllianceTexas, 4,474-acre AllianceFlorida at Cecil Commerce Center, and 2,000-acre AllianceCalifornia. For additional information, please visit www.hillwoodinvestmentproperties.com.

About Clarion Partners:

Clarion Partners has been a leading U.S. real estate investment manager for 30 years. Headquartered in New York, the firm has offices in major markets throughout the U.S. as well as a presence in Mexico and Brazil. With more than \$24 billion in total assets under management, for over 200 institutional investors both domestic and international, Clarion Partners offers a broad range of real estate strategies across the risk/return spectrum.

More information about the firm is available at www.clarionpartners.com.

About Amazon.com

Amazon.com, Inc. (NASDAQ: AMZN), a Fortune 500 company based in Seattle, opened on the World Wide Web in July 1995 and today offers Earth's Biggest Selection. Amazon.com, Inc. seeks to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices. Amazon.com and other sellers offer millions of unique new, refurbished and used items in categories such as Books; Movies, Music & Games; Digital Downloads; Electronics & Computers; Home & Garden; Toys, Kids & Baby; Grocery; Apparel, Shoes & Jewelry; Health & Beauty; Sports & Outdoors; and Tools, Auto &

Christine Ferraro - Fwd: West Park Questions

From:

William O'Brien

To:

Ferraro, Christine

Date:

6/19/12 10:31 AM

Subject: Fwd: West Park Questions

>>> Chris Murphy <chrism@spwg.com> 6/19/2012 9:09 AM >>> Greetings All:

I have some questions about this project that I can not seem to find the answers to.

I have a frozen logistics company in Patterson. I believe that the Patterson area is a good logistics area.

I am noticing that none of the new companies that have located there are served by rail, which seems to be the cornerstone of this West Park Project.

In order to make this work, it has to be truly connected and cost effective. I haven't seen any details on the actual costs of services.

- 1. What guarantees are there from the railroads and the Port that this rail service will be there and will be competitive?
- 2. The Port of Stockton has been spending heavily on inland port with barge service and they are closely tied in to the existing Class A intermodal services in the Stockton area. How will the railroad and port support this new additional project and is it guaranteed?
- 3. If I have a company on the west side in downtown Patterson that is currently rail served, will I be able to get containers delivered to my existing warehouse from the Port of Oakland or will West Park be the only destination for this service?
- 4. What is the cost, per container to get a container to the Port of Oakland and what will be the re-handling costs to connect it to the shipping lines? None of the previous details have included the cost. In fact, the Port of Stockton has still not included the actual cost per container to move it inland. These must be significantly lower than point to point trucking to make this project feasible.
- 5. Will the Patterson area be an overweight approved area for truck and trailer weights?

I think we need answers to all of these questions before any vote to continue is made. If these questions have been answered, please let me know where to find the info so that we can be a participant in this process. This is a valuable piece of property that can be a huge economic engine if the right jobs and the right industries are selected. Hopefully there will be research, labs, technology and energy jobs in this area that will be high paying and sustainable jobs

Respectfully, Chris Murphy Sierra Pacific Warehouse Group www.spwg.com

2012 JUN 19 A 10: 34

BUARD OF SUPERVISORS



CROWS LANDING

West Park Logistics Center Project Status

June 19, 2012 www.crowsbizpark.biz

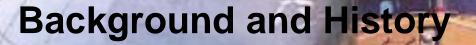
Recommendations

- Accept an update and pre-development status report for the Crows Landing/West Park development project at the Former Crows Landing Air Facility property.
- 2. Consider a request for an extension through January 31, 2013, for the Master Developer to:
 - Complete a Draft Environmental Impact Report (Draft EIR),
 - Draft Specific Plan
 - Draft land use documents and ground leases, and
 - Select an option for proceeding with development of the Crows Landing Air Facility project

Recommendations

Select an option for proceeding:

- a) Authorize additional time for the Master Developer, West Park Holdings, LLC, to complete the items requested; or
- b) Direct staff to return within 90 days with strategic alternatives for proceeding with the development of the County-owned former Crows Landing Air Facility.



1942: The Crows Landing Naval Auxiliary Air Station constructed/commissioned

1943-1993: Airfield used continuously for five decades

1993: Conveyed to NASA

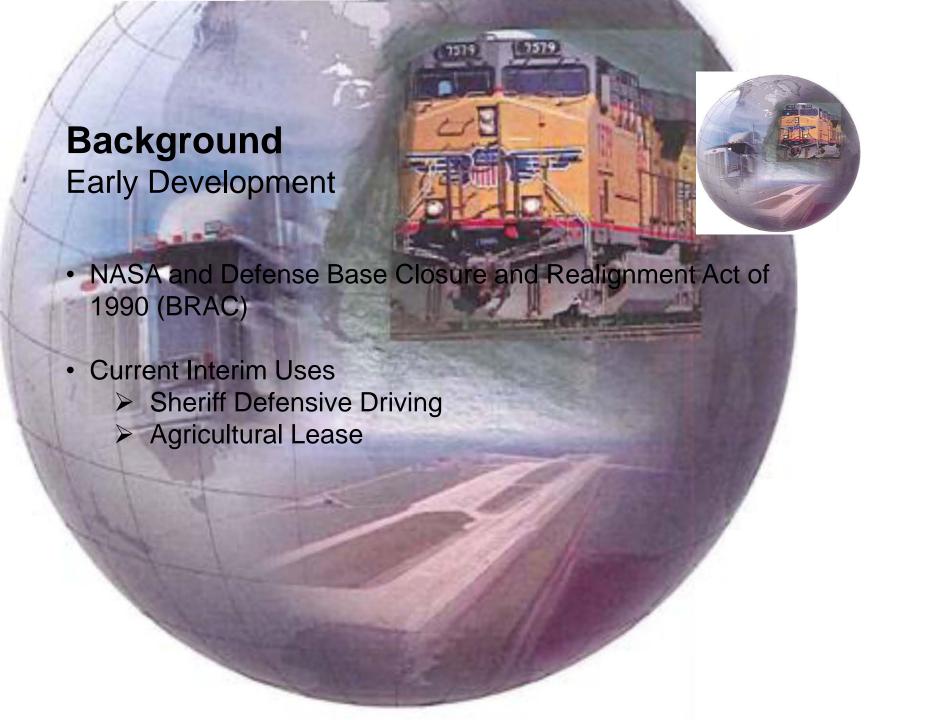
1996: NASA closes facility – declared "Excess"

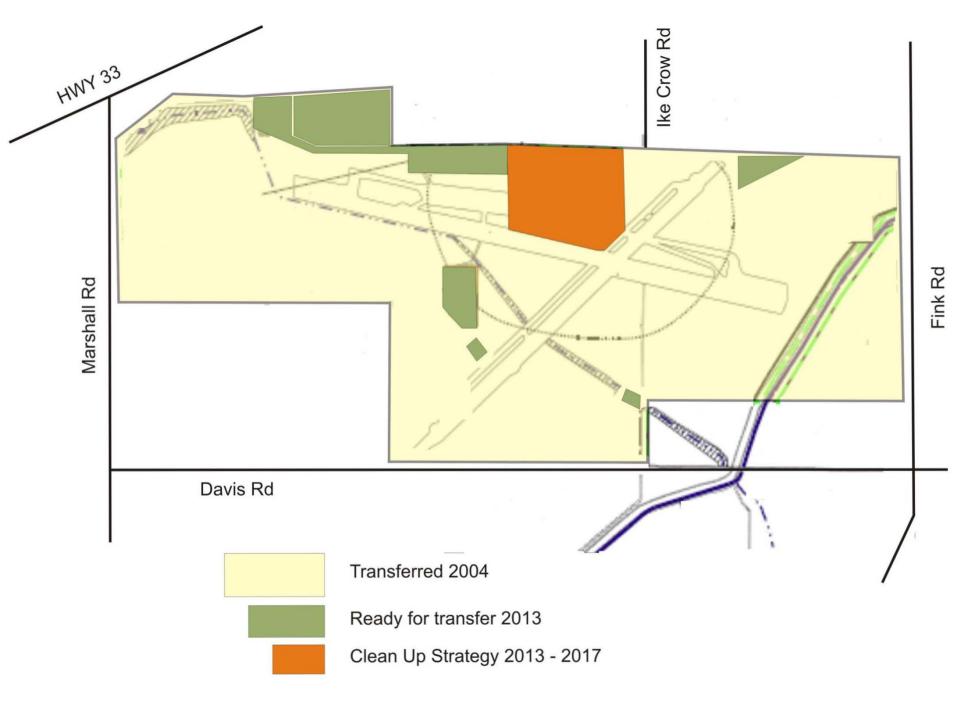
1997: Stanislaus County engages Federal

legislators seeking transfer of ownership

• 1999: Public Law 106-82 signed, property is

conveyed to Stanislaus County.







- 2006: Board directs staff to issue RFP for a Master Developer
- Crows Landing Steering Committee
- Guiding Principals for Development



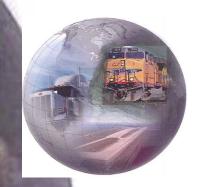
- Protect air facility from incompatible land uses;
- Set aside land for runway expansion;
- Look toward multi-modal transportation and distribution options;
- Integrate ground distribution;
- · Capitalize on proximity to Interstate 5;
- Maintain sensitivity to surrounding communities;
- Improve infrastructure and services for the community of Crows Landing;
- Develop attractive entrance/presence that creates a positive statement for the area.



- 2008: Board selects West Park as Master Developer
- 2008: Notice of Preparation (NOP) circulated/project initiated.
- 2009: Court Challenge
- 2011: Successful defense of project (22 Months)

Background Project Background



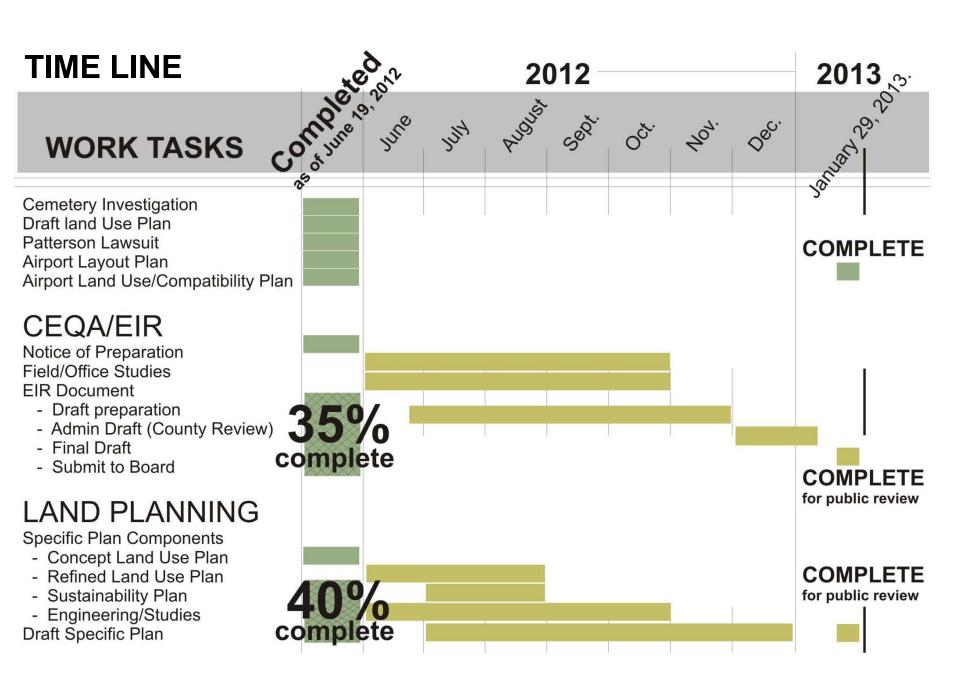


- Lehman Brother Holdings: files for bankruptcy/re-organization (Significant and time consuming reorganization)
- March 2011: Master Developer updates Board on project status Requests 15-month extension
- Project Revisited and "right-sized" (from 4,800 to 2,930 acres)
- October 2011: Re-issue Project NOP
- www.crowsbizpark.biz

Progress to Date

Technical Studies

Technical Study	Progress
Airport Layout Plan	100%
Airport Land Use Compatibility Plan	100%
Biological Resources	90%
Cultural Resources (cemetery study complete)	90%
Geology, Soils, Mineral Resources	90%
Population, Employment, Housing	30%
Hydrology, Drainage, Water Quality	25%
Traffic and Circulation	25%
Utilities (water, storm drainage, dry utilities)	25%
Public Health, Hazards, and Public Safety	20%
Studies underway:	
Air Quality, Fiscal Impact and Financial Feasibility, Greenhouse Gas Emissions/Climate Change, Noise	<u><</u> 20%



Community Outreach

Mayor and City Staff

Stanislaus County Staff

wisewman. Mayor and City Staff

Stanislaus County Board of Supervisors

erson Chamber of Commerce

Stanislaus County Workforce Alliance

criculture Conservation

Turlock Irrigation District

Modesto Chamber of Commerce

Port of Oakland Staff

Del Puerto Water District

San Joaquin Valley Air Pollution Control

Newman Rotary

Stanislaus County Farm Bureau

Crows Landing Community Services Board

Public meeting: Modesto

California Department of Transportation

Public meeting: Crows Landing

Modesto Bee Editorial Board

Patterson Irrigator

tas Newspapers

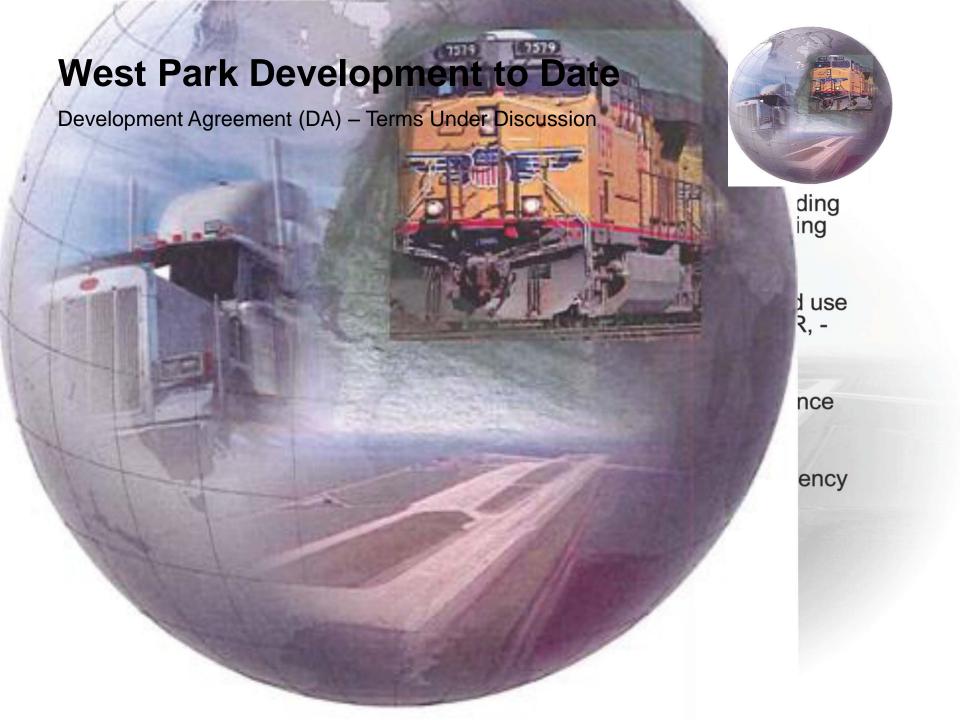
WSPACE

Relationships - DRAFT Agreement Developments

- Relationship Forged with Caltrans Aeronautics
- San Jose International Airport Outreach
- Developer Current: Staff Support Payments
- Developer Current: Third-party Legal Consultation
- In Progress:
 - Draft Development Agreement language;
 - Draft Ground Lease terms, and;
 - Reimbursement, Deposit, and Forfeiture Agreement







Development Agreement (DA) - Terms Under Discussion





- West Park will be required to construct:
 - (1) water and sewer improvements to the community of Crows Landing,
 - (2) construct new fire facilities on the County-Industrial property, and
 - (3) pay \$750,000 for improvements to the new GA airport.



Ground Leases - Terms Under Discussion



- 1. Term: 99 Years (initial 30 year term, provision to extend for 69 years).
- 2. A committee consisting of County staff and West Park will oversee the selection of the Inland Port operator.
- 3. Development must be consistent with phasing plan.
- 4. Failure to satisfy DA obligations constitutes default under lease.
- 5. Use of property limited to uses specified in lease and approved land use entitlements.
- 6. Failure to sublease or develop at least 70% of County Industrial Property for specified uses by December 31, 2045 constitutes default.
- 7. Rent: Inland Port \$42,500/year adjusted annually by PPI + \$6 per container.
- 8. Rent: County Industrial \$272,250/year adjusted annually by PPI + percentage of gross rent receipts (20% to 60%, increasing throughout term).

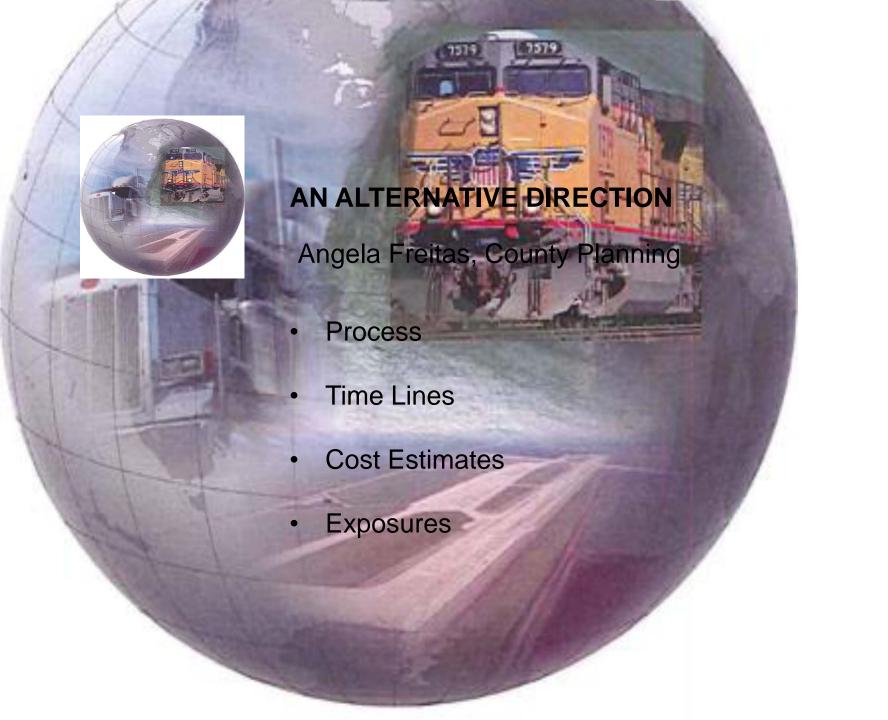
Cost Reimbursement - Deposit - Forfeiture Agreement

- West Park shall deposit \$2,000,000 in County escrow account for completion of Draft Environmental Impact Report. County will use escrow funds to pay consultant invoices for work performed on or after June 19, 2012 upon prior approval by West Park.
- West Park shall deposit \$750,000 in separate County escrow account for Airport Improvements.
- West Park shall arrange with consulting team to complete an adequate for public review Draft EIR by January 31, 2013.
- Agreement does not limit the County's ability to continue to require West Park to pay the County's normal planning and processing fees, county-retained consultants, or legal services.
- County has no obligation to certify EIR or approve the proposed project, development agreement, or leases.

Cost Reimbursement – Deposit – Forfeiture Agreement

In the event West Park fails to provide a Draft EIR that is adequate for public review by January 31, 2013:

- 1. West Park shall forfeit all unused funds in the CEQA Escrow Account.
 - a) County will use the funds for further environmental, engineering, legal, and financial analysis relating to land use entitlements for development on the County Property.
 - b) Developer will receive no reimbursement.
- 2. West Park shall forfeit 50% (\$375,000) of the Airport Improvement Escrow Account.
 - a) County will use retained funds for analysis applicable to the proposed general aviation airport.
- 3. Developer conveys all EIR materials, reports, and studies to the County.



In-House Planning and Environmental Analysis

In-House Goal:

- Certify an EIR
- Adopt a Specific Plan
 (with General Plan amendment and Re-zone)
- Provide a "shovel ready" project for the County-owned property

In-House Planning and Environmental Analysis

Tasks & Costs:

Table 5: In-house Preparation of Specific Plan and Environmental Documentation, Cost and Timeframe					
Task	Cost	Duration (months)			
RFP – Document Preparation Consultant	\$20,000	3 to 6			
Document Preparation					
Specific Plan Development	\$400,000	6 to 8			
Financial Needs Assessment / Financial Strategic Plan	\$100,000	6			
DEIR	\$600,000	8 to 12			
Document/Entitlement Approval/Certification	\$30,000	4 to 6			
RFP/Negotiations - Master Developer	\$100,000	3 to 6			
TOTAL	\$1,250,000	30 to 44 months			

Additional County staffing costs: \$200,000

In-House Planning and Environmental Analysis

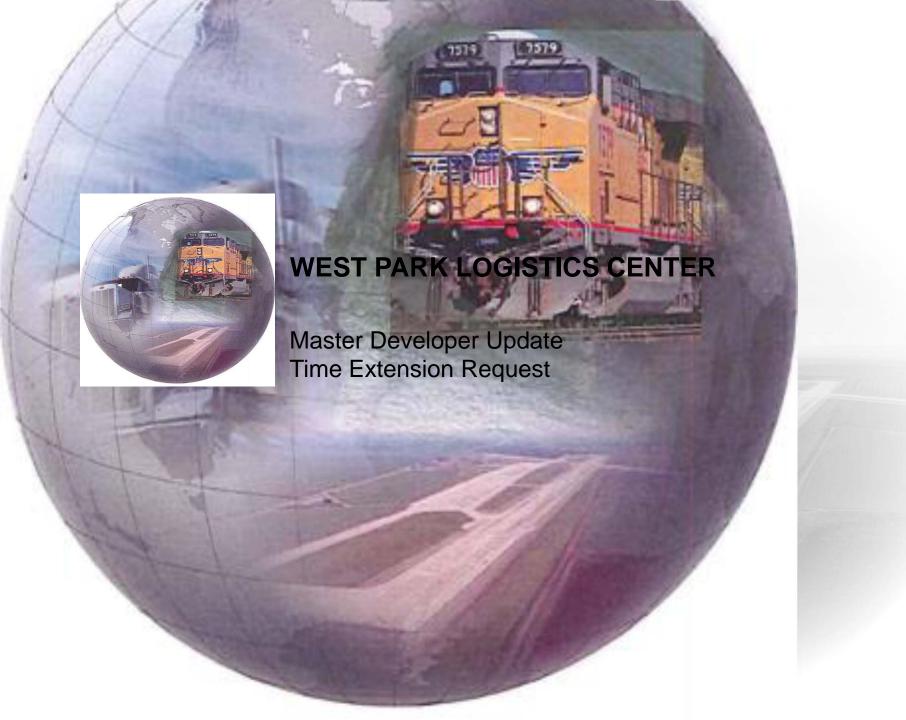
Factors to Consider:

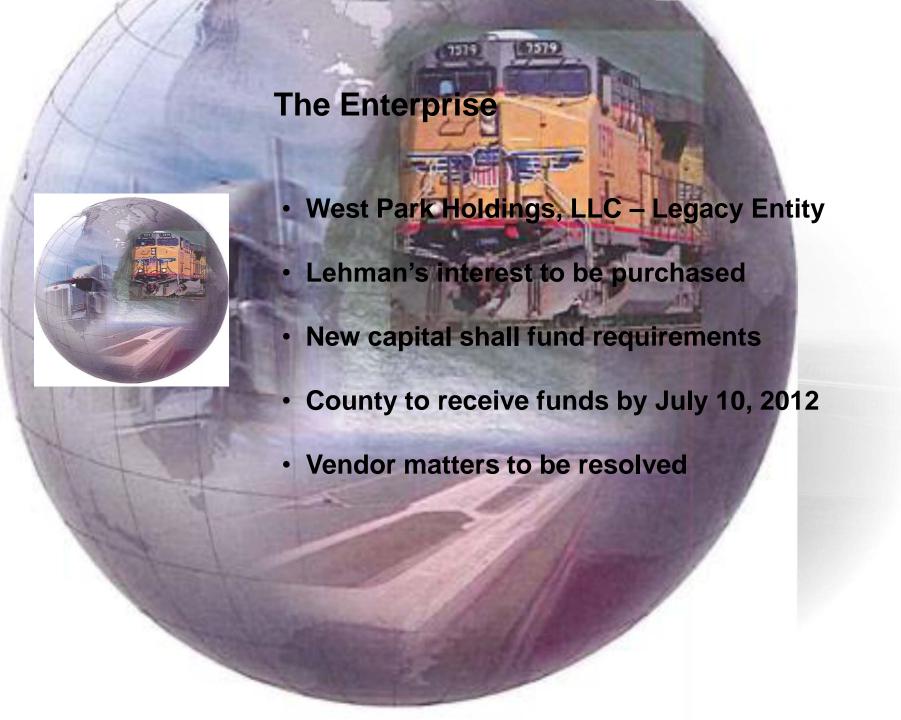
- Availability and applicability of previously developed studies may be limited.
- County has access only to documents delivered previously and made part of the public record.
- County assumes full responsibility of legal costs associated with the entitlement approval/certification process.

In-House Planning and Environmental Analysis

Factors to Consider:

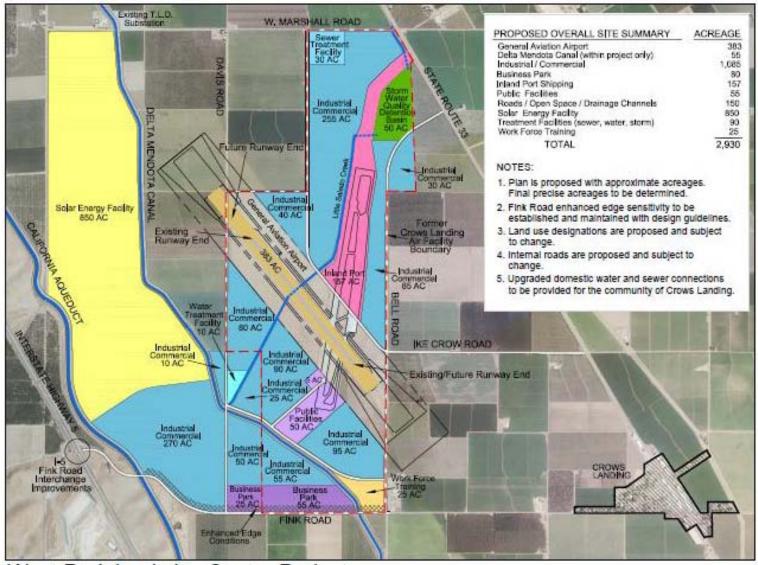
- It is possible, though not guaranteed, that a subsequent master developer would reimburse the County for some or all of the EIR costs incurred.
- Additional environmental analysis may be needed if the subsequent master developer desires to amend the adopted plans.







Project Description



West Park Logistics Center Project Stanislaus County, CA Proposed Site Plan - Exhibit 3







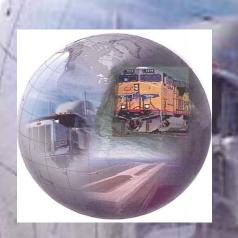
Project Comparative: 2008 - 2012

29	2008	2012
Land Use/Foot print	4,800 acres	2,930 (39% reduction)
Jobs at build out	30,000+ jobs	17,000 jobs
Phasing	4 phases	3 phases
County property focus	base footprint first	base footprint first
Inland Port	170 acres up to 6 trains daily	157 acres 2 train max daily
UPRR Relationship	initial dialogue	solidified working relationship
Infrastructure for Crows Landing	project requirement	project requirement
	Jobs at build out Phasing County property focus Inland Port UPRR Relationship Infrastructure for	Land Use/Foot print 4,800 acres Jobs at build out 30,000+ jobs Phasing 4 phases County property focus base footprint first Inland Port 170 acres up to 6 trains daily UPRR Relationship initial dialogue Infrastructure for project





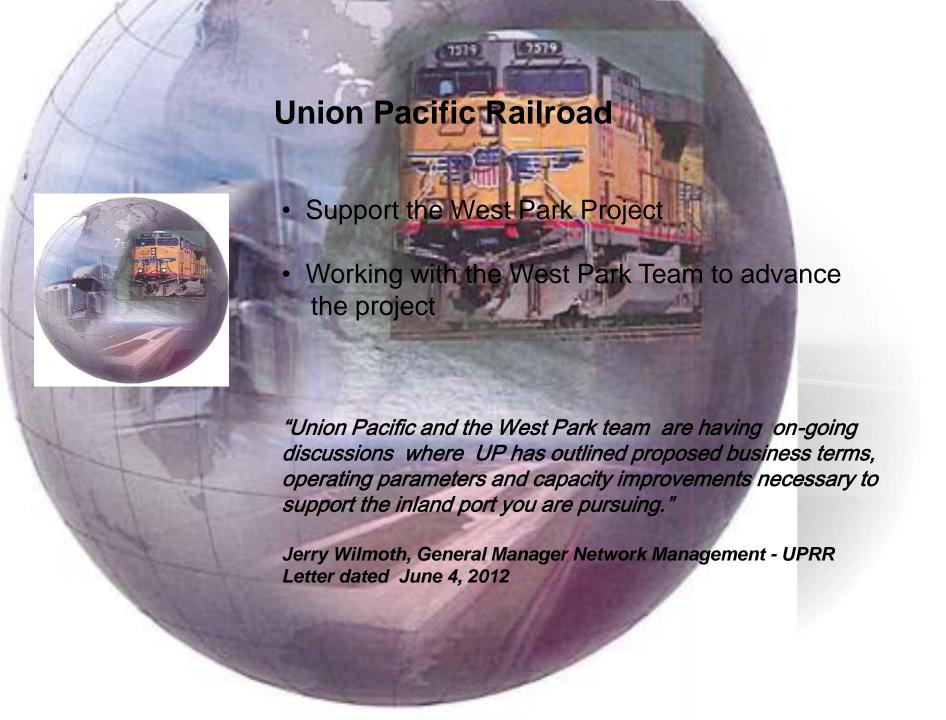
- 6.5% per annum land escalation
- 3% inflation for all costs
- First land sale in 2014
- 18 year build out from 1st land sale
- Short-haul rail economics based on \$3.50 per gallon Diesel.
- Only Fink Road Interchange is improved
- Non-leverage model
- No subsidies



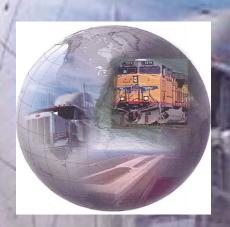
Project Sources and Uses (draft - 17 Year Period)

SOURCES	\$	\$/Acre
Investor 1 – Maximum Balance	\$125,153,842	\$42,715
Bond Reimbursements	61,600,000	21,024
Infrastructure Reimbursements	5,074,740	1,732
Sales Proceeds	166,237,853	56,736
Total Sources	\$358,066,435	\$122,207
USES	\$	\$/Acre
Option Payments	\$11,853,471	\$4,046
Land Purchases	68,657,918	23,433
Mitigation Costs	17,970,476	6,133
Water Rights Costs #	4,012,909	1,370
Entitlement-Preconstruction Permitting Costs	10,630,000	3,628
Engineering Costs & Final Map Fees	17,200,000	5,870
Construction Costs	227,741,661	77,728
Total Uses	\$358,066,435	\$122,207









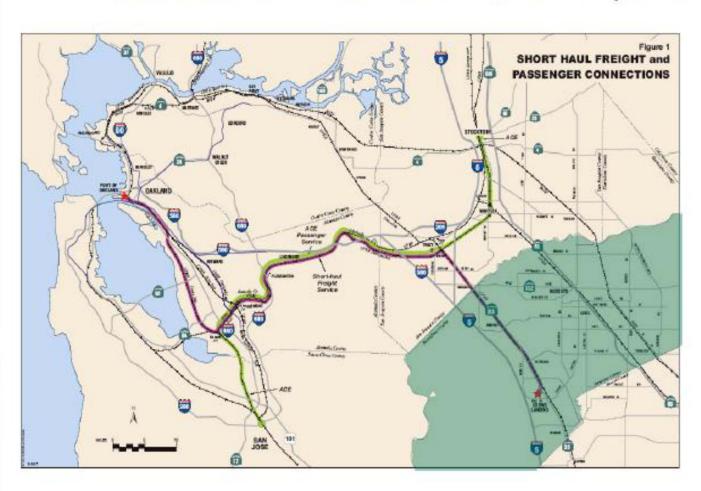
- Support the West Park Project
- Solidifying relationship with The Port of Oakland
- Undertook Logistics Analysis on Port of Oakland and West Park

"The Port of Oakland understands that the West Park proponents are working with Union Pacific on a service plan for short-haul rail service to and from the Port of Oakland. The Port recognizes the benefit of reduced congestion on the region's highways by moving more goods by alternative means such as a short-haul intermodal rail service."

Mark Erickson, Senior Maritime Projects Administrator- Port of Oakland Letter dated June 18, 2012

Project Overview

Road and Rail Access to Port of Oakland and SF Bay Area



Project Overview

Strategically Located to Serve the 11 Western States







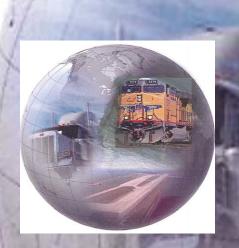
- CBRE responsible for securing the new WW Grainger West Coast Distribution Center in Patterson's Keystone Business Park
- Amazon.com fulfillment center
- Direct promotion program in printed media

"In the future, Kamilos says logistics centers and industrial space will continue to flourish in Northern California. 'We have this relationship with Asia that is really going to be the focus of economic growth in the world and will be the catalyst of economic growth in the United States'."

Comstock's Magazine February 2011







Potential Users of the Inland Port

Exporters (current)

- Almond and Walnut processors and growers;
 Blue Diamond exports 100 containers a day to the Port of Oakland.
- Other products for export through Port of Oakland to Asia are wines in bottle or bulk, citrus, cotton, chicken feet, and selected manufactured items.

Importers (current)

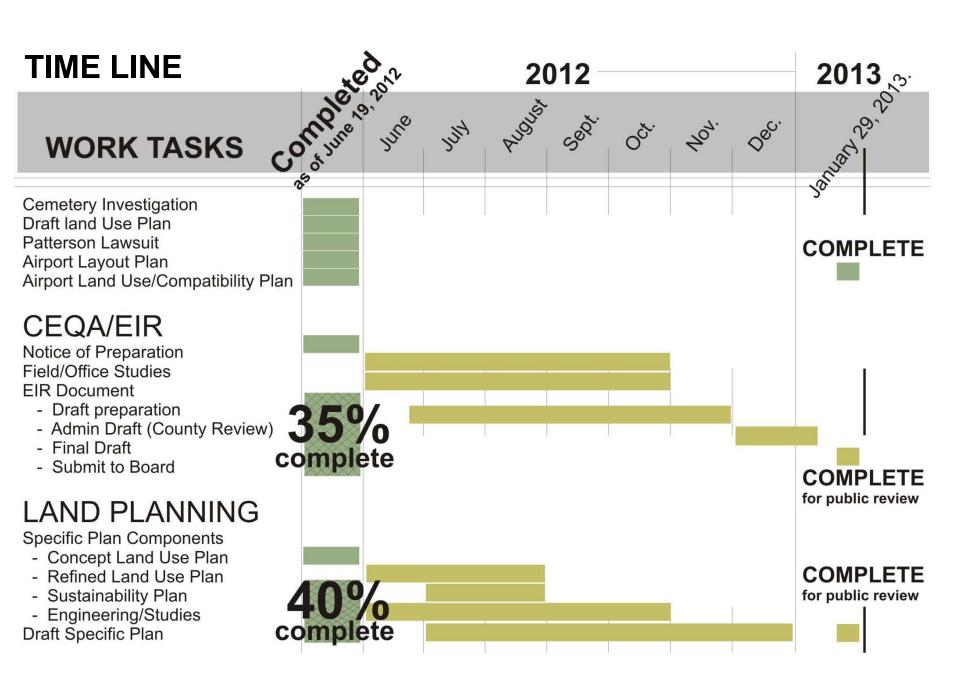
• Commercial and consumer products/wholesale and retail companies. WW Grainger has containers daily that arrive from either Port of Oakland or Port of Los Angeles/Long Beach. Amazon.com's fulfillment center in Patterson will have daily container arrivals.

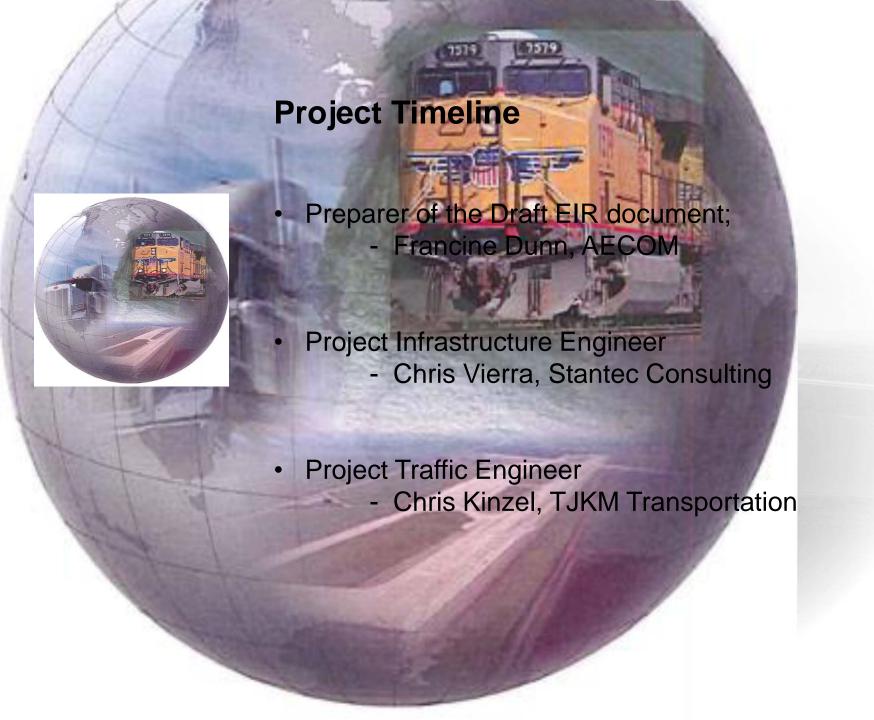
Short Haul Shuttle Performance (Draft - 17 Year Period)

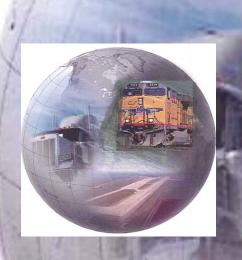
- Preliminary Model trucking alternative
- Based on \$3.50 per gallon Diesel
- Start up year: 2015 Modeled To 2032
- Initial Annual Container Volume Modeled: 50,000
- Stabilized Annual Container Volume Modeled: 120,000
- Capital Cost: \$104MM
- 17 Year Net Operating Revenues: \$200MM

Project Initial Capitalization

Premise Development	\$ 500,000	Spent
Prepare Application/Selection	\$ 700,000	Spent
Complete Required Studies	\$ 3,500,000	Spent
Hold Property Positions	\$ 1,500,000	Spent
Community Outreach	\$ 300,000	Spent
Complete Draft EIR	\$ 1,500,000	
Staff Time/3 rd Party Review	\$ 300,000	
GA Airport Start Up Cost	\$ 750,000	
Construction Permitting	\$ 1,580,000	
Total Spent to Date:	\$ 10,630,000 \$ 6,500,000	







SUMMARY

- 1. Project is within the feasible range for capitalization.
- 2. Logistics Center cost of development is competitive on a per acre basis
- 3. The solar component adds \$22.3MM
- 4. Once initial infrastructure is built and permit fees established, a market exists for finished parcels
- 5. Peak capital requirement is \$125MM
- 6. The short haul rail shuttle is financially viable.
- 7. The project's success is not reliant on an RDA
- 8. Pre-construction costs total \$10.7MM
- The cost of the logistics center land development is \$123MM
- 10. West Park is a commercially viable project.
- 11. The Draft EIR timeline is achievable.



CROWS LANDING

West Park Logistics Center Project Status and Recommendations

June 19, 2012 Stanislaus County Board of Supervisors www.crowsbizpark.biz