

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

DEPT: Chief Executive Office

BOARD AGENDA # B-4

Urgent

Routine

AGENDA DATE March 8, 2011

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval to Accept an Update and Status Report of the PCCP West Park Development Project, Consider a Revised Project Description, and Approve Next Steps for Further Development

STAFF RECOMMENDATIONS:

1. Accept an update and pre-development status report for the Crows Landing/West Park development project;
2. Consider a revised project description proposed by PCCP West Park, and select options for proceeding with development of the Crows Landing Air Facility project, including:

- Continued on Page 2 -

FISCAL IMPACT:

The County acquired the former Crows Landing Air Facility from the Federal government in late 2004. Funds to support the on-going planning and development process at the Crows Landing project area have been established in a Crows Landing Development budget unit. The property generated approximately \$780,000 through a three-year agricultural lease of 1,112 acres with Hollister based grower, Pride of San Juan. This agricultural lease expired in December 2008 and was extended year over year through early 2010 when Pride of San Juan abandoned the lease due to financial hardship. In October 2010 Wheeler

- Continued on Page 2 -

BOARD ACTION AS FOLLOWS:

No. 2011-143

On motion of Supervisor O'Brien, Seconded by Supervisor Chiesa  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa and Chairman Monteith

Noes: Supervisors: Withrow and DeMartini

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

Approved Staff Recommendations Nos. 1 and 2(a)



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Accept an Update and Status Report of the PCCP West Park Development Project,  
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**RECOMMENDATIONS Continued:**

- (a) Authorize an additional 15 months for the Master Developer to complete the preparation of an Environmental Impact Analysis, Specific Plan and Draft Disposition and Development Agreement based upon the revised project description requiring a project update and full status report by end of second quarter 2012, or;
- (b) Decline to proceed with the revised project description and direct staff to formulate alternatives for proceeding with development of the Crows Landing Air Facility;

**FISCAL IMPACT Continued:**

and Sons were awarded a new three year Ag lease through the Request for Proposal (RFP) process. It is estimated that the Wheeler and Sons lease will generate approximately \$261,000. All project consultancy and master development costs including environmental impact analysis are the sole responsibility of the Master Developer, PCCP West Park, LLC. Beyond staff time, there are no direct fiscal impacts to the County associated with this project update or the recommendations.

**DISCUSSION:**

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. The public 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 upon completion of environmental activities and site cleanup.

Stanislaus County has pursued and studied the reuse of the Crows Landing Facility since its decommissioning by the National Aeronautics and Space Administration (NASA) in the late 1990s, and 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 become an airport for General Aviation and an industrial business park to help offset the job-housing imbalance that has historically persisted in Stanislaus County. The re-use plan also encouraged retention of the agricultural lease until a development strategy was established and the area commenced development.

On September 26, 2006, the Board of Supervisors directed staff to proceed with issuance of a Request for Proposal (RFP) for a Master Developer for the former Crows

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Landing Air Facility. The intention of the RFP was to solicit private development interests to submit development proposals for the Airbase consistent with the guiding principles outlined by the Crows Landing Steering Committee. Staff received two proposals. In April of 2008, after an exclusive negotiation process lasting approximately 14 months, the Board of Supervisors elected to proceed with PCCP West Park as the Master Developer for this project area.

Since the decision to proceed the project has been challenged in court and has prevailed through these early legal delays, which has slowed the development process. The developer's fiscal attention focused on the legal challenges, coupled with the major downturn in the local, regional and global economies, allowed the project to only recently regain a positive momentum moving forward. It has been some time since the project proponent has discussed status and shared a formal update of the development.

This item will compare and contrast the original project proposal from April 2008 with that which is being presented in March 2011. While there are several core consistencies between the 2008 and present day proposals, there are several significant differences born out of discussions with community as well as reacting to the significant economic downturn.

### **West Park Logistics Center: Original Project Description**

In an attempt to compare the 2008 project proposal with the current, revised proposal staff identified twelve (12) core components. Eleven of these were addressed and discussed when PCCP West Park was given the go ahead to proceed through the environmental review process almost three years ago. A brief summary of each of these elements as they relate to the original proposal is discussed below followed by a comparison to the revised/new proposal.

Land Use: Originally the project was developed consistent with a four part development strategy including inland port/general aviation air facility, logistics center, industrial, distribution and business park uses, public support areas, workforce training and a healthcare element. These uses encompassed 4,800 acres with a Phase One focus on the County owned property.

Phasing: Initially, the phased approach required any development off site (off of the County owned facility) to occur after several developmental triggers were accomplished on the County owned footprint and then, only contiguous to the County property. [See attachment one: Original Project Area Map w/ Development Phasing]

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Inland Port: The project level design for the inland port calls for two trains per day to run on existing surface rail lines. A spur track shall be constructed from the existing rail line into the Crows Landing Facility crossing Highway 33.

Union Pacific Railroad (UPRR): The UPRR is expected to provide full service operations of the rail service from Crows Landing to the Port of Oakland. At the time of the Patterson law suit, all negotiations with the UPRR were placed on hold pending the outcome of the challenges.

Job Creation: The ultimate project (build out) promoted the opportunity to provide for over 37,000 potential jobs. To insure a ready workforce West Park identified a jobs training component in concept. 30 acres were identified on the project map for this purpose.

Marketing: West Park had not initiated marketing the location in the early project proposal. Marketing was however, identified as a critical component to project success.

Renewable Energy: To comply with AB32 and SB375 requirements, a renewable energy strategy will be incorporated into the West Park project. The Inland Port will be fully electrified. The project will make good use of near by natural gas for use of drayage equipment and encourage natural gas-fired equipment to replace traditional diesel and gasoline engines.

California Transportation Commission (CTC): West Park (with Stanislaus County) was successful in securing selection and fund programming of \$22.4 million Proposition 1B grant dollars to assist with phase one funding of the Inland Port component. At the last project status update the Baseline Agreement, which is required by the CTC, was still pending commitment from both the Port of Oakland and Union Pacific Railroad.

Medical Planning Area: The 2008 project description included 30 acres for future industrial medical facilities. This medical planning area was based upon the original 4800-acre project footprint and a physical lack of medical services on or proximate to the I-5 corridor.

Infrastructure Improvements to Crows Landing Community: Water and wastewater infrastructure improvements for the unincorporated community of Crows Landing were, and continue to be, a development project requirement. The 2008 proposal recognized this requirement as part of the project phasing strategy.

Financing: A significant component of the initial PCCP West Park financing was an investment commitment by Lehman Brothers. With the break up of the Lehman

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Companies in early 2009 the project was forced to secure new development capital. While this has been very challenging, West Park has consistently met all of its financial commitments to the County, including fiscal support for all legal challenge.

**A Revised Project Description**

Land Use: Within the revised footprint, West Park currently controls 1,268 total acres. These, in combination with the 1,528 County owned acres (the former Crows Landing Air Facility) equals 2,796 total acres. The project includes a four-part development strategy including inland port/general aviation air facility, logistics center, support uses, and a new solar farm element. Phase One remains consistent with a mandated focus on the County owned property. The balance of the acreage (335) will remain within the Specific Plan Area as a phase two development. [See attachment two: Revised Project Area Map]

Phasing: The Phasing Plan shall be consistent with the previous Draft Disposition and Development language requiring County owned property to develop (including developer investment in speculation buildings, all infrastructures, airport improvements) prior to any offsite Phase Two development to occur with the exception of the Solar Farm component to be developed concurrent with Phase One.

Inland Port: The project level design for the inland port is consistent with the original project proposal and shall allow for two trains per day to run on existing surface rail lines. A spur track shall be constructed from the existing rail line into the Crows Landing Facility crossing Highway 33. Since the initial 2008 project proposal the Port of Oakland (consistent with UPRR support) has publicly committed to the short haul rail strategy. [See attachment three: Letter of Project Support – Port of Oakland]

Union Pacific Railroad (UPRR): The UPRR is expected to provide full service operations of the rail service from Crows Landing to the Port of Oakland. Under a Rail Transport Services Agreement currently in negotiation UPRR would provide loading and unloading of containers at its Port of Oakland facilities. West Park shall contract with an operator to provide loading and unloading of containers at Crows Landing including drayage services to the West Park Logistics Center tenants. [See attachment four: UPRR Public Project Reimbursement Agreement and Letter of Project Support]

Job Creation: The ultimate project (build out) shall provide for over 17,000 potential jobs. To insure a ready workforce West Park shall include a jobs training component from the start. Early programs such as engineering/design work, inland port operations, solar farm construction, infrastructure construction, building construction, and initial tenant users will provide much needed local jobs.

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Marketing: West Park has hired CB Richard Ellis (CBRE) a global leader in commercial real estate development, to promote, market, and recruit users to the West Park Logistics Center. CBRE has been working with the West Park development team for over a decade on many projects. This same team was responsible for securing the new WW Granger West Coast Distribution Center at Keystone Business Park in Patterson.

Solar Farm: In an effort to create revenue streams to support all necessary project infrastructure costs and as by-product reduce early projected traffic impacts, West Park has joined with Spinnaker Energy Group to develop an 850 acre solar farm which will produce up to 150 Mega-watts (MG) of electricity to be sold to utilities. This component anticipates making use of the Turlock Irrigation District (TID) substation adjacent to the project area. Spinnaker Energy Group and TID staff has been working on project scoping, design, and process for the last 8 months. [See attachment five: Spinnaker Energy Group Letter of Project Support and attachment six: TID Letter of Project Support]

Renewable Energy: To comply with AB32 and SB375 requirements, a renewable energy strategy will be incorporated into the West Park project. The Inland Port will be fully electrified. The project will make good use of near by natural gas for drayage equipment and encourage natural gas-fired equipment to replace traditional diesel and gasoline engines. Furthermore, working with TID, a smart grid program will be developed to maximize the efficiency of delivering electricity to tenants to further reduce costs, making West Park energy costs most attractive and competitive.

California Transportation Commission (CTC): West Park has continued to maintain its communication with the CTC with respect to selection of the Crows Landing Inland Port project for a \$22.4 million dollar Proposition 1B grant to partially fund the first phase of the Inland Port. West Park is in the process of reevaluating the grant allocation to reflect the current economic market and to maintain a good standing to ultimately secure this grant allocation. The last of the Baseline Agreement requirements will be met to complete the Bond Fund agreement process in the second quarter of 2011. Construction is expected to commence during the last quarter of 2013. [See attachment seven: Project Time Line 2011 forward]

Medical Planning Area: A medical planning area is not part of the reduced area project proposal due in part to the reduced service acreage area and the recent addition of a new Del Puerto Healthcare Facility geographically proximate (within the Keystone Pacific Business Park) in the adjacent community of Patterson.

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Financing: To date over \$5 million dollars has been invested in this project by PCCP West Park. West Park has met all of its financial commitments to the County, including fiscal support for all legal challenge. West Park is prepared to fund the completion of the entitlement approval process. Spinnaker Energy and its partners will provide the capital needed to build the Solar Farm component. As the approval process matures the project will gain underwriting credibility allowing West Park to use its capital sources to fund various elements of the initial Phase One build out.

The following table provides a summary comparison between the 2008 project and the revised 2011 proposal:

<b>Project Elements</b>	<b>Proposed 2008</b>	<b>Revision as Requested 2011</b>
Land Use (acreage/uses)	<b><u>4,800 total acres</u></b> General Industrial = 1,864 acres Industrial Distribution = 810 acres Inland Port = 170 acres Ag Industrial = 255 acres Airport Industrial = 250 acres Business Park = 315 acres Public Facilities = 56 acres Workforce Training = 20 acres Medical Planning Area = 30 acres Airport = 312 acres Sewer Treatment = 50 acres Stormwater Detention = 140 acres Water Treatment = 20 acres Infrastructure/Open Space Creeks/Drainage/Canal = 508 acres	<b><u>2,796 total acres</u></b> Industrial Uses = 850 acres Distribution = 65 acres Business Park = 40 acres Airport = 245 acres Inland Port = 170 acres Airport Industrial = 173 acres Solar Farm = 850 acres Public Facilities = 55 acres Workforce Training = 20 acres Sewer Treatment = 30 acres Stormwater Detention = 50 acres Water Treatment = 10 acres Infrastructure/Open Space Creeks/Drainage/Canal = 238 acres
Phasing	Four phases with emphasis on County owned facility initially with contiguous development in subsequent phases.	Two phases with emphasis on County owned facility and concurrent off site solar farm development with contiguous development in phase two.
Inland Port	170 acres of recycled north/south runway. Two trains per day on existing surface rail.	170 acres of recycled north/south runway. Two trains per day on existing surface rail.
Union Pacific Railroad	No confirmed UPRR commitment at 2008 juncture.	UPRR is committed to proceed toward development of full service rail operations under a Rail Transportation Services Agreement.
Job Creation	37,000 potential jobs at build out.	17,000 potential jobs at build out.
Marketing	Nominal initial marketing.	CB Richard Ellis (CBRE) has been hired to aggressively promote, market and recruit users to West Park.

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Marketing	Nominal initial marketing.	CB Richard Ellis (CBRE) has been hired to aggressively promote, market and recruit users to West Park.
Solar Farm	No Solar Farm included in 2008 Proposal.	850 acres. Spinnaker Energy Group. Potential to produce up to 150 Mega-Watt (MW) of electricity to be sold to utilities.
Renewable Energy	Renewable energy strategy discussed in initial project proposal. Inland Port will be fully electrified.	Renewable energy strategy remains consistent with initial project proposal. Working with Spinnaker and TID, a smart grid program is anticipated to maximize efficiency of delivering electricity to tenants.
CTC Prop 1B Funding	\$22.4 million programmed in April 2008 for phase I Inland Port improvements. Baseline Agreement is not complete – pending operating agreement with UPRR.	CTC status remains the same. Baseline Agreement is not completed. Recently secured Operating Agreement with UPRR will allow CTC Baseline Agreement to be formally completed.
Medical Planning Area	30 acres identified for future industrial medical facilities.	Medical planning area has been omitted from revised plan due to project downsize and recent medical facilities options proximate to project area.
Infrastructure Improvements to Crows Landing Community	Developer to provide water/wastewater infrastructure improvements to Crows Landing community.	Developer remains committed to provide water/wastewater infrastructure improvements to Crows Landing community.
Financing	Pacific Coast Capital Partners (PCCP) and Lehman Brothers Capital Investment.	Pacific Coast Capital Partners (PCCP) and Spinnaker Energy Group for solar project development. Developer anticipates that as the project matures underwriting credibility will increase.

While the project proposal has changed substantially from that which was initially proposed, staff has only recently been made aware of the details of these changes. Therefore the feasibility of the revised project needs to be reviewed and evaluated as part of any final decision of commitment to this project. In order to make any recommendation to the Board regarding ultimate project approvals staff will need to complete a process of due diligence concurrent with the development of environmental analysis and specific planning should the Board approve a 15 month extension.

**Conclusion**

The former military air facility at Crows Landing presents a tremendous opportunity for Stanislaus County and the Central Valley as a whole. Its location near Interstate I-5,



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existing infrastructures (including runway reuses), and regional connection 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.”

**POLICY ISSUE:**

The Board should determine if the status update of the PCCP West Park proposal is consistent with and supports the Board's priority of promoting a strong local economy through business park development and job creation objectives for the communities of Stanislaus County.

**STAFFING:**

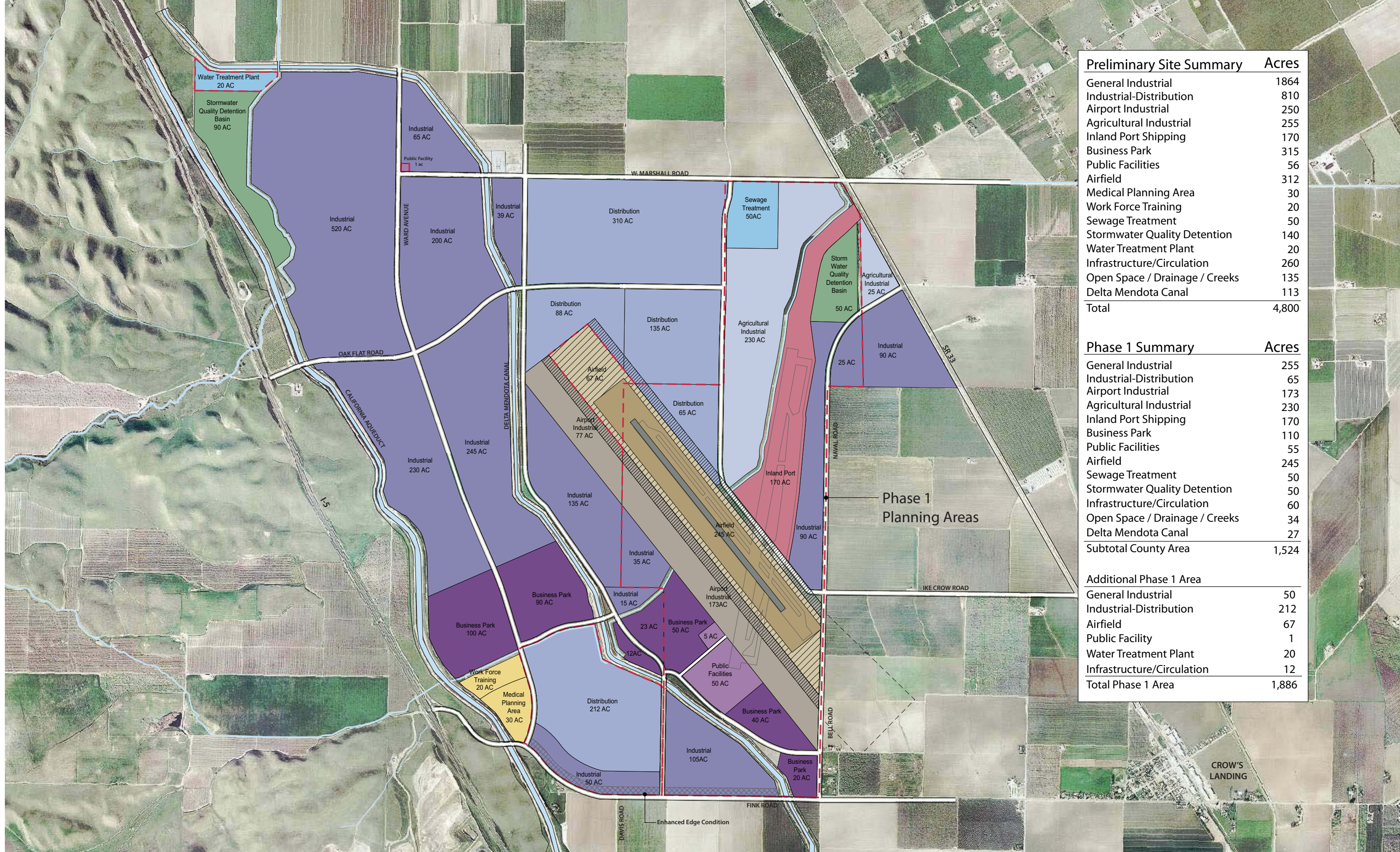
Existing staff facilitated through the Chief Executive Office and including Planning and Community Development, Public Works, Department of Environmental Resources, and County Counsel (County Crows Landing development team) will continue the development process for the Crows Landing location. As the project proceeds there may be a necessity to require the Master Developer to subsidize staffing time identified to this project.

**Attachments:**

1. Original Project Area Map
2. Proposed Project Area Map
3. Port of Oakland – Support Correspondence
4. UPRR Public Project Reimbursement Agreement/Letter of Support
5. PCCP West Park and Spinnaker Energy – Letter of Project Support
6. Letter of Project Support – Turlock Irrigation District (TID) 2010
7. 15 Month Project Time line 2011 Forward

**CONTACT:** Keith D. Boggs (209) 652.1514





Preliminary Site Summary	Acres
General Industrial	1864
Industrial-Distribution	810
Airport Industrial	250
Agricultural Industrial	255
Inland Port Shipping	170
Business Park	315
Public Facilities	56
Airfield	312
Medical Planning Area	30
Work Force Training	20
Sewage Treatment	50
Stormwater Quality Detention	140
Water Treatment Plant	20
Infrastructure/Circulation	260
Open Space / Drainage / Creeks	135
Delta Mendota Canal	113
<b>Total</b>	<b>4,800</b>

Phase 1 Summary	Acres
General Industrial	255
Industrial-Distribution	65
Airport Industrial	173
Agricultural Industrial	230
Inland Port Shipping	170
Business Park	110
Public Facilities	55
Airfield	245
Sewage Treatment	50
Stormwater Quality Detention	50
Infrastructure/Circulation	60
Open Space / Drainage / Creeks	34
Delta Mendota Canal	27
<b>Subtotal County Area</b>	<b>1,524</b>

Additional Phase 1 Area	Acres
General Industrial	50
Industrial-Distribution	212
Airfield	67
Public Facility	1
Water Treatment Plant	20
Infrastructure/Circulation	12
<b>Total Phase 1 Area</b>	<b>1,886</b>

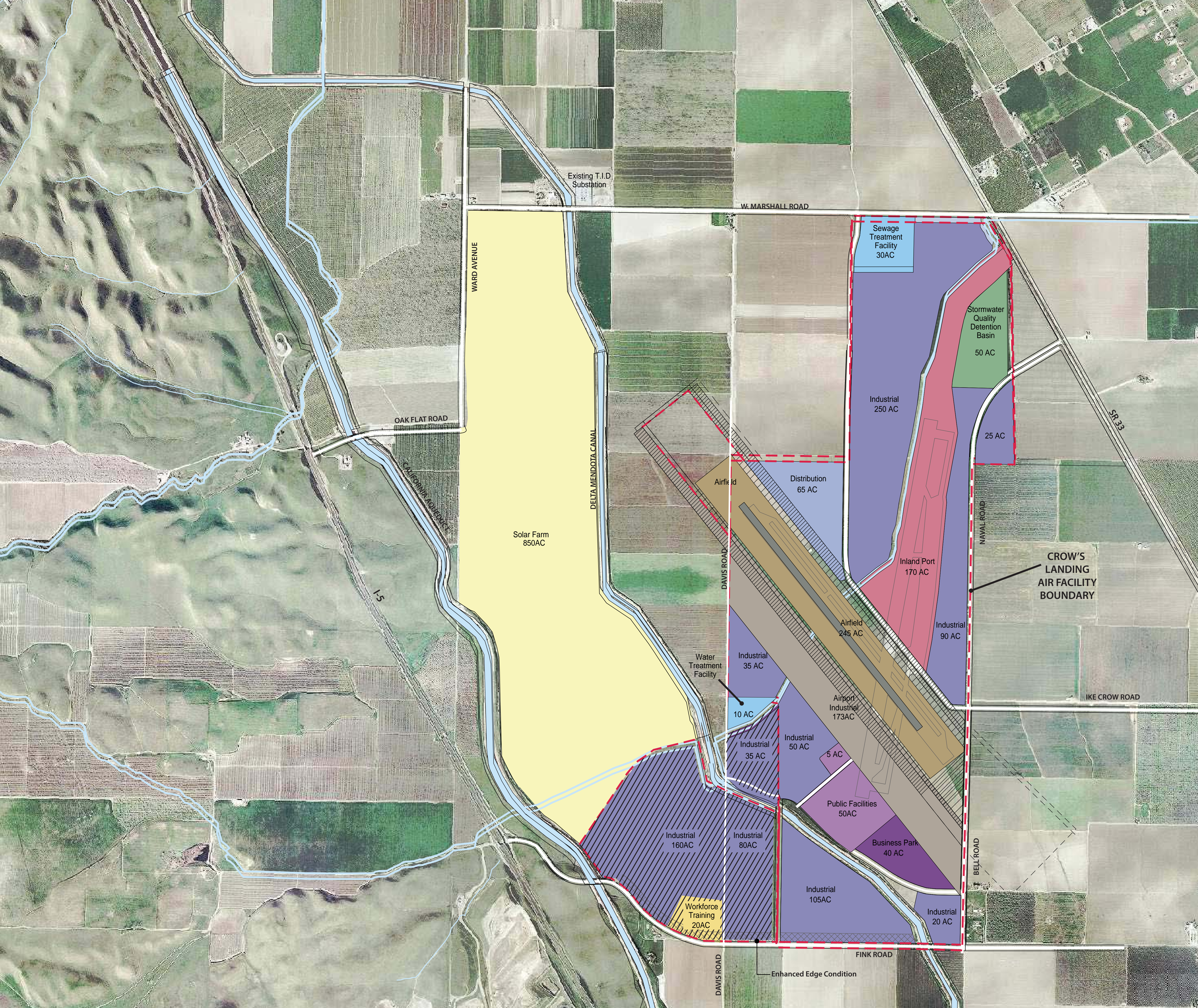
# West Park Conceptual Land Use Plan

## Stanislaus County, CA

**NOTES:**

1. Plan is conceptual with approximate acreages. Final precise acreages to be determined.
2. Fink Road enhanced edge sensitivity to be established and maintained with design guidelines.
3. Land use designations are conceptual and subject to change.
4. Upgraded domestic water and sewer connections to be provided for community of Crow's Landing.



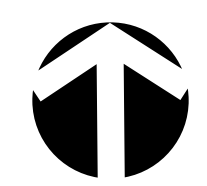
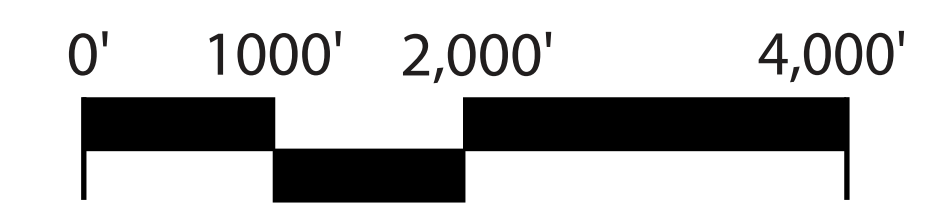


PRELIMINARY OVERALL SITE SUMMARY		ACREAGE
Airport		245
Airport Industrial		173
Business Park		40
Delta Mendota Canal		113
Distribution		65
Industrial		850
Inland Port Shipping		170
Public Facilities		55
Roads/Open Space/Drainage Channels		125
Solar Farm		850
Treatment Facilities (water, sewer, storm)		90
Work Force Training		20
<b>TOTAL</b>		<b>2,796</b>
PHASE 1 SUMMARY		ACREAGE
Airport		245
Airport Industrial		173
Business Park		40
Delta Mendota Canal		98
Distribution		65
Industrial		575
Inland Port Shipping		170
Public Facilities		55
Roads/Open Space/Drainage Channels		100
Solar Farm		850
Treatment Facilities (water, sewer, storm)		90
<b>TOTAL</b>		<b>2,461</b>
PHASE 2 SUMMARY (designated by hatching)		ACREAGE
Delta Mendota Canal		15
Industrial		275
Roads/Open Space/Drainage Channels		25
Work Force Training		20
<b>SubTotal</b>		<b>335</b>
Community of Crows Landing (water, sewer connections)		83
<b>TOTAL</b>		<b>418</b>



**NOTES:**

1. Plan is conceptual with approximate acreages. Final precise acreages to be determined.
2. Fink Road enhanced edge sensitivity to be established and maintained with design guidelines.
3. Land use designations are conceptual and subject to change.
4. Upgraded domestic water and sewer connections to be provided for community of Crow's Landing.







## PORT OF OAKLAND

OMAR R. BENJAMIN  
Executive Director

March 2, 2011

Mr. Rick Robinson, Chief Executive Officer  
County of Stanislaus  
1010 10<sup>th</sup> 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.

Sincerely,



Omar R. Benjamin  
Executive Director

## PUBLIC PROJECT REIMBURSEMENT AGREEMENT

**THIS AGREEMENT FOR INITIAL FEASIBILITY STUDY SERVICES** ("Agreement") is made effective November 12, 2010 (the "Effective Date") by and between - PCCP West Park, LLC, a Delaware Limited Liability Company ("Client") and Union Pacific Railroad Company, a Delaware corporation ("UPRR").

**WHEREAS**, Client has expressed an interest in proceeding with an initial feasibility study for establishing short haul intermodal rail service (one train pair per day) between Oakland and a proposed intermodal terminal in Stanislaus County at Crow's Landing; and

**WHEREAS**, Client desires to engage UPRR to provide certain services to permit Client to conduct a preliminary evaluation of the feasibility of the Project;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

**1. Scope of Services.** Client has engaged UPRR to perform services in connection with the Project, which may include provision of preliminary engineering services, developing cost estimates, rates, service requirements/parameters, and reviewing preliminary layouts, any or all of the services set forth on Exhibit A, or such other related services as are agreed upon by the parties (the "Services"). The Services may be performed directly by UPRR or by a UPRR contractor.

**2. Fees and Payments.** Client shall reimburse UPRR for all Costs (as defined below), in an amount not to exceed [\$75,000] (Seventy-Five Thousand Dollars) (the "Maximum Cost") related to UPRR's performance of the Services. On the date of execution of this Agreement, UPRR may require that Client provide a refundable deposit to UPRR (the "Deposit"). If a Deposit is required, the amount of the Deposit will be set forth on Exhibit A hereto. To the extent that Services are performed by UPRR, the Deposit will be applied against the total Cost of such Services plus Taxes (as defined below). Notwithstanding the foregoing, if the total Cost of the Services plus Taxes is less than the Deposit amount, the parties agree that UPRR shall refund the difference to Client. If UPRR is required to pay or collect any federal, state, local, sales and use, value-added, goods and services, or any other similar taxes and/or duties imposed on the Services provided as a result of this Agreement including, but not limited to, taxes and/or duties imposed on the Services or on tangible/intangible property consumed in, or acquired for, the provisioning of the Services, then such taxes and/or duties shall be invoiced to and paid by Client pursuant to the terms herein; provided, however, that Client shall not be required to pay any taxes based on UPRR's net income. For purposes of this agreement, "Taxes" shall mean all amounts reimbursable pursuant to the preceding sentence. In addition, Taxes are separate and apart from Cost and are an addition to the Maximum Cost. Except in relation to Taxes, the Maximum Cost may only be increased with Client's written consent.

Any amount not paid within thirty (30) days following delivery of an invoice by UPRR shall accrue interest at a rate of one percent (1%) per month or the maximum lawful rate,

whichever is less. For purposes of this Agreement, "Cost" shall mean all costs and expenses paid to a UPRR Contractor for the performance of any of the Services, and all costs and expenses of labor, travel, lodging, meals, supplies and material incurred for or in connection with UPRR's provision of the Services, including, without limitation, delivery charges, and UPRR's additives (includes direct and indirect labor additives and overhead) as set forth in Exhibit A. Notwithstanding the foregoing, additives are subject to periodic adjustments by UPRR in its sole discretion.

**3. Further Engagement.** If Client elects to move forward with the Project after the Services are performed, the parties, may, but are not required to, negotiate a separate agreement for the design and/or construction of the Project and other activities.

**4. Ownership.** Any and all work product, ideas, inventions, innovations, or intellectual property produced by UPRR for Client during the provision of Services, including, but not limited to the specific items identified as deliverables on Exhibit A ("UPRR Proprietary Information") shall at all times remain solely with, and be the exclusive property of, UPRR. Subject to the terms and conditions of this Agreement, UPRR hereby grants to Client a non-exclusive, non-transferable, limited license and right to use any UPRR Proprietary Information solely in connection with the Project. With respect to use of any UPRR Proprietary Information by a Client that is deemed a government entity, including a State or federal entity, all UPRR Proprietary Information shall be deemed confidential and propriety to the extent allowed by applicable law and any use, reproduction, release or disclosure of the UPRR Proprietary Information shall be governed solely by the terms of this Agreement and shall be prohibited except to the extent expressly permitted by the terms of this Agreement.

**5. Confidential and Proprietary Information ("CP&I").** Client agrees to treat as confidential all information, in whatever form or medium, furnished or disclosed by UPRR, or any of its agents, to Client. C&PI excludes information already known or developed by Client other than through a breach by Client of any of its obligations hereunder or from a third party known by Client, to be breaching a confidentiality duty to UPRR. With respect to use of any CP&I by a Client that is deemed a government entity, including a State or federal entity, all UPRR Proprietary Information shall be deemed confidential and propriety to the extent allowed by applicable law and any use, reproduction, release or disclosure of any CP&I shall be governed solely by the terms of this Agreement and shall be prohibited except to the extent expressly permitted by the terms of this Agreement. In the event Client is required by law, regulation or legal process to disclose any of CP&I, Client agrees to (i) give UPRR advance notice prior to disclosure so UPRR may contest the disclosure or seek a protective order, and (ii) limit the disclosure to minimum amount that is legally required to be disclosed. Further, the deliverables noted on Exhibit A may be disclosed to other governmental entities that have a need-to-know in connection with the development of the Project.

**6. Warranty.** THE SERVICES, INCLUDING WITHOUT LIMITATION THE INFORMATION PROVIDED TO CLIENT BY UPRR HEREUNDER ARE PROVIDED "AS IS". UPRR MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. UPRR DOES NOT WARRANT THE ACCURACY OR

COMPLETENESS OF ANY INFORMATION PROVIDED TO CLIENT BY UPRR HEREUNDER.

**7. Limitation of Liability.** UPRR'S AGGREGATE LIABILITY UNDER THIS AGREEMENT, WHETHER FOR BREACH OR IN TORT OR OTHERWISE, IS LIMITED TO THE FEES PAID BY CLIENT FOR THE SPECIFIC SERVICE(S) DIRECTLY GIVING RISE TO SUCH LIABILITY. IN NO EVENT SHALL UPRR BE LIABLE UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR LOST PROFITS, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR THE LIKE, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER CLIENT HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE LIMITATIONS OF LIABILITY REFLECT THE ALLOCATION OF RISK BETWEEN THE PARTIES. THE LIMITATIONS SPECIFIED IN THIS SECTION WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

**8. Term.** The term of this Agreement shall commence on the Effective Date and shall expire upon UPRR's completion of Services ("Term"), unless earlier terminated by the parties. This Agreement may be terminated immediately by UPRR at any time if Client breaches any provision herein.

**9. Governing Law.** The parties mutually acknowledge and agree that this Agreement shall be construed and enforced in accordance with the laws of the State of Nebraska, without regard to any conflict-of-law provisions. The parties agree that in any dispute exclusive jurisdiction and venue shall be in the state and federal courts of Nebraska. The parties mutually acknowledge and agree that they shall not raise in connection therewith, and hereby waive, any defenses based upon venue, inconvenience of forum or lack of personal jurisdiction in any action or suit brought in accordance with the foregoing.

**10. Injunctive Relief.** Client acknowledges and agrees that if it breaches any obligations hereunder, UPRR may suffer immediate and irreparable harm, for which monetary damages alone shall not be a sufficient remedy, and that, in addition to all other remedies that UPRR may have, UPRR shall be entitled to seek injunctive relief, specific performance or any other form of relief in a court of competent jurisdiction, including, but not limited to, equitable relief, to remedy a breach or threatened breach hereof by Client and to enforce this Agreement, and Client hereby waives any and all defenses and objections it may have on grounds of jurisdiction and venue, including, but not limited to, lack of personal jurisdiction and improper venue, and waives any requirement for the securing or posting of any bond in connection with such remedy.

**11. Appropriations.** Client represents to UPRR that Client appropriated funds sufficient to pay UPRR the Maximum Amount plus Taxes, and will have appropriated funds to pay UPRR for any increase to the Maximum Amount plus Taxes subsequently approved by Client.

**12. General.** Client may not assign this Agreement or any of its respective rights or obligations hereunder, without the prior written consent of UPRR. This is the entire agreement between the parties regarding the Services. Headings are for ease of reference only, and are not part of the Agreement.

*(Signature Block on Following Page)*

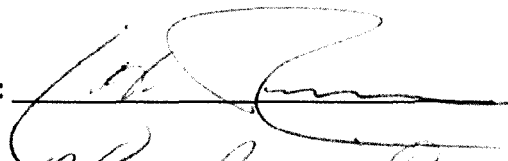



IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

**UNION PACIFIC RAILROAD COMPANY**

**PCCP WEST PARK, LLC**

**By: WEST PARK HOLDINGS, LLC**

By:   
Title: *Andrew Bennett, Chairman*

By:   
Gerry N. Kamilos  
Title: Managing Member

**EXHIBIT A**

**SCOPE OF SERVICES/REIMBURSABLE COSTS/DEPOSIT**

**A. Services.** Client shall reimburse UPRR for the Costs associated with the following Services relating to UPRR's evaluation of the Project:

- Conference call participation
- On-site visits (hy-rails)
- Attendance at public meetings
- Attendance at project meetings
- Rail Traffic Controller (RTC) model development
- RTC model fixed use charge
- RTC model application (running the model)
- RTC report preparation
- Preliminary engineering
- Real estate investigation and analysis
- Development of infrastructure requirements and costs
- Relocation option and alternative alignment analysis

**B. Deliverables.**

- An initial capacity analysis identifying recommended infrastructure requirements to enable proposed passenger train operation on UPRR-owned corridor, consistent with UPRR's passenger principles.
- Preliminary cost estimates

Note: Infrastructure requirements and preliminary cost estimates are intended for high level feasibility study and are subject to further analysis and review as the process continues.

**C. Deposit Amount:** \$35,000 ("Thirty-Five Thousand Dollars")

**D. UPRR's Additives** 66.1%

UNION PACIFIC RAILROAD  
10031 Foothills Blvd.  
Roseville, California 95747

Jerry S. Wilmoth General Manager Network Infrastructure

P 916 789 6360

February 24, 2011

Mr. Rick Robinson  
Chief Executive Officer  
County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 600  
Modesto, CA

Re: Proposed West Park Project

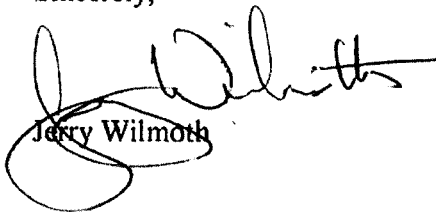
Mr. Robinson,

The purpose of this letter is to provide you an update of Union Pacific Railroad's discussions regarding the proposed West Park Project efforts to implement the rail intermodal facility at the former Crows Landing Naval Facility.

UP and the West Park team have had discussions where UP has outlined the appropriate operational and capital improvements necessary to implement the Inland Port you are pursuing. These necessary improvements for this service to be successful have been approved by proper authority from our Headquarters in Omaha. We look forward to continue our work with the West Park team to further define the cost and scope of such needed improvements.

At our last meeting with Stanislaus County and West Park representatives in December 2010, we acknowledged our willingness to work collectively to assist where we can to achieve your County's goal. Please do not hesitate to call me if you have any questions or comments.

Sincerely,

  
Jerry Wilmoth



March 3, 2011

Mr. Rick Robinson, CEO  
County of Stanislaus  
1010 10<sup>th</sup> Street  
Modesto, CA

RE: West Park Solar

Mr. Robinson,

This confirms Spinnaker Energy's commitment to work with PCCP West Park, LLC to implement the Energy Plan outlined below as both a technical and financial partner. Spinnaker is currently developing 600+ megawatts (MW) of wind projects in South Texas and has acquired the assets of Martifer Renewables Solar Thermal, a Martifer Group company that had been developing a 107 MW solar/biomass project in Central California.

We envision West Park as a combined energy and industrial development program with important environmental and employment attributes and goals. We believe that the West Park development is the most forward-looking land/energy development in the U.S. today.

The West Park Solar ("WPS") energy program includes:

- a ground-mounted utility scale solar photovoltaic (PV) power generation plant with 100+ MW generation capacity, which can be built as a single unit or phased into smaller project segments;
- roof-mounted and building smart-grid integrated PV installations on millions of square feet of planned commercial/industrial buildings;
- in cooperation with Turlock Irrigation District (TID), a district energy plan to provide thermal energy to the industrial park;
- investigation of a district energy system for implementation within the project; and
- cooperation with TID to integrate generation assets of this project together with renewable and gas fired peaking generation capacity of TID to shape the delivery of energy to the requirements of TID and CAISO.

The first phase of the ground-mounted solar is planned to be operational as soon as 2012. The other energy generation facilities will match the build-out of the industrial park. The utility scale solar facility can function as a stand-alone project within the overall industrial park development and is to be located on private land adjacent to the Crows Landing Naval Air Facility property.

Spinnaker principals have met with County leaders and senior management at TID, and have pursued discussions with selection of solar panel vendors, balance of plant contractors and electricity off-takers in order to advance the WPS development. We are optimistic over the next few months Spinnaker/PCCP will take concrete steps toward realizing the first phase of West Park Solar.

Our company is looking forward to help Stanislaus County achieves its goal in creating jobs through the development of innovative and feasible projects like West Park. Please do not hesitate to contact me, if you have any further questions or comments.

Sincerely,

## WEST PARK SPECIFIC PLAN ~ Preliminary Entitlement Schedule

Work Task	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Land Planning & Specific Plan Document:												
~ Draft	▶		▶	▶	▶	FS						
~ Final							▶	FS				
Crows Landing Air Facility ~ Cemetery Investigation	✓											
Crows Landing Air Facility ~ Draft Land Use Plan	✓											
Patterson Lawsuit	✓											
CEQA/EIR:												
~ Draft	▶	▶	▶	▶	▶	FS						
~ Final							▶	FS				
Inland Port (Incl. CTC Grant & UPRR Coordination)	▶	▶	▶	▶	▶	▶	▶	▶	▶	▶	FS	▶
Infrastructure ~ Preliminary Design					▶	FS						
Environmental Permitting						▶	▶	▶	▶	FS		
Public Facilities Financing Plan				▶	▶	▶	▶	FS				
Inland Port CD's & Bidding Process ~ Phase 1							▶	▶	▶	FS		
Infrastructure CD's & Bidding Process ~ Phase 1							▶	▶	▶	FS		
Inland Port Construction Start ~ Phase 1											▶	▶
Infrastructure Construction Start ~ Phase 1											▶	▶

Symbol Key:

Previously Completed = ✓

In Process = ▶

Final Submittal = FS

March 4, 2011

Richard W. Robinson  
Chief Executive Officer  
1010 10<sup>th</sup> Street  
Suite 6800  
Modesto, California 95354

Re: West Park Solar

Dear Mr. Robinson,

This purpose of this letter is to confirm Turlock Irrigation District (TID) discussions with Spinnaker Energy on its pursuit to implement the ground-mounted utility scale solar photovoltaic (PV) power generation plant with 100+ MW generation capacity, which may be built as a single unit or phased into smaller project segments. This project would be located near TID's Marshall Substation and is consistent with TID support of developing industrial use at the former Crows Landing Naval Air Facility. Detailed engineering studies will need to be conducted to determine any system enhancements that might be required to meet the needs of the development.

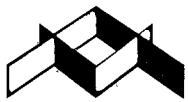
We look forward to seeing the West Park project move forward as it will create a customer base for TID that is consistent with our expectations for the area. Our discussions and meetings with the Spinnaker and West Park teams have gone well and they appear to have the expertise and realistic perspective to implement the West Park solar project being considered. TID plans to continue to work with Spinnaker in its development effort.

Please feel free to contact me if you have any further questions or comments.

Sincerely,



Casey Hashimoto  
Interim General Manager



ALLIANCE

10TH STREET PLACE

P.O. Box 3091

MODESTO, CA 95353

P 209.567.4985

F 209.567.4944

STANALLIANCE.COM

March 3, 2011

Chairman Richard Monteith  
Stanislaus County Board of Supervisors  
1010 10<sup>th</sup> Street  
Modesto, CA 95354

Dear Chairman Monteith,

Over the past three years the economy of Stanislaus County has been under siege, challenged by extremely high unemployment, home mortgage defaults, personal bankruptcies, lower sales tax and real estate tax revenue and unprecedented business closures. And while there seems to be some positive signs that bode well for the rest of the country, the state of California and especially the people of Central Valley, including Stanislaus County, continue to harbor doubts that the recession is over and face many months or years of fighting to regain past prosperity.

As we struggle to deal with over 40,000 unemployed people in the County, it remains very clear that job creation is the key to reversing the economic situation we face. It is precisely for that reason that the Stanislaus Economic Development and Workforce Alliance supports and endorses the West Park plan-a plan that promises thousands of new living wage jobs and business opportunities for existing and newly located companies. While the scope of the project seems to bother some, reversing the 17+% unemployment rate requires improved and dedicated business and industrial park sites to attract the types of companies that will provide the jobs we desperately need. I can't conceive of anyone being opposed to the restoration of gainful employment for thousands of our citizens.

In my thirty years of involvement in economic development, I have never seen an opportunity such as West Park being presented to a community that will allow directly addressing the vexing unemployment problem at the scale we have seen. The project truly has global significance and will put Stanislaus County on the economic development map for the right reason. Given the types of jobs that can be created by the companies seeking the environment that West Park can provide, this is truly a once in a lifetime opportunity.

Please help restore economic opportunity and secure the future of this county by giving your support and approval for the West Park project.

Thank you for your consideration.

Sincerely,

William Bassitt CEO

B-4



# STANISLAUS COUNTY FARM BUREAU

JANINE GOUBERT  
PRESIDENT

WAYNE ZIPSER  
EXECUTIVE MANAGER

1201 L Street  
Modesto, CA 95354  
Phone: (209) 522-7278  
Fax: (209) 521-9938

Info@stanfarmbureau.org

SERVING  
AGRICULTURE  
SINCE  
**1914**

March 7, 2011

BOARD OF SUPERVISORS

2011 MAR - 7 P 3: 08 ✓

The Honorable Vito Chiesa  
Board of Supervisors  
1010 Tenth St., Suite 6500  
Modesto, CA 95354

RE: Position on West Park Project

Dear Supervisor Chiesa,

Prior to your election to the Board of Supervisors, the Stanislaus County Farm Bureau Board of Directors created a Statement of Position regarding the West Park Project in 2008.

While the project that is before you tomorrow is different from the proposal addressed by our Board of Directors in 2008, the concept of expansion onto productive agricultural grounds remains the same.

We will be providing our Board of Directors with the new proposal and will most certainly notify the Board of Supervisors of any decision that they may reach.

We felt it was prudent to provide you with background information that other Supervisors were given in 2008.

Thank you for your time and attention.

Sincerely,

Wayne Zipser  
Executive Manager





# STANISLAUS COUNTY FARM BUREAU

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*SERVING  
AGRICULTURE  
SINCE  
1914*

## Statement of Position

### West Park Project, Crows Landing, CA

The former Crows Landing Naval Air Station in Crows Landing, CA, encompasses 1,524 acres including nearly 1,112 acres of farmland and 412 acres of airport facilities and runway. This facility is currently owned by Stanislaus County.

In early 2007, the Stanislaus County Board of Supervisors entertained offers to develop this site. The Board of Supervisors was presented with two development options. One option was to remain on the 1,524-acre footprint of the former Naval Air Station. The second option included the former Naval Air Station and an additional 3,276 nearby acres for a total project size of 4,800 acres. In April 2007, the County would enter into a one-year exploratory agreement with a single developer.

The Stanislaus County Farm Bureau is the leading voice of agriculture in Stanislaus County. On February 6, 2007, the Stanislaus County Farm Bureau Board of Directors voted to oppose the conversion of agricultural land on the former Crows Landing Naval Air Station 1,524-acre footprint to uses other than those that promoted or supported agriculture.

On April 22, 2008, the Board of Supervisors approved the 4,800 acre development option known as the West Park Conceptual Land Use Plan by a 4-1 vote, with Supervisor Jim DeMartini dissenting. The West Park Project is a proposed industrial and commercial development including an inland port distribution facility utilizing air, ground and rail. It also includes multiple acres of industrial and commercial buildings. The master plan includes no residential development. Stanislaus County currently has a large inventory of acreage zoned for industrial and commercial uses that have not been developed.

The Stanislaus County Farm Bureau Board of Directors remains adamantly opposed to the development of the 1,112 acres of farmland within the former Crows Landing Naval Air Station footprint and to the annexation of any additional farmland outside of that footprint included in the West Park Conceptual Land Use Plan. Development of this farmland will be regarded as detrimental to our county's air, land and water resources and be considered a serious threat to the viability of agriculture in Stanislaus County.

November 4, 2008



STANISLAUS  
COUNTY  
FARM  
BUREAU

JANINE GOUBERT  
PRESIDENT

WAYNE ZIPSER  
EXECUTIVE MANAGER

1201 L Street  
Modesto, CA 95354  
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[Info@stanfarmbureau.org](mailto:Info@stanfarmbureau.org)

SERVING  
AGRICULTURE  
SINCE  
1914

BOARD OF SUPERVISORS ✓

March 7, 2011

2011 MAR -7 P 3:08

The Honorable Terry Withrow  
Board of Supervisors  
1010 Tenth St., Suite 6500  
Modesto, CA 95354

RE: Position on West Park Project

Dear Supervisor Withrow,

Prior to your election to the Board of Supervisors, the Stanislaus County Farm Bureau Board of Directors created a Statement of Position regarding the West Park Project in 2008.

While the project that is before you tomorrow is different from the proposal addressed by our Board of Directors in 2008, the concept of expansion onto productive agricultural grounds remains the same.

We will be providing our Board of Directors with the new proposal and will most certainly notify the Board of Supervisors of any decision that they may reach.

We felt it was prudent to provide you with background information that other Supervisors were given in 2008.

Thank you for your time and attention.

Sincerely,

Wayne Zipser  
Executive Manager



# STANISLAUS COUNTY FARM BUREAU

JANINE GOUBERT  
PRESIDENT

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*AGRICULTURE*  
*SINCE*  
**1914**

## Statement of Position

### **West Park Project, Crows Landing, CA**

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November 4, 2008

B-4



SUPPORT A STRONG LOCAL ECONOMY  
PROMOTE THE COMMUNITY  
PROVIDE NETWORKING OPPORTUNITIES  
REPRESENT THE INTERESTS OF BUSINESS WITH GOVERNMENT  
ENGAGE IN POLITICAL ACTION

March 7, 2011

Richard W. Robinson  
Chief Executive Officer  
1010 10th Street  
Suite 6800  
Modesto, California 95354

2011 MAR -8 A 8:03  
BOARD OF SUPERVISORS

Re: West Park Project

Dear Mr. Robinson,

The purpose of this letter is to express The Turlock Chamber of Commerce Board of Directors support in seeing the West Park "Inland Port" Project move forward. The board understands the value of the West Park project, and the possibilities of 17,000 jobs here in our county which would be an economic boost to our communities.

Mr. Kamilos met with our organization and spoke to some of our business leaders two years ago, those in attendance were impressed with the project then and are pleased that he is continuing his efforts to make this project happen. Mr. Kamilos has done this during difficult economic times which shows his commitment to this project.

The Turlock Chamber of Commerce is asking the County Supervisors to grant the extension to enable Mr. Kamilos the time needed to draft the development agreement and prepare for EIR adoption to be brought back for final approval. Turlock, and all of Stanislaus county, will benefit by the jobs that can be created at West Park. Let's give it a chance to work.

Thank you for your consideration to this project and for recognizing the benefit to our county that the West Park "Inland Port" project will bring to Stanislaus County.

Sincerely,

A handwritten signature in cursive script that reads "Sharon Silva".

Sharon Silva  
President/CEO





# **WEST PARK at CROWS LANDING**

## **Logistics Center Project Update**

Project Update  
to the Stanislaus County Board of Supervisors  
**March 8, 2011**

# Recommendations

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- **Accept an Update and pre-development status report for the Crows Landing/West Park development Project;**
- **Consider a Revised Project Description proposed by PCCP West Park and select options for proceeding with the development of the Crows Landing Air Facility – including either:**
  - a) **Authorize an additional 15 months for the Master Developer to complete the preparation of an Environmental Impact Analysis, Specific Plan and Draft Disposition and Development Agreement based upon the revised project description requiring a project update and full status report by end of second quarter 2012,**
  - OR;**
  - b) **Decline to proceed with the revised project description and direct staff to formulate alternatives for proceeding with development of the Crows Landing Air Facility.**

# Major Milestones

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- **October 2004:** Property Acquired from Federal Government;
- **March 2006:** ESA Airports begin Reuse Strategy Analysis and Airport Layout Planning process;
- **September 2006:** Board approves reuse strategy #3, Suspends ESA contract; Staff directed to proceed with issuance of an RFP for Master Developer;
- **November 2006:** RFP closes with 2 qualified proposals;
- **February 2007:** Board decides to proceed with 12 month exclusive negotiation with West Park and Ad Hoc Review Committee formed;
- **April 2008:** Board elects to proceed with West Park development.





## A Changed Landscape

---


- **May 2008:** Law suit filed;
  - **2 Year/24+ month project delay**
- **September 2008:** Lehman Financial files for bankruptcy protection;
- **January 2009 to present:** Severe Economic Downturn/recession;
- **May 2010 – to present:** Project modification based upon community input and changing economic landscape;



# Project Comparative: 2008 - 2011



	2008	2011
<b>Land Use/Foot print</b>	4,800 acres	2,796 (41% reduction)
<b>Jobs at build out</b>	30,000+ jobs	17,000 jobs
<b>Phasing</b>	4 phases	2 phases
<b>County property focus</b>	base footprint first	base footprint first
<b>Inland Port</b>	170 acres up to 6 trains daily	170 acres 2 train max daily
<b>UPRR Relationship</b>	initial dialogue	solidified working relationship
<b>Infrastructure for Crows Landing</b>	project requirement	project requirement



*“Create a regional job center that provides good paying job opportunities for Stanislaus County residents and for the region...”*

---

**Stanislaus County Board of Supervisors  
Vision Statement  
August, 2005**



# WEST PARK LOGISTICS CENTER

## MASTER DEVELOPMENT 2011 Proposal Update

March 8, 2011



## Last 10 Months Work

---



- 1. Lawsuit Appeal Period Ends**
- 2. Re-Initiate & Establish UPRR Relation**
- 3. Secured support of Port of Oakland**
- 4. Re-Plan for community & economics**
- 5. Bring in Spinnaker Energy Group**
- 6. Establish schedule for Draft EIR**

# 1. Progress to Date

---

- **County Tasks**

- **Union Pacific Railroad**

- **Port of Oakland**



# County Tasks Completed

---



- **Preliminary Land Use Planning**
- **Preliminary Utility Feasibility Studies**
- **Preliminary Finance Feasibility Studies**
- **Transportation Analysis (Air, Road, Rail)**
- **Paid all Costs to County**
- **Implemented \$5,000,000 of work-to-date**
- **Completed pioneer cemetery investigation**
- **Defended Project in Lawsuit**

# Union Pacific Railroad

---

- **Support the West Park Project**
- **Working with the West Park Team to advance the project**



*“UP and the West Park team have had discussions where UP has outlined the appropriate operational and capital improvements necessary to implement the Inland Port you are pursuing. These necessary improvements for this service to be successful have been approved by proper authority from our Headquarters in Omaha.*”

*We look forward to continue our work with the West Park team to further define the cost and scope of such needed improvements.”*

*Jerry Wilmoth, General Manager Network Management - UPRR  
Letter dated February 24, 2011*



# Port of Oakland

---

- **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 would like to reiterate its support for the improvements and expansion of the rail network in Northern California. Port staff understands that West Park is working 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.”**

*Omar R. Benjamin, Executive Director - Port of Oakland  
Letter dated March 2, 2011*



## 2. Ongoing Activities

---



- **Present economic conditions require that we reposition the project prior to proceeding to Entitlements (EIR and Specific Plan)**
- **Efforts focusing on:**
  - **Marketing**
  - **Integrate alternative revenue sources**
  - **Reposition land uses**
  - **Complete Airport operations plan**



# Marketing

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- **Retained CB Richard Ellis (CBRE) to promote, Market and recruit users to West Park**
- **CBRE responsible for securing the new WW Granger West Coast Distribution Center in Patterson's Keystone Business Park**
- **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” Kamilos says.”**

***Comstock's Magazine***  
***February 2011***

# BAY AREA

## QUICK STATS

Vacancy – 10.4%

Direct Lease Rate - \$.40 NNN

Net Absorption – 311,488 SF

## USERS IN THE MARKET

- Sports Equipment/Apparel – 300K SF
- 3PL – 200K SF
- Living Spaces – 150-250K SF
- Emerald Packaging – 200-250K SF
- ERS Recycling – 200K SF
- NAL – 250K SF



## DONE DEALS SINCE 2009

- E & E Company 610,000 sf Livermore – Textiles
- Solyndra-506,000 sf Fremont- Solar Panels
- AGA Homelegance 365,000 sf Fremont – Furniture
- Macy's 257,000 sf Union City- Furniture
- Simmons Beauty Rest 236,000 sf San Leandro- Mattresses
- Exel Direct 192,000 sf Oakland-Logistics
- Menlo Logistics 191,000 sf Livermore-Logistics
- Southern Wine and Spirits 191,000 sf Union City- Beverage Distribution
- SitCom 154,000 sf San Leandro- Furniture
- The Annex 143,000 sf San Leandro- Coffee Distribution
- Finelite 140,000 sf Union City-Lighting
- US Trading 132,000 sf Hayward-Food Distribution
- Service West 132,000 sf San Leandro- Logistics
- Puget Sound 130,000 sf Alameda- Beverage distribution

- Containers Unlimited 129,000 sf-Containers
- Shaw Carpet 127,000 sf Union City- Carpet
- Sunny Lee 122,000 sf Hayward – Food
- Custom Freight 121,000 sf San Leandro – Logistics
- Fidelity National Title-120,000 sf Hayward-File Storage
- PODS-118,000 sf Hayward-Moving
- Sigmatron 116,000 sf Union City-tech
- Nuts and Spice 116,000 sf Union City- Food
- Friant 115,000 sf Hayward-Furniture
- Hawaiian Express 108,000 sf Hayward-Logistics
- Horizon Beverage- 150,000 sf Oakland- Beverage Distribution
- Prism Logistics 106,000 sf –Logistics
- Companion Group-105,000 sf Hayward-Charcoal
- Door to Door Storage 105,000 sf Hayward-Moving
- Coast Aluminum 101,000 sf Hayward-Aluminum
- Aaron's Metals 100,000 sf Hayward-Metals

# CENTRAL VALLEY

## DONE DEALS SINCE 2009

- Crate & Barrel – 800K-1MM SF
- Grainger – 820K SF
- Tesco – 800K SF
- General Mills – 735K SF
- Best Buy – 374K SF
- Affinia – 394K SF

## QUICK STATS

Vacancy – 13.4%

Avg. Asking Lease  
Rate - \$.30 NNN

Net Absorption –  
595,670 SF

Under Construction  
– 820,000 SF

## USERS IN THE MARKET

- Kraft – 800K SF
- Trader Joe's – 700K SF
- Dollar General – 500K SF
- SWS – 500K SF
- 3PL – 200K SF

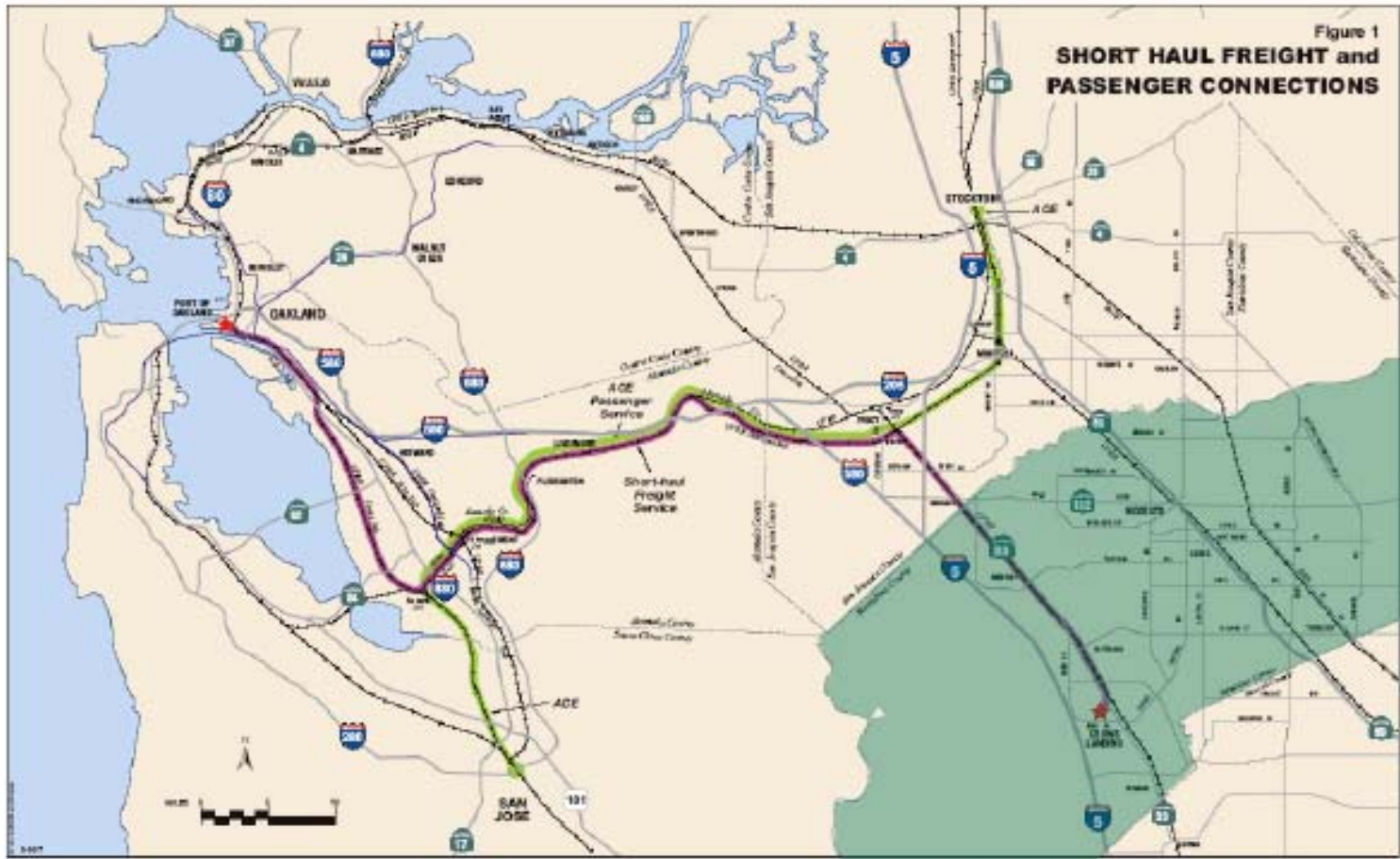


# WEST PARK STRATEGIC LOCATION



# WEST PARK

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





# WEST PARK

Strategically Located to Serve the 11 Western States





# STRATEGIC LOCATION WEST PARK

- CVS – 800K SF
- Kohl's – 400K SF
- Affinia – 400K SF
- WR Grainger – 820K SF

- Port of Oakland
- Rail Capability
- Path of Growth
- Mitigation to LA Ports
- Pro Jobs Government
- Strong Labor Supply

# Renewable Energy Plan

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- **To create revenue stream to support infrastructure including solar farm in West Park**
- **West Park teaming with Spinnaker Energy Group to develop a 150 Mega-Watt (MW) project**

**“This confirms Spinnaker Energy’s commitment to work with PCCP West Park, LLC ..... We envision West Park as a combined energy and industrial development program with important environmental and employment opportunities and goals. We believe that the West Park development is the most forward-looking land/energy development in the US today ..... Our company is looking forward to help Stanislaus County achieve its goal in creating jobs through the development of innovative and feasible projects like West Park.”**

***Wayne Goss, CEO - Spinnaker Energy  
Letter dated March 3, 2011***





# West Park Solar

- Spinnaker/PCCP are currently selecting a solar module and engineering companies that shares our vision and commitment to implement the West Park Solar as strategic partners.
- The West Park Solar (“WPS”) energy program is expected to cost more than \$300mm and will include:
  - Spinnaker envision West Park as an integrated energy and industrial development with important environmental and employment attributes and goals that make it one of the most forward-looking land/energy development in the U.S. today.
    - ~100MW of ground-mounted photovoltaic (PV) generation capacity on privately owned land that will likely be built in phases for delivery to off-takers planned to be operational in 2012.
    - roof-mounted and integrated PV installations for planned commercial/industrial buildings for West Park use, planned to match the build out of the industrial park
    - District Energy to provide thermal and/or cogeneration capacity for West Park in cooperation with Turlock Irrigation District (TID), a district energy plan to provide thermal energy
    - Cooperation with TID to explore ways using existing and new generation assets to smooth and shape delivery of energy to the requirements of TID and the California ISO
    - Many of the jobs created to build and operate the West Park projects are expected to be locally filled



# SPINNAKER ENERGY GROUP

In addition to its focus on West Park, some of Spinnaker's current projects include:

- Spinnaker has leased about 50,000 acres of land in South Texas on which it is developing a more than 600MW of wind energy. Spinnaker is partnering on this project with a major Independent Power Produce that separately owns more than 40 power plants including 29 renewable energy facilities in operation in the US.
- Spinnaker recently acquired the 107 MW San Joaquin Solar Thermal/Biomass facility in Central California. Spinnaker had been the technical developer of the project for the prior owner and in that capacity re-engineer the project, re-negotiate the Power Purchase Agreement with PG&E and manage CEC and other permitting matters for the project.
- Spinnaker is working with an in country strategic partner to develop a number of wind and solar generation projects in Mexico that will serve industrial and commercial offtakers. Additionally, Spinnaker is the energy partner for a planned very large desalination plant that will provide fresh water to a major North West Mexico City.
- Spinnaker is developing a 20-30MW wind generation facility in Colorado in conjunction with a major turbine supplier with the expectation that the power involved will be used by one or more Colorado universities and municipal offtakers.

# Turlock Irrigation District

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- **Spinnaker has been working with TID staff for the past 8 months on this project**

**“The purpose of this letter is to confirm Turlock Irrigation District (TID) discussions with Spinnaker Energy ..... Our discussions and meetings with the Spinnaker and West Park teams have gone well and they appear to have the expertise and realistic perspective to implement the West Park solar project being considered. TID plans to continue to work with Spinnaker in its development effort.”**

***Casey Hashimoto, Interim General Manager - TID  
Letter dated March 4, 2011***

# Repositioning Land Uses

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<b>LAND USE</b>	<b>ACREAGE</b>	<b>OLD</b>	<b>NEW</b>
<b>Airport</b>		<b>312</b>	<b>245</b>
<b>Airport Industrial</b>		<b>250</b>	<b>173</b>
<b>Business Park</b>		<b>315</b>	<b>40</b>
<b>Delta Mendota Canal</b>		<b>113</b>	<b>113</b>
<b>Distribution</b>		<b>65</b>	<b>65</b>
<b>Industrial</b>		<b>2865</b>	<b>850</b>
<b>Inland Port Shipping</b>		<b>170</b>	<b>170</b>
<b>Public Facilities</b>		<b>55</b>	<b>55</b>
<b>Roads/Open Space/Drainage Channels</b>		<b>395</b>	<b>125</b>
<b>Solar Farm</b>		<b>0</b>	<b>850</b>
<b>Treatment Facilities (water, sewer, storm)</b>		<b>210</b>	<b>90</b>
<b>Work Force Training</b>		<b>20</b>	<b>20</b>
<b>Medical Planning Area</b>		<b>30</b>	<b>0</b>
<b>TOTAL</b>		<b>4800</b>	<b>2796</b>

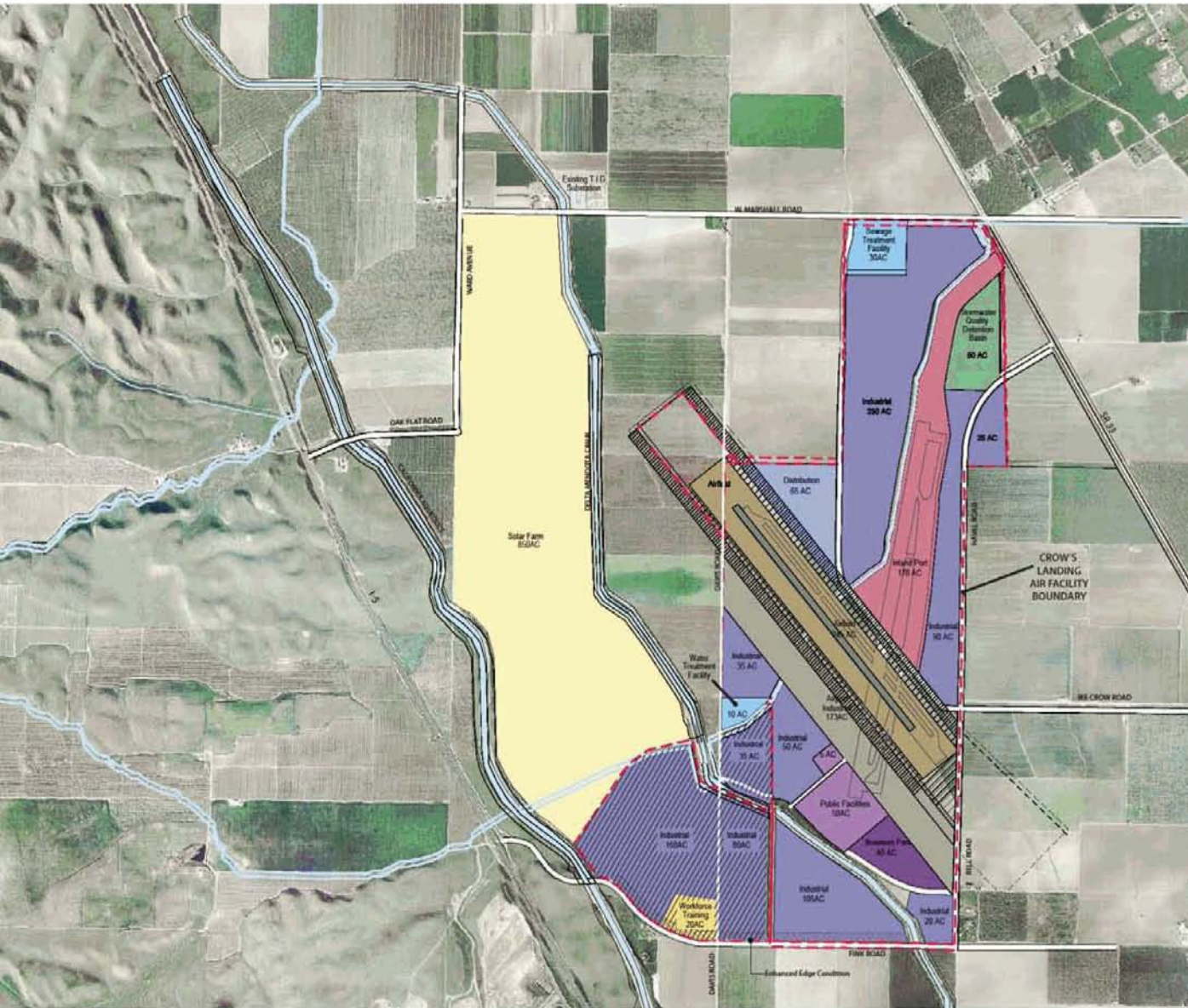


# Repositioning Land Uses

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<b>Job Creation</b>	<b>OLD</b>	<b>NEW</b>
<b>Direct Jobs</b>	<b>37000</b>	<b>17000</b>
<b>Indirect Jobs</b>	<b>17300</b>	<b>8600</b>
<b>Induced Jobs</b>	<b>18500</b>	<b>9200</b>
<b>Total</b>	<b>72800</b>	<b>34800</b>
<b>Facilities Construction Values (\$MM)</b>		
	<b>OLD</b>	<b>NEW</b>
<b>Infrastructure Cost</b>	<b>722.7</b>	<b>332.0</b>
<b>Solar Facilities</b>	<b>0.0</b>	<b>325.0</b>
<b>Total</b>	<b>722.7</b>	<b>657.0</b>
<b>Financing (\$MM)</b>		
	<b>OLD</b>	<b>NEW</b>
<b>Tax Increment</b>	<b>31.3</b>	<b>31.3</b>
<b>Infrastructure Bond Financing</b>	<b>288.4</b>	<b>69.8</b>
<b>Solar Facility</b>	<b>0.0</b>	<b>90.0</b>
<b>Building Fees/Developer Equity</b>	<b>403.0</b>	<b>140.9</b>
<b>Building Fees/Developer Equity/Acre</b>	<b>\$110K</b>	<b>\$107K</b>



PRELIMINARY OVERALL SITE SUMMARY	ACREAGE
Airport	245
Airport Industrial	173
Business Park	40
Delta Mendota Canal	113
Distribution	65
Industrial	850
Inland Port Shipping	170
Public Facilities	55
Roads/Open Space/Drainage Channels	125
Solar Farm	850
Treatment Facilities (water, sewer, storm)	90
Work Force Training	20
<b>TOTAL</b>	<b>2,796</b>
PHASE 1 SUMMARY	ACREAGE
Airport	245
Airport Industrial	173
Business Park	40
Delta Mendota Canal	98
Distribution	65
Industrial	575
Inland Port Shipping	170
Public Facilities	55
Roads/Open Space/Drainage Channels	100
Solar Farm	850
Treatment Facilities (water, sewer, storm)	90
<b>TOTAL</b>	<b>2,461</b>
PHASE 2 SUMMARY (designated by hatching)	ACREAGE
Delta Mendota Canal	15
Industrial	275
Roads/Open Space/Drainage Channels	25
Work Force Training	20
SubTotal	335
Community of Crow's Landing (water, sewer connections)	83
<b>TOTAL</b>	<b>418</b>



# West Park Conceptual Land Use Plan

Stanislaus County, CA

- NOTES:**
1. Plan is conceptual with approximate acreages. Final precise acreages to be determined.
  2. Fink Road enhanced edge sensitivity to be established and maintained with design guidelines.
  3. Land use designations are conceptual and subject to change.
  4. Upgraded domestic water and sewer connections to be provided for community of Crow's Landing.





### 3. Next Steps

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- **Community Outreach with West Side**
- **Quarterly Updates to County**
- **Specific Plan**
- **CEQA/EIR**
- **Inland Port & UPRR Coordination**
- **Infrastructure Preliminary Design**
- **Environmental Permitting**
- **Public Facilities Financing Plan**
- **Inland Port Design and Construction**
- **Infrastructure Design and Construction**

# WEST PARK 2011 SCHEDULE










ID	Task Name	2011				2012				2013			
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
1	Land Planning & Specific Plan Document												
2	Draft												
3	Final												
4													
5	Crows Landing Air Facility ~ Cemetery Investigation												
6													
7	Crows Landing Air Facility ~ Draft Land Use Plan												
8													
9	Patterson Lawsuit												
10													
11	CEQA/EIR												
12	Draft												
13	Final												
14													
15	Inland Port (Incl. CTC Grant & UPRR Coordination)												
16													
17	Infrastructure ~ Preliminary Design												
18													
19	Environmental Permitting												
20													
21	Public Facilities Financing Plan												
22													
23	Inland Port CD's & Bidding Process ~ Phase 1												
24													
25	Infrastructure CD's & Bidding Process ~ Phase 1												
26													
27	Inland Port Construction start ~ Phase 1												
28													
29	Infrastructure Construction start ~ Phase 1												

Completed

Completed

Completed

Project: West Park 2011 schedule  
Date: 3/4/2011

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	

## 4. Requested Action

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- 1. Approve the update and pre-development status for the Crows Landing/West Park Development Project**
- 2. Authorize an additional 15 months for the Master Developer to complete preparation of an Environmental Impact Analysis, Specific Plan and Draft Disposition and Development Agreement**
- 3. Require a project update and full status report by the end of the first quarter 2012**

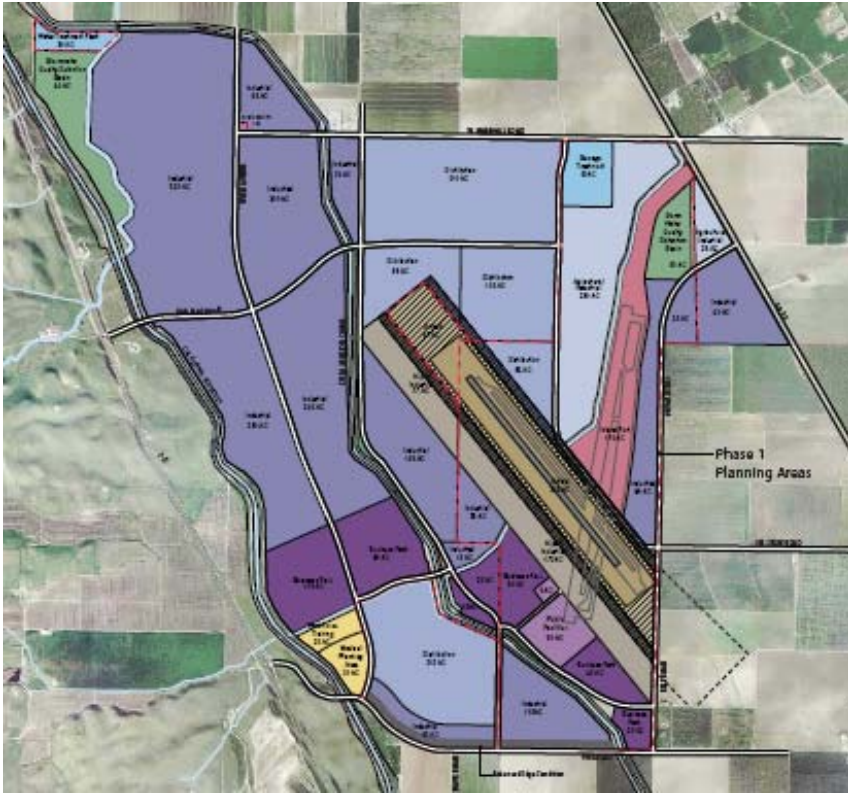


# WEST PARK LOGISTICS CENTER

## MASTER DEVELOPMENT 2011 Update

March 8, 2011





**2008**



**2011**