

**REPORT TO MAYOR AND COUNCIL
SITTING AS THE LOCAL REUSE AUTHORITY****TO THE HONORABLE MAYOR AND COUNCIL
SITTING AS THE LOCAL REUSE AUTHORITY:**

DATE: April 14, 2015

SUBJECT: RECOMMENDATION FOR SELECTION OF CATELLUS DEVELOPMENT CORPORATION AND LENNAR URBAN TO PROCEED TO INITIAL NEGOTIATIONS AS PART OF THE SELECTION PROCESS FOR A MASTER DEVELOPER FOR IMPLEMENTATION OF THE CONCORD REUSE PROJECT AREA PLAN**Report in Brief**

In January 2014, staff commenced a one-year selection process to identify a master developer for Phase One implementation of the Concord Reuse Project Area Plan (“Area Plan”). The detailed planning for development of that Phase One will follow selection of a master developer. The Master Developer selection process has five distinct steps. The first step was a qualifications review of interested parties. A Request for Qualifications (RFQ) was issued by the Local Reuse Authority (LRA) on January 17, 2014. A short list of four firms was recommended by an evaluation board and approved by the Council, sitting as the LRA, on June 10, 2014. The four recommended firms were Catellus Development Corporation (Catellus), FivePoint Communities/Lennar Urban (Lennar), J.F. Shea Company, and SunCal Corporation (SunCal).

On June 20, 2014, the top four firms were invited to submit a formal proposal as part of the second step in the selection process. On November 20, 2014 the LRA received three proposals which were found responsive to the request for proposal (RFP). J.F. Shea Company declined to submit a proposal. On February 10, February 11, and March 14, 2015, each of the three proposers provided presentations to the City Council and the public on their vision for implementing the Area Plan, with a particular focus on a Phase One area, as defined in the RFP. Questions of the three firms and their responses were compiled by topic and written answers were provided and posted to the City’s project website (www.concordreuseproject.org). Exhibit A to this report includes the last set of responses from questions posed by the Council and community on March 14, 2015 and in the following few days. The entire body of information, along with the individual proposals, was provided to a nine-person evaluation board. The evaluation board was charged with determining which two firms should be recommended to the City Council to proceed to the initial negotiation stage of the selection process, the third step of the process designed to support selection of a single master developer. The final two steps comprise detailed negotiations with the selected master developer and initiation of planning for development.

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After a detailed review of the proposals and other supporting materials, the evaluation board recommends that Catellus Development Corporation and Lennar Urban move to the initial negotiation stage of the master developer selection process.

Background

The selection of a master developer to launch the implementation of the Area Plan is clearly one of the most crucial steps in successfully transforming the former military base to civilian use, and realizing the Area Plan's projected economic, fiscal, urban design and environmental and public benefits. Not only must the LRA identify and successfully negotiate with the development company best suited to the task, the process of selecting that company must be done in a way that is objective and fair and can readily be observed by the Navy, the development community and the public. From the LRA's perspective, it is also important that this selection be accomplished in a timely manner. The selected master developer needs to be available to provide input during the final steps of the negotiation of the Economic Development Conveyance (EDC) with the U.S. Navy (i.e., the legal mechanism by which the land formally transfers to LRA control), and then be in position to commence work as soon as the LRA gains control of the site, or relevant portions of it. To that end, a Request for Qualifications (RFQ) was prepared to start the process outlined in the figure below. The RFQ was issued to a list of eighty-nine firms compiled by LRA staff and consultants in order to maximize interest and response. In addition, five professional publications received and published public notice announcements of the availability of the RFQ. The RFQ was also posted on the City's project website, and publically noticed in the *Contra Costa Times* and *San Francisco Chronicle*. Over one hundred individuals representing twenty-two different development companies and professional services firms attended a mandatory pre-submittal conference (January 31, 2014) and optional site tours on February 3 and February 4, 2014. On March 18, 2014, the LRA received eight qualification packages. Each submittal was independently reviewed by an eight person review panel. A recommendation that four of these firms (Catellus Development Corporation, J.F. Shea Company, Five Point Communities/Lennar Urban and SunCal) receive the Request for Proposals (RFP), was approved by the LRA at the June 10, 2014 Council meeting. The second step of the process commenced with the issuance of an RFP to the four firms. Three proposals were received on November 20, 2014; J.F. Shea declined to submit a proposal. On February 10, February 11, and March 14, 2015, each of the three proposers provided presentations to the City Council and the public on their vision for implementing the Area Plan, with a particular focus on a Phase One area, as defined in the RFP. Questions of the three firms and their responses were compiled by topic and written answers were provided and posted to the City's project website (www.concordreuseproject.org). Exhibit A to this report includes the last set of responses from questions posed by the Council and community on March 14, 2015 and in the following few days.

The nine member evaluation board considered the proposals received from each firm, answers to clarifying questions from the LRA's technical review team, and responses to questions raised by the

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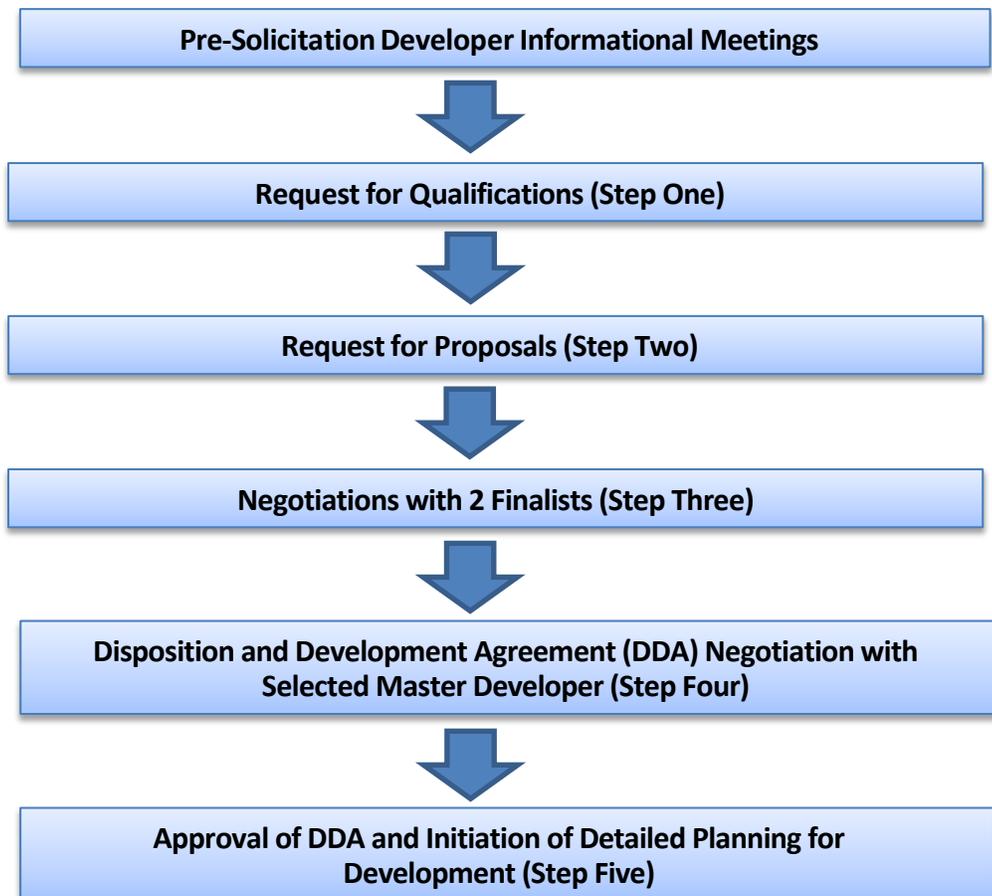
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LRA and the public at the meetings on February 10, February 11, and March 14, 2015. The evaluation board included:

Mark Coon – City Attorney
Jovan Grogan – Deputy City Manager
Victoria Walker – Director, Community Economic Development
Karan Reid – Director, Finance
John Montag – Manager, Economic Development
Steve Voorhies – Manager, Parks
Val Menotti – Chief Planning and Development Officer, BART
Craig Labadie – Special Counsel to the LRA
Paul Silvern – HR&A Advisors, Inc. – Real Estate Advisor to the LRA

A summary of the overall master developer process is illustrated below.

Area Plan Master Developer Selection Process



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It is important to bear in mind that the LRA is not being asked to select or approve a Phase One development plan by selecting a firm to enter into negotiations. Regardless of the firm ultimately selected as the Master Developer, the actual plan for implementation of Phase One will only be determined after extensive community outreach, development of a Specific Plan and another round of environmental review consistent with the California Environmental Quality Act (CEQA). This process will build on the community's substantial work to prepare the Area Plan, now adopted as part of the City's General Plan. During preparation of the Specific Plan many of the issues raised in recent public meetings about traffic impacts, visual impacts, housing requirements, job creation, commercial development locations, architectural design, and grading impacts will be discussed, refined and as needed further mitigated to minimize or reduce impacts. Selection of the two firms to move forward will be followed by initial negotiating steps designed to create a foundation for selection of one firm to be the Master developer for Phase One. Additionally these early negotiations will create a framework for completing negotiations with the Navy on land transfer value. The goal, as always, is to have a feasible project that responds to real estate market conditions and is fiscally neutral to the City's operating budget. There are a host of issues to be addressed and negotiated with both firms in the next stage of the Master Developer selection process, including schedule, phasing, infrastructure investment/financing, risk management, affordable housing mix, Navy compensation and labor policy, just to name a few. Upon selection of one firm to be the Master Developer, the results of the initial stage negotiations will be memorialized in writing in a Disposition and Development Agreement (DDA), which will be signed by both parties.

The proposals received by the LRA reflect a significant commitment by all three candidate firms to present their qualifications and initial ideas about how to begin implementing the Area Plan, and to promptly and forthrightly respond to many questions about their proposals from LRA staff and technical advisors, as well as the City Council and members of the public. The LRA staff appreciates the commitment each firm made to the RFQ and RFP stages of the selection process.

Discussion

The goal of the evaluation board was to make a recommendation to the LRA about which two firms should advance to the initial negotiation stage. The evaluation board was supported by the LRA's technical review team, which provided background briefings on the individual proposals and technical analysis of the financial projections in each proposal, reviewed and summarized confidential corporate financial information and provided reference checks from past and present clients of the three firms. The evaluators individually conducted their rankings of the firms and met as a group on three occasions to discuss their findings. There was a clear consensus about: (1) which two firms should be recommended; and (2) clear differences that separated these two firms from the third. The three proposals and subsequent information were evaluated in seven primary topic areas presented in the RFP:

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- Threshold Compliance with RFP Requirements
- Development Project Team
- Project Vision
- Concept for Phase One Development
- Approach to Implementation of Phase One
- Phase One Financial Strategy
- Financial Capability (Corporate)
- Nature of Comments on Legal Documents

As can be seen in the evaluation matrix provided as Exhibit B, there were numerous evaluation subcategories under each primary area. While each firm had strengths and weaknesses in each of these topic areas, there were three areas, Development Project Team, Concept for Phase One Development and Development Company Financial Capability, which clearly separated the top two firms from the third firm in the evaluation board's review. These areas are discussed in more detail below.

Development Project Team

The evaluation board gave Catellus and Lennar very similar scores in this section due to their experience with projects of a comparable scope, scale, and quality. They also bring strong experience with the complexities of military base reuse developments. In contrast, although SunCal is a very capable master plan developer, its experience with military bases reuse was less strong, and not all of the projects highlighted in its proposal were of a comparable scale or caliber. Another distinction between the two top-ranking teams and SunCal was in the strength of their design teams. The design teams associated with Catellus and Lennar have both demonstrated experience producing high-quality, transit-oriented, mixed-use urban places of large scale, while SunCal's design team did not demonstrate the same level of experience with such development. In addition, both Catellus and Lennar have technical teams (engineering and remediation) with demonstrated experience working together on similar projects, while SunCal's technical team appeared less thoroughly experienced and with fewer prior working relationships together. The board was also concerned about SunCal's approach to delegating management of the technical work to one consultant team member (Cardno), as opposed to directly managing the team with its own in-house resources, as would be the case with Catellus and Lennar. Finally, reference checking with previous clients for Catellus and Lennar produced a stronger positive performance response than for SunCal.

Concept for Phase One Development

The evaluation board found that the experience of the design teams discussed in the comments above were reflected in the quality of the Phase One concepts submitted by the proposers. The Catellus concept is strongly transit-oriented, including the most transit-supportive density around the BART station of the three proposals, the strongest relationship between BART and nearby

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development and open space, the most thought given to development of BART's current surface parking area, and the clearest commitment to this central feature of the CRP Area Plan in its very first sub-phase of development. Lennar's concept, while generally consistent with the transit-oriented development approach reflected in the CRP Area Plan, extended beyond the area expected for development in the plan, including development on the far side of Willow Pass Creek and the proposed solar farm in the Bunker City area of the site in a Phase Two. It was not as clearly responsive to community desires, although the board did appreciate Lennar's efforts to help define their concept more clearly, showing the consistency of the three initial sub-phases included in its proposal, following the second City Council discussion on March 14, 2015. The SunCal concept received lower scores in this section because while broadly consistent with the CRP Area Plan, it appears to focus less on transit-oriented development around the BART station, with development patterns and open space that do not take advantage of proximity to BART. This was also reflected in the team's concept for lower-density housing along Willow Pass Road. The board noted that all three of the concepts reflected a need for additional thought to create successful commercial development near Highway 4. The board also provided a general comment that the top two land use concepts would require additional discussion as the specific planning process proceeds with the selected development teams.

Development Company Financial Capacity

In developing its scoring on candidate master developers financial capacity to undertake Area Plan implementation, the board considered an assessment provided by HR&A Advisors, Inc. HR&A, which was responsible for reviewing confidential financial information submitted for Catellus and SunCal, which are privately held firms (following a process in the City's RFP), as well as the publicly available financial information about Lennar, a public company listed on the New York Stock Exchange. The evaluation board's scoring focused primarily on two issues that clearly differentiated Catellus and Lennar from SunCal. The first was that Catellus and Lennar provided timely and complete responses to all of the financial disclosure information required by the RFP, including three or more years of independently audited financial statements with consolidated balance sheets, consolidated income and expense statements and detailed notes and supplemental accounting schedules. SunCal, in contrast, submitted only a highly summarized consolidated balance sheet for a single year prepared by in-house financial officials, with no income and expense statement, and no evidence of independent review. This is not to imply the information was incorrect, but rather that it did not meet the full requirements of the RFP.

The second factor that distinguishes Catellus and Lennar from SunCal in this category is the scale of direct investment proposed by the master developers, and the degree to which binding commitments can be provided during negotiations with the City over business terms and conditions by the developer negotiators. Catellus proposes to provide all required equity from its own internal resources, and Lennar will be either the only, or a majority, equity investor. The representatives of these companies negotiating with the City will be in a position to make business term commitments

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directly, and both have prompt, local internal decision making procedures for committing required equity capital to the project.

SunCal, on the other hand, proposed to contribute five to ten percent of the required equity and rely on a to-be-named majority investor(s), and potentially including some well-capitalized investors named in its original statement of qualifications, its RFP response and public comments. Some of these firms have invested with SunCal on other recent projects. This is not an uncommon real estate development business structure, but means that key participants in project implementation may not be known to the City for some time, perhaps not until well into the negotiations process when a deal structure becomes more firm. Furthermore, although a SunCal entity would apparently serve as the Managing Member of the project specific entity that would be formed to implement the Area Plan project, its decision making authority would be governed by an organizational agreement between SunCal and the to-be-selected majority investor(s).

Based on the review of all RFP topics, the evaluation board reached consensus that Catellus Development Corporation and Lennar Urban should be the two firms to proceed to the next stage.

Fiscal Impact

There is no direct fiscal impact to the City at this time.

Recommendation for Action

The Executive Director of the LRA recommends that the City Council, sitting as the LRA, approve the recommendation of the evaluation board to advance Catellus and Lennar Urban to the initial negotiation stage of the master developer selection process.

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March 30, 2015

This packet of materials consists of a series of questions and answers related to the selection of a master developer for the reuse of the Concord Naval Weapons Station, implementing the Concord Reuse Project (CRP) Area Plan. The list of questions was prepared based on the questions submitted by the City Council and community members, both in written form and orally at the Council meeting on March 14, 2015. It also reflects those questions submitted in writing by the March 20, 2015 deadline announced at the City Council meetings. The questions have been edited for clarity and, in some cases, to consolidate questions posed by more than one person on the same topic.

Some responses have been drafted by the “City,” some by “All” of the proposers, and some by the particular proposer (“Catellus”, “Lennar”, and “SunCal”). These are indicated before the questions, and in the case of “All” responses, the response from each proposer is shown following their name in *italics*.

1 Development Program

- 1.1. City – We noticed that on some of the master developer plans the greenbelt/buffer zone is smaller than the 275’ – 400’ decided on the General Plan. We were told that the RFP indicated a 150’ buffer zone. Which width of buffer zone is accurate?

The Neighborhood Frame defined in the Area Plan (adopted by the City in 2012 and incorporated into the General Plan) is 275 to 425 feet in width. The Request for Proposal (RFP) that was issued to the master developer candidates referred readers to the Area Plan for specifics such as this width and did not provide new planning information. Specific widths will come out of the specific plan that the successful developer prepares but the City expectations are within the ranges specified in the Area Plan

- 1.2. All – If a new University of California technical training campus comes to fruition via the State legislature, would you be open to including such a campus in your first development phase?

Catellus

Yes, Catellus will diligently pursue opportunities such as a new University of California technical training campus. These types of economic “drivers” can ensure early success in

development of the project. Catellus has very similar experience having attracted two major employers to our other projects: UCSF's new campus in Mission Bay and the Dell Children's Medical Center at Mueller in Austin. The land identified for the campus use in the City's Area Plan is included in the First Transfer Parcel and is directly adjacent to Catellus' proposed Phase One Area allowing for an efficient extension of utilities and infrastructure.

Lennar

Yes – The Development Phase One Concept has consistently included approximately 60 acres of land for a campus. The property is shown along the Willow Pass Corridor and is within walkable distance to the commercial services at the proposed Willow Pass Village, thus enhancing the commercial viability of those uses. In addition, the Development Phase One Concept includes approximately 22 acres at the BART Station that is designated as Flex/Campus which could be used for this purpose and would put the campus immediately adjacent to BART.

SunCal

Yes, SunCal would be happy to work with the City on establishing such a campus. In Dublin, SunCal worked with the City to prepare an application for the development site to serve as a new campus for the Lawrence Berkeley National Laboratory.

1.3. All – What densities are you expecting for your residential products?

Catellus

Catellus engaged Real Estate Economics, a residential consulting firm, to provide a housing market overview and an optimized land plan for 10 years of residential absorption at the Concord Naval Weapons Station. Their detailed analysis concluded that demand exists for a wide range of product types including single-family detached, auto court attached, live/work units, townhomes, stacked flats, condominiums, and multi-family. Single-family densities vary from as low as 9 units per net acre to 19 units per net acre. Attached products range from 23 – 40 units per net acre while the multi-family product type is likely over 60 units per net acre.

Based on the results of the study, we feel very confident that our proposed unit count and density will be supported by the current and future market demand. Overall, the mix of relatively moderate density single family detached, townhomes, and other attached products are market appropriate and will be in demand in the first several years of the development of Phase One. Demand for higher density product types, such as the proposed multi-family buildings near BART, will grow as Phase One is developed. See Exhibit A of the technical team Q&A document on the project website for further detail:
http://www.concordreuseproject.org/pdf/proposal/exhibit_03.pdf

Lennar

There is a range of densities. Densities for individual product types range from 8 to 90 dwelling units per acre (net). See Exhibit A of the technical team Q&A document on the project website: http://www.concordreuseproject.org/pdf/proposal/exhibit_01.pdf.

SunCal

There is a range of densities. Densities for individual product types range from 8 to 44 dwelling units per acre. See Exhibit A of the technical team Q&A document on the project website: http://www.concordreuseproject.org/pdf/proposal/exhibit_02.pdf. Note that the high end densities are not listed in Exhibit A, but are calculated based on the total number of units (Lots) in the HDR (high density residential) and Affordable categories, divided by the associated number of acres.

1.4. Catellus – What aspects of the current and future market have led you to include more residential uses in your Phase One than the other proposers?

Our proposed unit count, product types and pricing are based on the housing market report provided by Real Estate Economics. The report covers pricing assumptions, area job growth, competing residential development projects, price appreciation, and other general housing market analysis. We also summarize the report in our proposal on pages 25-26.

A copy of Real Estate Economics Report can be found at http://www.concordreuseproject.org/pdf/proposal/exhibit_03.pdf.

A copy of the Catellus proposal can be found at <http://www.concordreuseproject.org/pdf/proposal/catellus.pdf>

Catellus is also considering a large amount of commercial uses in Phase One. Consistent with the Area Plan, Catellus is proposing office, commercial, and retail in a “Village Center” format adjacent to the North Concord BART station. Details of the “Village Center” area will be determined once we receive more detailed community feedback during the Specific Plan process. Our preliminary estimates suggest we could accommodate up to 1.7 million square feet of commercial/office/retail uses within this area, including utilization of a portion of BART owned land. We would propose retail development in the “Village Center” to be in the range of 30,000 to 150,000 square feet depending on market demand and community feedback. Other potential uses include office, hotel services and entertainment.

Following the direction given in the RFP, Catellus limited its Phase One acreage, but if a market opportunity was available for additional commercial flex uses or senior housing uses, they would be considered. These opportunities would need to be reviewed with the community to ensure there is support for them, as well as evaluated from a traffic perspective.

1.5. Catellus and SunCal – What would you expect to do differently in terms of land use mix in Phase 2?

Catellus

Although the master developer selection process is focused on Phase One only (as noted by the City), Catellus has ensured that our proposed Phase One remains consistent with the approved Area Plan, including future phases and uses. Future uses include the Area Plan’s commercial flex areas, campus, tournament facility, and village neighborhoods. We are also open to any additional uses that the City and community desire and that the project can financially support. Our Phase One plan has been overlaid onto the City’s Area Plan and can be found in our presentation from March 14, 2015 on page 19. See: http://www.concordreuseproject.org/pdf/proposal/presentation_01.pdf.

SunCal

We do not expect to do anything differently in Phase 2 in terms of land use mix. We would continue to follow the area plan such that Phase Two will likely be an extension of Phase One- continuing the village theme for the residential and including additional commercial in the Highway 4 corridor. We would expect the remainder of the TOD, north of the current TOD, to develop and additional neighborhoods north along Los Medanos with similar residential densities to Phase 1. We further expect Phase 2 to achieve, the buildout expectations of the area plan, combining a campus and/or major institutional use, and absorbing commercial flex --- and allowing some adjustment for market.

- 1.6. Lennar – What aspects of the current and future market have led you to include more commercial uses in your Phase One than the other proposers? Will the initial residential development help to provide financial backing for those commercial uses?

The City's Reuse Area Plan states two overarching goals for the development of CNWS are economic viability and a balanced approach to development. In addition, the City has articulated a goal of creating a vibrant and diverse economy and has established several guiding principles that include:

- Creation of Quality Jobs;
- Positioning for Future Opportunity;
- Economic Viability; and
- Business and Education Partnerships.

In proposing the Development Phase One uses, Lennar took the City's Reuse Plan Goals and Principles to heart and structured the commercial program accordingly. Each of our Stages (or Sub-Phases) includes the opportunity for commercial development and the realization of quality jobs for the community.

By creating a modern infrastructure that provides technology ready sites, Lennar Commercial and our economic advisors, Economic and Planning Systems (EPS), believe we can create a unique offering within the Concord marketplace. Specific opportunities which may be attracted to the site include digital manufacturing, R&D, and potentially retail uses. We have programmed approximately 2.7M sq. ft. of commercial use over the 10-15 year planning horizon (through the end of Stage 3). This represents an annual absorption of 180,000 to 270,000 sq. ft. which we believe is achievable.

We do not know what assumptions others proposers may have made – but we do not believe their commercial allocation proposed for a 10 year development window supports the City's stated goals in the Reuse Plan and consequently does not provide the types of opportunity sites necessary to attract quality jobs to the community.

With regard to the residential development, we believe a balanced land use program should include residential development and we have proposed beginning the residential program along the Willow Pass corridor. In the early years, project proceeds are recycled back into the project and provide a source of funding, but they are not specifically earmarked to provide financial backing for any one use.

- 1.7. Lennar – Is the solar farm a temporary or permanent use? Does its level of permanence relate to the availability of cap and trade money from the State of California? Would the project work if the solar farm cannot be developed? If it is a temporary use what is your longer term vision for “bunker city”.

Lennar continues to evolve our thinking and planning related to the solar farm. We understand that significant work with the community will be necessary to further develop the concept and garner consensus on whether the use should be temporary or permanent.

As we have continued to explore the possibility, we think there are three considerations that warrant further discussion to better determine the duration and the size of the solar farm. First, we continue to believe the opportunity to develop a zero net energy community is a worthy goal and should be pursued, and solar farm should be scaled appropriately to achieve this goal. Second, we need to understand if the City of Concord has a desire to generate energy that could be fed back into the larger city grid. Finally, we need to secure an energy partner and take the operational economics into consideration. We do not believe the availability of cap and trade financing will impact the decisions regarding the permanence of the facility.

With regard to planning considerations, if the solar farm cannot be developed, our project still remains viable. Attached as **Lennar Exhibit 1** is a diagram that shows how our Development Phase One footprint (through Stage 3) can be accommodated within the City’s Reuse Area Plan. The acreage, number of residential units and the commercial square footage is consistent with the information in our proposal and as the diagram shows, the Phase One footprint is completely aligned with the CRP.

If the solar farm ultimately becomes a temporary use, we have not prepared any plans for the subsequent use of the “bunker city” as we understand that effort would require a larger community based planning effort.

- 1.8. Lennar – If you have to restrict yourself to the northwest side of Willow Pass Road, more consistent with the City Phase One shown in the RFP, can you make the project work? How do you respond to concerns about housing development on the far side of Mt. Diablo Creek?

The City’s Development Phase One Property shown in the RFP spans the north and south side of Willow Pass Road and our Development Phase One boundary is generally consistent with that boundary. We are open to discussions with the City to determine the precise boundary for our Development Phase One footprint and could make the project work if that boundary needs to be adjusted.

We understand the concerns related to the housing development on the far side of Mt. Diablo Creek and are willing to modify our proposal accordingly to address those concerns. Attached as **Lennar Exhibit 2** is a modified proposed development concept that reflects input from the local community and the City Council, including the restoration of the tournament park on the far side of Mt. Diablo Creek and the return of the campus to its original planned location. Although these uses will ultimately be planned and included as part of the Phase Two development, Lennar continues to believe that it is important and prudent to show the entire Development Footprint as part of the planning for the project for the following reasons:

- Establishing entitlements for the project – including the preparation of a Specific Plan and associated environmental review;

- Conducting effective and efficient property conveyance negotiations with the Navy, where the transaction and any related value will be based on the entire development footprint;
- Ensuring the Navy's environmental remediation program is compatible with and supports the timing of the proposed development program; and
- Guaranteeing that the project delivers on the goals of creating quality jobs, a robust network of parks and open space, walkable and bikeable neighborhoods, housing for all income levels, and the opportunity to develop a sustainable, smart and connected community.

1.9. Lennar – How does the location of the campus in your development program support walkability?

The campus location outlined in the City's Reuse Plan is located in an area that is typically considered to be beyond the ½ mile walkability threshold to a BART Station. As part of our proposed development concept, Lennar has proposed two possible campus locations. The first locates a campus near the Willow Pass Village. Once that village is created, the proposed campus could provide additional market support for the commercial uses and improves the viability of a robust transit loop to serve the campus. The second location is immediately adjacent to the BART Station where we have proposed an option for a more urban campus facility (identified as Flex/Campus in our proposal).

1.10. Lennar – What led you to consolidate commercial uses into fewer locations than the distribution required by the Area Plan?

Our experience in commercial development and the experience of our consultant team lead us to the conclusion the distribution of retail into the smaller village clusters may be barrier to the success of those uses. Typically it is quite difficult to direct retail tenants to specific locations that serve smaller market areas and certain a critical mass is necessary to position the uses for success. As an example, a grocery store operator will look to service a market of approximately 6,000 homes. Consequently, the proposed development concept consolidates the various smaller retail uses into a larger village center that still provides opportunities for biking and walking to the nearby residential and commercial uses.

1.11. All – Do you see the potential for senior housing?

Catellus

The market study completed by Real Estate Economics does anticipate demand for age-qualified housing in the project area. Their report states that demand could exist for over 600 units of age-qualified housing over 10 years and the optimal product types would be lower density attached and detached homes.

Age-qualified housing is generally most successful when clustered together, branded as a unique subarea within the project, and managed by age-qualified housing operators. Catellus is certainly open to pursuing this product type and can work with the City and community to identify the appropriate area within the plan. Catellus also has experience with age-qualified affordable housing projects such as Mueller's Wildflower Terrace, a 9% tax credit affordable apartment complex for seniors 55 and better. Also, we will work with all of the homebuilders to design and build a percentage of their homes as accessible for seniors (i.e.

ground-floor master bedrooms, accessible compatible bathrooms) and these are dispersed throughout the community.

As shown on slides 37 and 38 of the presentation from March 14, 2015, if there was an opportunity for age qualified housing, Catellus could certainly expand the boundaries of Phase One using one of two options. See:

http://www.concordreuseproject.org/pdf/proposal/presentation_01.pdf. See also information about senior housing in the staff report for the March 14, 2015 City Council meeting (<http://www.concordreuseproject.org/pdf/proposal/03132015.pdf>) in response to Question 3.8 of Exhibit B.

Lennar

Yes - Lennar believes that within the residential program, there are opportunities for various types of senior housing. In addition, we also believe that there are opportunities within the residential program for active 55+ adult communities. Lennar is developing 55+ active adult communities around the United States and currently has 15 communities under development. In addition, Lennar is the first production homebuilder to offer a solution for the multigenerational family, living under one roof. The Next Gen® suite provides both privacy and togetherness for today's modern family—featuring a separate private entrance, bedroom, bathroom, laundry, eat-in kitchenette and living room.

SunCal

Yes, there is a market for all types of senior housing, from single-family age-restricted through assisted living and skilled nursing. There is the most value in providing the full continuum of housing and care. . We have discussed this issue directly with a broker for a major national senior housing developer and they see a strong market in Concord. See also information about senior housing in the staff report for the March 14, 2015 City Council meeting (<http://www.concordreuseproject.org/pdf/proposal/03132015.pdf>) in response to Question 3.8 of Exhibit B.

- 1.12. All – Please comment on the timing and nature of upgrades to Willow Pass Road in your first phases of development.

Catellus

Catellus has anticipated upgrades to the entire length of Willow Pass Road within the base property area, including the bridge over Mt. Diablo Creek, and we have set aside substantial budget in our Phase One proforma. Although we have not completed a detailed analysis of the phasing or timing of those improvements, based on the feedback we've received from the Council and the community, it appears those improvements may need to come sooner in the Phase One development, rather than later. This is certainly achievable with prudent financial planning and a detailed phasing plan that prioritizes improvements.

Lennar

Lennar understands the concerns related to the safety of Willow Pass Road. As part of our Phase One Development, we will begin the upgrades necessary to improve Willow Pass. Our current phasing assumptions include beginning work on Willow Pass from both the Concord direction and from Hwy 4. Our planning work for Phase Two assumes completion of Willow Pass using a one-way couplet configuration through the proposed Willow Pass Village,

which provide both the level of traffic that supports retail while also being narrow enough to allow for walkability.

The first series of improvements would begin with the initiation of work on the Development Phase One program, currently scheduled for late 2017.

SunCal

SunCal is assuming that upgrades, including widening and rebuilding of the bridge, would be completed during the first stage of development, at the beginning of Phase 1.

1.13. SunCal – Why did you choose to start development away from the BART station?

In our subphase one, we are starting development at three different entry points. One is adjacent to the BART station, one is at Willow Pass and Highway 4 and one is along Willow Pass and the existing neighborhoods.

1.14. Catellus – Can your plan be amended to include a ridgetop park and/or preserve rolling hills similar to Lennar’s plan?

Catellus’ plan includes a hilltop park. See page 35 of the proposal (<http://www.concordreuseproject.org/pdf/proposal/catellus.pdf>). Catellus described its approach to addressing site topography in the response to Question 9.1 in the technical team Q&A: http://www.concordreuseproject.org/pdf/proposal/exhibit_03.pdf.

1.15. SunCal – Can your plan be amended to include a ridgetop park and/or preserve rolling hills similar to Lennar’s plan?

SunCal described its approach to addressing site topography in the response to Question 9.1 in the technical team Q&A: http://www.concordreuseproject.org/pdf/proposal/exhibit_02.pdf.

2 Project Financing

2.1. City – Can you explain the categories found in the Financial Components Comparison attached as Exhibit A to the March 14, 2015 Staff Report?

Revenue Items

- Land Secured Financing (Community Facilities District, or CFD) – Proceeds from bonds that are issued to help pay for infrastructure.
- Public Financing (Enhanced Infrastructure Financing District, or EIFD, or IFD) – Proceeds from bonds that are issued under legislation recently signed into law to restore some of the tax increment financing capability that was lost when Redevelopment was eliminated.

Development Costs

- Offsites, Site Prep & Grading – Offsites are certain infrastructure improvements that are not on the development property. Examples include connections to the broader

utility system, water tanks, substations, intersection improvements, etc. Site Prep includes demolition and remediation, and Grading is self-explanatory.

- Other Costs – Other Costs include holding costs, mitigation, general conditions and contractor fees, pre-development costs, base maintenance, bond payments, and debt payments.
- Contingency – A factor, usually calculated as a percent of hard and soft costs, to account for unforeseen additional development costs (i.e., costs higher than budgeted), cost escalation higher than budgeted, and unexpected costs.
- Soft Costs – Professional fees for architects, planners, engineers, and other consultants, legal, marketing, permits, fees, plan check and inspections.
- Developer Overhead – Payment for developer staff working on the project, as well as other developer expenses (i.e., on-site construction trailers, etc.); individual items may be called Administration Fees (or Project Administration Fees), Asset Management Fees, Construction Management Fees, and Project Management Fees.
- In-Tract Costs (either as a development cost or as a residual adjustment) – Streets and utilities within a tract of land (i.e., a group of future lots), plus permits and fees.

2.2. City – Is the use of an Enhanced Infrastructure Financing District (EIFD) associated with Redevelopment functions no longer authorized by the State of California?

The original Infrastructure Financing District (IFD) legislation precluded created of an IFD on property that was in or had previously been in a Redevelopment Area. The new EIFD legislation eliminates that restriction and in fact allows properties previously within a redevelopment area to form an IFD now that redevelopment has been terminated by the State.

2.3. City – If the City shares in the profits, such as after a particular Internal Rate of Return (IRR) is reached, when is the amount of that share calculated?

One form of payment is a sharing of the profits after the developer receives a stated Internal Rate of Return (IRR). As the actual project IRR will not be known until all the revenues have been received and costs paid including value sharing with the Navy, it is most typical for division of the profits to occur at the latter stages of development. There are other potential payment structures, such as a fixed annual amount or a share of land revenues, which could be paid during the development phase. The terms of payment will be negotiated with the successful proposer through the preparation of a Disposition and Development Agreement (DDA).

2.4. City – A list of terms and definitions would help the public better analyze the potential developers' proposals (for example, what is an infrastructure financing district or municipal services district or community benefit district, what is meant by community benefits, etc.).

Infrastructure Financing District (IFD) – Defined in Question 2.1 of this document.

Municipal/Maintenance Service District - This is a special district formed for the purposes of providing one or more special services to the residents (i.e., water, sewer, road maintenance, lighting, landscape maintenance, drainage, etc.). Homeowners in this district pay an additional fee for these services. The actual services provided and the annual cost to the future homeowners in the district would be determined at a future date.

Community Benefit District (CBD) - This is a defined geographic area where property owners have voted to pay a special assessment to fund supplemental services that benefit their properties and the community. Each property owner within a CBD's boundaries pays an assessment to help support shared services.

Community Benefits - Parks, community/recreation/senior centers, schools, etc.

Community Facilities District (CFD) - Defined in Question 2.1 of this document.

- 2.5. City – Catellus and Lennar both reference the use of Infrastructure Financing Districts as public financing, which means a portion of the property taxes for the new development would not go to the City of Concord for many years. How can existing residents be sure that their property taxes won't be increased to make up the difference or a bond issued that, with interest, would ultimately mean the public financing estimate would be higher on existing residents than now projected?

An infrastructure financing district (IFD) would have no direct impact on existing Concord residents or their property taxes. Property taxes are subject to Proposition 13 (and subsequent associated legislation), which has strict requirements regarding how property taxes are levied. The IFD pertains only to the geographic area included in the district which in this case is the development footprint of the Area Plan. The future incremental property tax proceeds within this district, which would normally go to the City, County and other County agencies, would be diverted to instead pay for principal and interest on the bonds issued to pay for infrastructure. If property tax revenues were diverted through an IFD, there could be an impact on funding for City services for new residents. Mitigating this risk, consistent with the City's expectation that the project will be neutral to the City's fiscal health, is an important issue that the City will negotiate with the selected master developer prior to signing a contract agreeing to work together.

- 2.6. City – Will the public be able to review the developer's financial plan/calculation of profits to see how and why Infrastructure Financing or other public funding is needed?

Each proposer included financial information as part of their submittals, and a side-by-side comparison of the three financial plans is included as Exhibit A to the March 14, 2015 staff report (<http://www.concordreuseproject.org/pdf/proposal/03132015.pdf>).

- 2.7. City – Is financing for the parks and open space secure or subject to how accurately sales of homes and retail space pans out?

Please see responses to Question 2.9 of this document regarding fixed community benefits packages.

- 2.8. City – Please provide further detail on the public benefits that would be reduced if Catellus does not get 50% to 75% of future property taxes under an Infrastructure Financing District and explain why.

Please see responses to Question 2.9 of this document regarding fixed community benefits packages.

- 2.9. All – Would your community benefit package provide a fixed amount, in terms of dollars and services to the community? Will you commit to retaining that fixed amount regardless of the success of the project?

Catellus

Yes, some of the community benefits can be locked in via the Disposition and Development Agreement with the City. As an example, in our Mueller project, our Master Development Agreement with the City of Austin requires Catellus to make certain improvements, such as completion of specific parks, within certain time periods. One of the most prominent features of the Mueller project is the Mueller Lake Park, a 30-acre park and 6.5-acre lake that Catellus completed in the very early stages of the project. Our MDA with the City of Austin required commencement of construction of the Lake Park within 120 days of the land takedown date. We have attached the relevant pages of our MDA with the City of Austin as **Catellus Exhibit 1**. Additional community benefits can be added to the project based on the financial success of the project and the needs of the community.

Our proposed deal structure aligns our interests with the City's and maximizes potential community benefits and value. Catellus is paid a fixed fee and we are encouraged to maximize value. Maximizing value in our minds can be, but is not necessarily, more money. Value can be created through community services, schools, bike paths, parks and open space, design of infrastructure and quality homes and buildings. It can include sustainability, affordable housing, and local, high quality, high paying jobs. Focusing on being a good master developer with our proposed deal structure in place enables us to make decisions based on what is best for the master plan and the community.

Lennar

Yes, a full spectrum of community benefits will be negotiated and memorialized as part of the Development and Disposition Agreement with the City. These benefits make take the form of capital improvements, community programs, and/or monetary contributions. By way of example, at Hunters Point Shipyard these community benefits included such items as first time homebuyer's assistance, education scholarships, and funding for job training for local residents. At Treasure Island, we negotiated a community benefit program that includes a job broker program with local non-profits, economic development opportunities within the project, and opportunity sites for childcare facilities.

SunCal

Yes, a specific dollar amount for community benefits can be negotiated as part of the Disposition and Development Agreement. It is important to point out that our proposal does not require any rate of return to us prior to the City's participation. Our proposal is to have the City receive 10% of all net proceeds from the sale of land (gross sales less commissions) whether we have made any specific rate of return or not.

- 2.10. All – Can you explain the reasoning behind the rate of return you are expecting and the share of development proceeds that would be provided to the City and Navy? Please give your perspective on why your return differs from the other proposers and how your approach is beneficial to the City.

Catellus

Catellus has a unique deal structure whereby we manage the project revenue sources and project expenses and are taking the risk that the project is successful and profitable. If the project is successful as anticipated, our land development return is proposed to be the greater of 15% of land sales revenue or a 15% IRR with a waterfall mechanism to share profits with the City that exceed these return thresholds.

To create the most successful partnership, we must align our interests closely with the interests of the City. We are able to achieve this with our proposed “open book” partnership. The deal structure Catellus proposes for CNWS is the same we have successfully used at our Mueller development in Austin, Texas, our Alameda Landing project in Alameda, California, and most recently at the 300-acre ASU Athletics Facilities District redevelopment in Tempe, Arizona. This unique deal structure is the reason why Catellus projects continue to progress while other development projects remain idle. As partners, we will make decisions together about what the project can afford based on anticipated revenues and costs.

It is our intent to work with the City to come up with the appropriate balance based on a thorough review of project revenue sources and project expenses. Our job is to set the project up for success by creating an economically feasible development package including land payments to the Navy, phasing of infrastructure, affordable housing subsidies, labor benefits, parks & open space, and other public benefits.

Lennar

Lennar evaluates each development opportunity on an individual basis. Key to that analysis, and the determination of an appropriate return on our investment, is the level of capital required and the risk profile associated with a proposed development project. The redevelopment of closed military installations/brownfield sites pose unique challenges that contribute to a risk profile that is higher than a more traditional greenfield development. These factors include the significant capital required to initiate the first stage of development; the uncertainty associated with the transfer of property from the Navy; the risk associated with the Navy’s environmental remediation program; the potential for legal challenges as supplemental environmental review work is completed; impacts from federal and state legislative changes; and evolving market conditions for a project with a long time horizon. We believe that when all these risks are taken into consideration, our proposed hurdle rate of a 20% IRR is appropriate for the effort at hand.

Although Lennar did not include a financial transaction structure as part of our proposal, as we believe that is best achieved as part of a negotiation with the City as part of the Development and Disposition Agreement (“DDA”), we can point to our transaction structures at Treasure Island and Hunters Point Shipyard/Candlestick Point as examples of what we might expect as part of our DDA with the City of Concord. In both of those projects, we have established a “waterfall structure” that provides the opportunity for the Navy and City and County of San Francisco to share in the project proceeds once our base return thresholds are met.

With regard to how our return differs from the other proposers, a direct comparison is challenging without the benefit of the full set of assumptions used by each development team.

Lennar believes that a transaction structure that provides for a clear balance of sources and uses of funds and one which allows the City and the Navy to share in the project proceeds and success of the project creates and alignment of interests among the various parties. Any proceeds generated under this structure can be used by the City for any purpose it chooses.

To assist the City in its financial analysis of the development proposals, we have included as **Lennar Exhibit 3** a financial projection of proposed development concept at the end of Stage 3 (the third sub-phase). This information was pulled directly from the larger pro forma presented in our proposal (on Page 74) and the key underlying assumptions remain unchanged.

Lennar believes this information continues to support our position that the project is economically viable and is an attractive investment opportunity. We trust this information will provide the City with the appropriate financial metrics to make an “apples-to-apples” comparison of our proposal to the other two proposals under consideration.

SunCal

Our underwriting includes a number of assumptions about costs, revenues and timing of sales that results in a certain rate of return (IRR or yield). The rate of return currently stands at 15%. Our investors typically require a higher IRR to justify an investment of this nature. We believe we can achieve an acceptable IRR through value engineering and further refinement of the plan. That is why we are interested in this project and have the backing of several large private equity firms.

Unlike our competitors, none of the money that we expect to pay to the City is contingent on achieving a minimum IRR, which IRR cannot be determined until the project is completed. Rather, we offered to give the City 10% of all net proceeds from the sale of land (gross sales less commissions). That means the City will get a check every time a lot sells without regard to the project level IRR that is ultimately achieved. If we hit a home run, the City makes more. If the returns are not as expected, the City still gets 10% of all net sales. Using our approach, the City is guaranteed money. Offers tied to a minimum IRR hurdle could mean no money for the City if the project fails to achieve that threshold return.

As stated above, our proposal does not require any rate of return to us prior to the City participation. Our proposal is to have the City receive 10% of net land sales proceeds even if our rate of return is 0%.

- 2.11. All – What guarantees does the City have from a parent company when a project-specific LLC is formed? How do those guarantees ensure the City is not left with financial obligations it cannot meet?

Catellus

Our intent is to create a limited liability company specific to the Concord project that is wholly owned by the Catellus parent company. The proposed Concord LLC will be party to the development agreement with the City of Concord / LRA and the Catellus parent company will guarantee the performance of the LLC on their obligations. In that way, the City is protected in much the same manner it would be if the parent company were a party to the agreement.

This type of entity has been used in most of our past development projects including Mueller (Catellus Austin, LLC) and Alameda Landing (Catellus Alameda Development, LLC). The type of entity used in Mueller and in Alameda has had no adverse effect on our partnership with the Cities or our performance on our obligations.

In addition, it is worth noting that Catellus has never defaulted on a loan or put a subsidiary into bankruptcy. We take our commitments very seriously.

Lennar

Typically in projects such as the redevelopment of Concord Naval Weapons Station, guarantees are structured to match the obligations to be secured. Early in the project, when the LLC is first formed, the obligations are usually guaranteed by the corporate parent. As the

project moves forward into particular phases, other forms of security may be utilized such as completion bonds, letters of credit, and guarantees. Lennar will work with the City to ensure that the appropriate method is selected to reflect the obligations to be secured and that the security is sufficient to protect the City's interest.

SunCal

This is a contractual issue to be addressed through the Disposition and Development Agreement (DDA) to be negotiated between the selected master developer and the City. As long as incentives are built in to ensure financial obligations are met on both sides, it is a matter of ensuring the contract terms are met. Although an LLC would have the backing of the parent company, financial contributions from the parent company to the LLC would be considered a business decision, to the degree they were not contractually required.

- 2.12. All – Are your Phase One financial projections predicated on completing Phases 2 and beyond?

Catellus

No, our Phase One proforma stands on its own. Catellus hopes to earn the right to be master developer of Phase 2, but it is not required to make Phase One work.

Lennar

No. The financial projections provided to the City are for Development Phase One and do not assume any costs or revenues from Phase 2. Phase One stands on its own and does not require and is not dependent on subsequent phases for its success. With regard to Phase 2, Lennar understands and fully accepts the structure set forth in the RFP that the City will “provide the selected Master Developer an opportunity to continue with subsequent phases of vertical and horizontal development for the remainder of the Development Footprint.”

SunCal

No. We submitted a proposal based upon the specifics of the RFP and do not require a commitment from the City guaranteeing us Phase 2.

- 2.13. Catellus and Lennar – How will public funding sources be revenue neutral for the City? How would it relate to funding for the rest of the City?

Catellus

As partners in the project, Catellus and the City can decide on which public funding mechanisms, if any, to pursue. If the City would prefer that all incremental property tax goes to the General Fund, rather than an Enhanced Infrastructure Financing District (“EIFD”), we can certainly accommodate that by balancing the project revenues and expenses in another way.

An EIFD was suggested in our Phase One proforma as a potential source of revenue to offset project expenses. Since the EIFD requires use of incremental property tax generated from the project, Catellus also suggested funding mechanisms that would offset the City's loss of property tax and keep the City fiscally neutral. Long-term maintenance of the infrastructure, services such as transportation, and maintenance of other public areas will be paid for using a

Municipal Services District (“MSD”) and Transportation Demand Management (“TDM”) program.

Our current proforma anticipates MSD/TDM revenues of approximately \$6 million annually to fund City maintenance and services. Essentially, an MSD/TDM provides the mechanism to assess an additional tax on property owners within the project area only, and the tax is collected by the City in order to fully fund maintenance of public infrastructure and services. This allows the City to stay fiscally neutral. For example, at Alameda Landing, homeowners are assessed \$1,200 per year for MSD costs while commercial users pay \$0.36 per square foot.

Lennar

Once selected, Lennar will work with the City to create a public financing structure that ensures the project does not have a negative impact on the City’s General Fund. As part of the DDA, a stand-alone financing plan that sets for the obligations of Lennar and the City with respect to land secured sources of funding will be created and approved.

While we have not yet conducted a detailed fiscal impact analysis of the proposed development program, the funding of the long-term maintenance of new infrastructure can come from a range of sources, as is typical of major new communities. Sewer and water rates, gas and electric bills, and other direct rate charges to new residents and businesses will fund some categories of infrastructure maintenance. Sales and use taxes, property tax in-lieu of vehicle license fees, user utility taxes, and other funds will accrue directly to the General Fund and support the maintenance of parks, roads, and other types of public maintenance. Finally, as Lennar and the City work to attract outside funding for infrastructure and find other ways to improve project performance, the need for Infrastructure Financing District property tax revenues can be reduced, allowing for more property tax revenues to flow into the City’s General Fund. At the same time, some operating and maintenance costs can be borne by a services component of the Community Facilities Districts as other sources for infrastructure financing become known, and as the project values grow.

- 2.14. Lennar – How would your project change if financing associated with grant programs or other uncertain sources does not come to fruition?

The financial pro forma Lennar submitted to the City in support of our proposed development program does not assume any proceeds from grant programs or other uncertain sources – so we do not expect our project would change if these sources are unavailable.

- 2.15. SunCal – Are your equity investors providing the majority of the funding? How do external partners participate in project decision-making?

Yes, equity investors provide the majority of the funding. Those external partners do not participate in day-to-day decision making that falls within the scope of the business plan and approved budget. SunCal is the managing partner for the LLC.

- 2.16. SunCal – Can you provide evidence of market support for the information included in your pro formas? Do you anticipate better returns than your competitors for the project, and if so how is that factored in? Have you considered whether development of Future Urban Area #1 (FUA#1) in Antioch would impact the housing prices you are projecting?

Please see attached market data. (**SunCal Exhibit 1**) As stated previously we have intentionally been aggressive with our market assumptions, as we believe this project will be unrivaled in the market when it develops. FUA#1 is not comparable to CRP Area because it will have different timing and is not in the same market with respect to location, access to transit, and access to jobs.

3 Affordable Housing

3.1. All – What are you assuming with respect to subsidies for affordable housing?

Catellus

In addition to providing development-ready sites to affordable housing builders, Catellus' Phase One proforma assumes a total subsidy of \$54 million for homeless accommodations, Habitat for Humanity, very low and low affordable housing, distributed as gap financing or an "in-lieu" fee. Another \$2 million is set aside of moderate income affordable units that would be distributed throughout the market-rate units. The subsidies are accounted for in our proforma land residual.

Lennar

Lennar will work with local affordable/homeless housing and service providers to develop an Affordable Housing Plan that will provide a detailed and comprehensive approach to affordable housing within the project. The provision of any subsidies will need to be negotiated with the LRA and City as part of an "open book" pro forma based negotiation which balances the various community benefits and amenities.

SunCal

Our proforma includes a cash contribution of \$20,000 from the master developer toward the construction of each affordable unit for each affordable housing development site. This is reflected in the cash flow as a negative revenue. In addition, we will provide development-ready sites to affordable housing builders. This assumes the affordable units will receive a development fee waiver from the City in an amount of approximately \$21,000 per unit. These fee waivers could be offset in part by fee credits generated by the infrastructure improvements completed by SunCal. Specifically, for every \$1 of City fees waived, our non-profit partners can leverage \$6 in State funding, enhancing the land residual to the City of Concord. We have confirmed this number with MidPen Housing as being adequate to deliver affordable housing in the Area Plan.

4 Labor

4.1. All – Do you have experience working with project labor agreements (PLAs) and union labor? Have you assumed a PLA in creating your pro forma for the project?

Catellus

Yes, Catellus' experience with PLAs is described in the staff report for the March 14, 2015 City Council meeting (<http://www.concordreuseproject.org/pdf/proposal/03132015.pdf>) in response to Question 5.2 of Exhibit B.

With the right balance between revenue sources and project expenses, a Project Labor Agreement is absolutely feasible and can fit within our Phase One proforma. As we have done on past projects including Mission Bay, Bayport Alameda and Pacific Commons, we anticipate meeting with the City and labor representatives to work through the specifics of the PLA and we are confident that an agreement can be completed.

Lennar

Yes – Lennar is currently developing the Hunters Point Shipyard project pursuant to the terms of an executed PLA and we have a signed PLA for Treasure Island – which expect will begin construction before the end of the year. Our financial pro forma was created with the understanding that development of the project may occur pursuant to a PLA.

SunCal

Yes, experience with PLAs is described in the staff report for the March 14, 2015 City Council meeting (<http://www.concordreuseproject.org/pdf/proposal/03132015.pdf>) in response to Question 5.2 of Exhibit B. Our proforma assumes union labor rates (with or without a PLA) for the horizontal improvements that we will be making as a master developer. Any more PLA requirements would have to be negotiated in the DDA with the City.

- 4.2. All – How would labor agreements between you (selected developer) and the City carry through to any vertical developers who implement portions of the project? Would that also apply to any not-for-profit developers of affordable housing?

Catellus

Any labor agreements would flow through to vertical developers, including not-for-profit developers of affordable housing. It is our intent to work with the City, labor, and vertical developers to establish labor agreements that work for all parties and we are confident that an agreement can be completed.

Lennar

Any labor agreements would flow through to vertical developers, including not-for-profit developers of affordable housing.

SunCal

Any labor agreements would flow through to vertical developers, including not-for-profit developers of affordable housing.

- 4.3. All – What opportunities for participation from local builders and others do you anticipate as the project is constructed and begins operation? Would there be a target or commitment to percentage participation for local builders?

Catellus

There will be substantial opportunities for local builders to participate as the project is developed. As a master developer, and not a homebuilder, we operate our business with an eye towards what's best for the master plan and its stakeholders, and not as means to control a residential lot inventory pipeline. We will use a competitive bidding "Request For Proposals" process to select the homebuilders for each phase of development. This will allow us to select multiple, best-in-class builders, provide diverse architecture and generate the highest value for the land. Having independent homebuilders also greatly diversifies the project's financial risk.

In Mueller, Catellus is working with 12 market rate homebuilders, 8 of them being local Austin builders. If the City would like to consider a specific percentage of local builders, we are open to having that conversation.

Lennar

Lennar has the capacity to develop the various types of vertical development that may be included in the project – and in some cases we elect to do some of the early vertical development to establish the identity for the new community. That said, we do not expect to develop all of the vertical elements and we fully expect that much of the site would be sold to third party builders, which includes local developers. Our goal in selecting vertical builders is to select builders that demonstrate the financial capacity to develop the proposed projects and which have an established track record of quality development consistent with the standards of excellence we are seeking for the community as a whole. As part of the DDA negotiations we will work with the City to develop targets for participation of local builders.

SunCal

We always desire participation of local builders and developers in our Master Plan communities. We don't have a specific target at this point but would be willing to work with the City to identify one. We would automatically do pre-marketing to local firms for any disposition. As you have seen, our commitment to local preference was very strong in our RFP team selection and dramatically exceeded the City's 40% goal.

4.4. All – Where do you see opportunities to create good jobs through construction and operation of development of the CRP Area?

Catellus

Catellus' Phase One proforma anticipates approximately \$500 million of infrastructure construction costs and over \$100 million of civil, traffic, geotechnical, and landscaping design and engineering costs. Vertical development costs for the residential and commercial portions of Phase One could likely exceed \$1 billion. The scope and scale of this project is immense. It will require a multitude of contractors, subcontractors, builders, consultants, engineers, and architects. At completion, Phase One could feature over 2 million square feet of retail, commercial, hotel, and office space. Opportunities for good jobs will be plentiful. As an example, at Mueller, there are an estimated 41 major consultants involved in the project, 35 of which are local Austin based companies. It is also estimated that Mueller has created 7,500 construction jobs and 4,800 permanent jobs. Catellus is working with 12 market rate homebuilders, 8 of them being local Austin builders.

Lennar

The redevelopment of CNWS provides the opportunity for the creation of quality jobs in a number of areas. First and foremost, the redevelopment effort is expected to span nearly two decades and during that period construction jobs will be provided related to both the horizontal improvements necessary to prepare the site as well as construction and trade positions that will be necessary for the various vertical development sites.

Beyond construction jobs, Lennar has proposed the inclusion of approximately 2.7M square feet of new commercial uses as part of the Phase One Development program. This is significantly more space than the other proposals, which we believe creates a substantial opportunity for the creation of permanent jobs. By installing state-of-the-art infrastructure systems we can create an “innovation district” and market tech ready sites. With a sufficient inventory of space available, Lennar is able to be opportunistic and capture tenants that others may miss. We believe businesses will be attracted to this “smart and connected” community within the City of Concord and will find the convenience of locating in close proximity to a BART Station and the accessibility afforded by Highway 4 an attractive option. These businesses can provide the types of “new economy” jobs that will allow the local workforce to find career options closer to home.

SunCal

We will work with the City to maximize development opportunities, at a competitive price, for local development firms. These opportunities would be for residential, commercial, or recreational facilities by local developers in Concord first and then Contra Costa County or the nine San Francisco Bay Area counties. As the project progresses, we would look to team with qualified small businesses and disadvantaged business enterprises and to create opportunities for Concord-based employers and resident workers.

Through minimum requested or required veteran apprentice designations on subcontracts, we would create a real market based incentive for greater veteran participation on the project. Additionally, outreach could be provided regarding the availability of open apprenticeships and On-the-Job Apprenticeships, as well as matching Veteran’s Affairs assistance programs through our team’s established working relationships with the Contra Costa County Veterans Services Office, the local Veteran’s Affairs Oakland Vocational Rehabilitation & Employment counselors, and several local not-for-profit veterans housing assistance

5 Entitlement and Permitting

5.1. City – How will you ensure there is adequate water supply for the project?

A water supply assessment has been prepared for the project by the Contra Costa Water District. As noted in the responses to Council and community questions in the staff report for the March 14, 2015 City Council meeting (<http://www.concordreuseproject.org/pdf/proposal/03132015.pdf>) in response to Question 10.1 of Exhibit B, the assessment accounts for the possibility of multiple-year drought conditions.

5.1. City – How does each developer plan to handle mitigation of wildlife and sensitive environmental areas on the site?

All three proposers would be required to comply with the Mitigation Monitoring and Reporting Program (MMRP) prepared as part of the City's Environmental Impact Report (EIR), certified in 2010 and permit requirements of the US Fish and Wildlife Service, US Army Corp of Engineers and state wildlife agencies . The MMRP is available on the City's website (http://www.concordreuseproject.org/pdf/CCRP_MMRP_Final_20100223.pdf). Wildlife impact and sensitive habitat mitigation are discussed in the Biological Resources section of the MMRP. Other protection, restoration and enhancement requirements are presently under negotiation with Federal and State regulators. In addition, each proposer responded to a related question posed by the technical review panel:

1. Catellus, Questions 5.2 and 5.3
(http://www.concordreuseproject.org/pdf/proposal/exhibit_03.pdf)
2. Lennar, Question 5.3
(http://www.concordreuseproject.org/pdf/proposal/exhibit_01.pdf)
3. SunCal, Question 5.2
(http://www.concordreuseproject.org/pdf/proposal/exhibit_02.pdf)

5.2. All – How do you attract vertical developers to participate in the project? How do you select vertical developers?

Catellus

The Concord Naval Weapons Station is an incredible opportunity. Attracting vertical developers to Phase One, which lies within a 5 – 15 minute walk of BART, should not be problematic. We anticipate abundant demand from builders. Catellus will use a competitive bidding “Request For Proposals” process to select the homebuilders for each phase of development. This will allow us to select multiple, best-in-class builders, provide diverse architecture and generate the highest value for the land. Having independent homebuilders also greatly diversifies the project's financial risk. Catellus will also diligently pursue any opportunities with commercial and/or office vertical developers or end users to complete the commercial portions of the project.

Lennar

Generally the selection of vertical developers is a market based process. Lennar has an extensive network of builders whom we have worked with and partnered with on a regular basis. In addition, we also enlist the services of brokers to attract potential buyers and can generate interest in vertical development through our commercial and multi-family divisions. Working with the local development community, Lennar will also develop a list of qualified local developers and we will ensure that opportunities to purchase sites and undertake vertical development will be offered to those firms.

SunCal

SunCal works with both national and regional builders, which helps with timeliness. In selecting vertical developers, the selection is usually a negotiated bid rather than an RFP process to ensure they keep a variety of builders involved. The City will be consulted for feedback on premarketing to and targeting of local firms.

5.3. All– Do you foresee any issues that would cause delay in completing the project?

Catellus

We believe this plan is marketable and buildable and has an excellent chance for success. A study completed by a third party consultant, Real Estate Economics, confirmed our belief that the Concord Naval Weapons Station is a very viable project and our plan responds to that market opportunity.

Our experience as a master developer has given us the tools to keep a project of this size and complexity on time and on schedule. There are possibilities for delays during the community engagement process and with the timing of the Navy's land transfer, but we plan to move quickly while making sure the community is comfortable with the plan and we believe our experience with the Navy will help us expedite an agreement and keep the transfer of the land on schedule.

Lennar

Perhaps the single biggest issue that could lead to a delay in the project is the negotiation of a transfer document with the Navy and the ability of the Navy to deliver land on a timely basis with the remediation work complete. Beyond the Navy, the City has acknowledged that additional CEQA analysis will need to be completed, including an analysis of a Specific Plan for the project. Any legal challenges to the CEQA process/document could add significant delay to the project.

SunCal

There are three external factors, which could lead to delays of delivering the project. First and foremost is the transfer of the land from the Navy. We would want to work cooperatively with the City and our resources and experts to do everything possible to keep that process on schedule. Second is the CEQA process. The City has done a great job with preparing a program level EIR document, but anytime you start a new CEQA process it is imperative to anticipate that there can be challenges, which could lead to EIR certification delays. Finally the general economy could have a chilling impact on some aspects of the Area Plan and could delay some of the products being contemplated.

5.4. Catellus – Do you expect to begin construction in 2017?

Yes, we anticipate commencement of infrastructure construction in 2017.

5.5. Lennar and SunCal – Will you build some or all of the homes/commercial in Phase One? If others will do some vertical development, will you have a particular percentage in mind?

Lennar

Lennar has the capacity – through our varied divisions – to develop the various types of vertical development that may be included in the project – and in some cases we elect to do some of the early vertical development to create the initial identity for the new community. That said, we do not expect to develop all of the vertical elements and we fully expect that much of the site would be sold to third party builders, which includes local developers. Our goal in selecting vertical builders is to select builders that demonstrate the financial capacity to develop the proposed projects and which have an established track record of quality development that is consistent with the standards of excellence we are seeking for the community as a whole. As part of the DDA negotiations we will work with the City to develop targets for participation of local builders.

SunCal

SunCal will build none of the homes or commercial, so 100% of vertical development will be by others.

5.6. SunCal – What is your role in development? Will it include delivering the infrastructure?

Role is that of master developer, meaning SunCal does not do the vertical development but does work on entitlement through getting master pads ready for developers with utilities stubbed so they are ready for development when there is market support. It does include delivering infrastructure, including directly hiring the general contractors to do that work.

6 BRAC Process

6.1. All – How have you helped the transfer process to move forward in your past work with military base reuse projects?

Catellus

Most recently, Catellus has developed approximately 213-acres of the former U.S. Navy's Fleet Industrial Supply Center and East Housing Area for the Alameda Naval Air Base in Alameda. Catellus entitled and completed infrastructure for 825 residential lots, 296,000 square feet of retail uses, and an elementary school. Catellus negotiated an early transfer from the Navy with Catellus responsible for environmental clean-up and site demolition. The Navy completed a Finding of Suitability for Early Transfer and imposed certain restrictions on the use of the Property to protect present and future human health or safety. The Navy prohibited residential use until DTSC agreed that soil conditions did not pose an unacceptable risk

Negotiations related to remediation of the Navy's land include Catellus' work with DTSC and the Navy to finalize the Human Health Risk Assessment ("HHRA"), Feasibility Study ("FS") and Remedial Action Plan ("RAP") for the project. Approvals related to remediation also include working with the Navy and the City of Alameda to execute a Memorandum of Agreement ("MOA") in order to facilitate DTSC's approval of supplemental RAPs and implementation of the cleanup by Catellus. Catellus successfully negotiated the release of land use controls for residential and commercial development. Our company has an excellent relationship with the Navy, DTSC, EPA, Regional Water Quality Control Board and other agencies that will be involved in project approvals.

Other base redevelopments include LA Air Force Base Space and Missile Systems Center on former U.S. Air Force land in El Segundo, CA. This development utilized a first-of-a-kind land swap that required an act of Congress. Catellus completed a 545,000 square foot Space and Missile Systems Center and developed 52 acres of land into residential communities.

Lennar

Lennar has extensive experience in various methods of property conveyance from the Navy. We have participated in direct sales, Economic Development Conveyances, and Early Transfers of property throughout the State of California and we will draw upon all of those experiences to support the conveyance of CNWS to the City of Concord. As one example, Lennar Urban partnered with the City of San Francisco to negotiate and execute the Economic Development Conveyance ("EDC") Agreement with the Navy for the transfer of

former Naval Station Treasure Island. This EDC was a groundbreaking model for the Navy as it set forth an arrangement whereby payment to the Navy would include a baseline payment plus additional revenues based on the financial success of the redevelopment effort.

Beyond the property conveyance process, Lennar has remained actively involved in all of the processes related to environmental remediation at the various facilities in which we are involved. Working with the Navy to craft the environmental remediation program assures us and the City that the Navy's efforts are focused on those sites that are a priority for development and aids in expediting the property transfer process.

SunCal

Our team understands the challenges associated with keeping the transfer process moving forward. We chose to include two individuals, Cris Jespersen and Lynn Kreigbaum, as our Military Liaison Team. Mr. Jespersen and Ms. Kreigbaum have experience in the successful transfer of property at three BRAC facilities in Northern California.

Mr. Jespersen worked on a team supporting the City of Vallejo for the right to develop the U.S. Navy's former dredge material disposal ponds located on the Western Early Transfer Parcel at the former Mare Island Naval Shipyard. During negotiations with regulators regarding the reuse of the dredge ponds, it became apparent that reuse would not be allowed until the U.S. Navy completed cleanup of the 70-acre Resource Conservation and Recovery Act (RCRA) landfill and IR-05 on U.S. Navy-retained property located adjacent to the dredge ponds. The team approached the U.S. Navy with the idea of conducting an early transfer of the U.S. Navy-retained parcels in this area. Working with the U.S. Navy and the City of Vallejo, the team negotiated an Environmental Services Cooperative Agreement for the Western Early Transfer Parcel that transferred the property and the funding to remediate it to the City of Vallejo. Mr. Jespersen participated in the negotiations of the ESCA and other key decision documents, and served as program manager for the remediation work following the transfer of the property to the City of Vallejo. He also served as a member of the Mare Island Restoration Board (RAB) from 2000 – 2012 and participated in monthly briefings on project progress to the Navy, City, regulatory agencies, and members of the local community.

Mr. Jespersen was a member of a team formed to assist the Fort Ord Redevelopment Authority (FORA) on negotiating an Environmental Services Cooperative Agreement for the early transfer of approximately 3,000 acres of munitions and explosives of concern (MEC)-contaminated property at the former Fort Ord. The FORA team met with senior members of the Army Corps of Engineers, USEPA, and DTSC for over 12 months to arrive at a technical approach that did not require every foot of the site to be excavated and mechanically screened (which was cost-prohibitive), and yet was acceptable to the regulatory agencies. The negotiated approach allowed the transfer, cleanup, and development of the property to move forward.

In her role as Base Closure Officer at Oakland Army Base, Ms. Kriegbaum was responsible for meeting the legislative requirements of the 1995 BRAC and closing the base as directed by the Deputy Assistant Secretary of the Army no later than September 30, 1999. She prepared and implemented a Master Schedule for closure of the installation and undertook actions such as holding weekly closure team meetings, developing an internal question and answer forum, engaged in open and constant dialogue with the Local Reuse Authority and bringing them in as Closure Team members. She successfully closed the base on schedule,

including divesting of all personal property. Additionally, she worked with the City of Oakland to assume a Master Lease for the installation beginning initially with beneficial occupancy leases, to assist the LRA in developing an income stream as buildings and facilities were vacated by the Army, pending conveyance.

As one of two remaining staff at the Army Base, Ms. Kriegbaum, in her role as Base Transition Coordinator, provided the project management from closure through transfer. She authored the Finding of Suitability for Early Transfer for submission to the State of California for the Governor's approval and coordinated the agency and public reviews. The Finding of Suitability for Early Transfer, from initial notice of intent to Governor's signature, was accomplished in approximately 11 months. Ms. Kriegbaum mediated the difficult negotiations between the City of Oakland and the Army for the Environmental Services Cooperative Agreement, successfully bringing all parties to agreement. She provided assistance and support to the Army and the City in negotiating a successful No-Cost Economic Development Conveyance of the former Oakland Army Base.

Ms. Kriegbaum also authored the Lease in Furtherance of Conveyance for the Public Benefit Conveyance of former Oakland Army Base property to the East Bay Regional Parks District and facilitated review and acceptance by all parties.

Ms. Kriegbaum was a lead member of a team responsible for preparation of the Air Force Real Property Agency (AFRPA) 2006 BRAC Master Plan (BMP) for the Air Force's legacy BRAC bases (all BRACs prior to 2005). This Master Plan was developed for AFRPA to accelerate disposal of property remaining from previous BRAC closure rounds and to optimize execution of associated environmental restoration programs. Ms. Kriegbaum was responsible for analysis of previous property transfers, untransferred property, commitments for future actions, and identification of legal vehicles available for future property disposal for each legacy base. These analyses were used in the development of individual BRAC Installation Plans for each of the Air Force's legacy BRAC bases to supplement the BMP. Included in the BMP was a brief overview of the installation specific assessment process and the factors considered when developing options for each installation. Each option addressed cost effective and timely property disposal, BRAC disposal authorities, private sector real estate opportunities, environmental remediation optimization, and the associated funding required to achieve complete installation closure.

At the publication of the BMP, the Air Force had 21,959 acres of property yet to transfer at their legacy bases. One year out, after implementation of the BRAC Installation Plans, 40% of that property had been transferred with 16 of the 27 legacy BRAC bases included in the study achieving 100% transfer.

7 Project Team

7.1. All – How will you ensure that high-density housing provides high quality of life for residents of such housing?

Catellus

Catellus would anticipate tight controls for vertical design and development of all residential and commercial areas, including higher density multi-family buildings. We anticipate the creation of design guidelines and an architectural review committee that would govern the vertical design and construction as the project moves forward.

For example, in our Mueller project in Austin, the “New Construction Council” was formed to review all architectural, park and art submissions for development. This Council is made up of industry experts, representatives from Catellus, the City of Austin and the master planner to ensure that projects meet high-quality design and construction standards while also maintaining community goals for the project such as pedestrian-oriented ground floors, wrapped garages and four-sided architecture.

In addition, we will use a competitive bidding “Request For Proposals” process to select the highest quality homebuilders for each phase of development, including high density product types. This will allow us to select multiple, best-in-class builders, provide diverse architecture and generate the highest value for the land.

Lennar

The higher density housing proposed for the project is generally located in the proposed BART Town Center and the Willow Pass Village. The residents of these units will have access to high quality public transportation, be within walking distance of commercial and retail establishments, and enjoy immediate access to a network of quality parks and open spaces. Typically, these higher density homes are sold at price points below single family homes, thus allowing more residents to move into the new community and enjoy the full suite of amenities at a lower overall cost.

It is important to note, that when Lennar prepared the proposed development concept, we took great care to propose a complete master plan for the entire CNWS Development Footprint – which we believe is consistent with the direction of the RFP. This approach is critical to ensure that we understood how the project will function as a whole, and how the quality of life for each resident will be enhanced – including those in the higher density housing.

SunCal

MidPen is experienced with designing and developing high-density communities that are livable and truly sustainable. We work with architects who know how to utilize space in a very efficient and beautiful way. Our high density communities, with typical densities of 50-75 du/acre include ample common areas such as spacious community rooms, courtyards, community gardens and outdoor play spaces for children. In addition, we take care to design our buildings so they are highly livable for families for the long term. For example, we provide spacious laundry rooms in a central, sunny location of the site, typically off a central court yard so that families can do their laundry while the children play safely nearby. We locate parking and bike storage areas so they are convenient for families with children (i.e. close to their units). Our interior hallways are designed so they are filled with natural light with corridors at least 5’ in width, making these areas feel spacious and comfortable. We take advantage of every available square foot by creating spaces that do “double duty” whenever possible such as the bend in a corridor that serves as a quiet seating area or library, or a front lobby that is also a place to wait for the mail or sit in the sun and visit with a friend. Finally, we conduct focus groups with our residents to get real time feedback about what works best and what features could be even better to ensure that our design standards evolve as the needs of our residents evolve and change over time.

We also have a very intentional commitment to sustainability when we design our communities. Solar hot water panels pre-heat resident’s water, which decreases their energy bills, we have a system to capture and treat rainwater as well as drought-resistant landscaping

and energy efficient appliances. Our communities are designed to LEED Gold Standards or better ensuring that the utility costs for the residents are affordable.

7.2. Lennar – How will you prioritize the project in Concord given your current staffing and equity obligations to other projects such as Treasure Island and Hunters Point?

Our office is staffed and has the capacity to begin work on the entitlements for CNWS, including the planning and design of the various infrastructure components, immediately upon selection as the master developer. Our experience at Hunters Point and Treasure Island allows to hit the ground running and leverage our relationships and experience to the benefit of the City of Concord.

Our management of the Concord Reuse Project will follow an approach that we have been successful with on other large-scale, master-planned communities. It begins with the internal resources we dedicate to the project. This includes executive management that has successfully lead the redevelopment of BRAC sites and staff that have all had substantial interaction with the United States Navy as part our base reuse efforts.

We will establish a project office in the City of Concord and will assign a project manager who will be responsible for all aspects of the planning and entitlement effort. The project manager will have a dedicated team that includes technical staff that will support the design of the infrastructure and sustainability elements; assistance from our financial team that will work with our consultants on developing financial models and create funding strategies; and input from our commercial and residential divisions to assist us in understanding the market dynamics and development opportunities. Dividing the work effort and the management of the project internally – under the watchful eye of the project manager – allows us to bring the appropriate expertise to the project and is ultimately more efficient.

As noted in our proposal, one of the strengths of our team is that we have assembled a group of professional consultants that bring vast experience in military base reuse; planning and design; and the implementation of large-scale mixed use communities. They understand the issues which are unique to the redevelopment of former military installations and many of the core team members have partnered with Lennar and Lennar Urban on our base reuse projects around the state.

The entitlement effort will be funded by Lennar and we do not have any capacity restrictions that would impact this effort.

8 Example Projects

8.1. Lennar – What was the financial and contractual relationship between Lennar, Lennar Mare Island, and LandSource? Were any of those entities LLCs?

Lennar and LNR Property Corporation formed Lennar Mare Island LLC, a California limited liability company (“LMI”) in 1997 for the purposes of development and management of approximately 753 acres on Mare Island. Each entity funded entitlement, infrastructure, maintenance and other day-to-day expenses and capital requirements.

In February 2007, Lennar and LNR, along with institutional partners, formed LandSource Communities Development LLC (“LandSource”) for acquiring, owning and developing property. One of the many assets that was included in LandSource was LMI. LandSource

funded additional entitlement, infrastructure, maintenance and other day-to-day and capital requirements. Unrelated to LMI's performance, LandSource filed for bankruptcy in June 2008. Bankruptcy proceedings ended in July 2009.

Subsequent to the bankruptcy, Lennar reacquired and is now the sole member of LMI. LMI currently generates a substantial amount of revenue which is reinvested into the Mare Island project. When capital is required, Lennar provides the funding for LMI.

8.2. Lennar – Have you ever built all of the housing in a particular project (rather than having other vertical developers)?

No – All of our BRAC projects in California will include a mix of Lennar built housing and housing constructed by other builders. As an example, at the El Toro project, the first of the Great Park Neighborhoods, Pavilion Park, includes 726 homes, 10 home collections, and 31 models by eight premier builders.

8.3. SunCal – Have you had profit-sharing arrangements on prior projects?

Yes. For example, on Dublin Crossing SunCal's payments to the City are defined.

9 Sustainability

9.1. City – Can the city/developers/water district treat recycled water so that it can be used by existing and new residents?

The City's Area Plan describes the use of recycled water in the CRP Area. This includes State law regulating its use and the City's policy making it an important feature of implementation and an underpinning of the CRP Area Plan climate action plan (Book Three). See pages 67 through 69 of Area Plan Book Two, including particularly Policy U-4.2: Recycled Water Use – Require use of non-potable water to irrigate all public spaces and private out door space managed by homeowner's associations. Prohibit use of potable water for irrigation unless there are no alternative supply sources.
(http://www.concordreuseproject.org/pdf/CRPAreaPlan_book2.pdf)

10 Transportation

10.1. City – The responses to the questions and comments from the February 10 & 11 presentations continue to assert that proximity to public transit alone promotes the use of public transit. However, many people do not use public transit because it is not reliable. In addition, BART has already stated it does not have the capacity to fully service even its new Warm Springs extension. Further, the traffic in both directions of I 680 and Hwy 4 toward Brentwood is worse than ever. My previous question asking how the developers will work with Caltrans, BART, County Connection and other public transportation entities was not answered. Please provide details on the plan to coordinate the roll out of development with the capacity for public transportation and roadways to accommodate the increased use.

Please see responses to Question 14.6 in Exhibit A to the March 14, 2015 staff report regarding work with Caltrans and other transportation entities
(<http://www.concordreuseproject.org/pdf/proposal/03132015.pdf>). Please also see the City's

2010 Reuse Plan EIR (http://www.concordreuseproject.org/news/deir_Jan2010.asp), which describes anticipated impacts to the transportation system from development and associated mitigations. The mitigation measures are provided in a single document in the associated Mitigation Monitoring and Reporting Program (http://www.concordreuseproject.org/pdf/CCRP_MMRP_Final_20100223.pdf). Regarding BART to Warm Springs, specifically, BART has indicated that there are some short-term potential limitations with respect to having sufficient train cars for expanded service, but that a plan is being developed to provide service in the short term. In the long term, BART is acquiring additional train cars to serve the entire system and will have adequate rolling stock for the system and planned expansions.

March 30, 2015

Catellus Exhibit 1



(iv) M/WBE Report. On or before December 1 and June 1 of each calendar year, Catellus shall prepare and submit to the City an M/WBE Report covering the prior 6 month period.

ARTICLE III.
PROPERTY TAKEDOWN AGREEMENTS

3.1 Takedown Agreement. Subject to the terms hereof, the City and Catellus agree to effectuate each Takedown. Catellus acknowledges that the School Property, the Proposed Academic Health Center Property, the Film Society Property and the National Guard Property are not available for Takedown, except as specifically provided herein.

3.2 Takedown Conditions.

(a) The City's Takedown Conditions. The City's Takedown obligations are subject to the fulfillment of each of the following conditions, which may be waived in the City's sole discretion:

(i) Notice. Catellus has provided the City with the greater of (A) 90 calendar days' notice, or (B) if applicable, the required calendar days notice to design, bid, award contracts, and construct offsite infrastructure regarding the applicable portion of the Property set forth on Exhibit I hereof, prior to written notice of its designation of the Applicable Takedown Property and the scheduled Takedown Date. Notwithstanding the foregoing, if the notice for the Applicable Takedown Property includes the old FAA Building (commonly known as Building No. 2048) near the prior entrance of the former airport the 90 day required notice period in (A) above will be 180 calendar days.

(ii) Representations, Warranties and Agreements. The material representations and warranties of Catellus contained herein shall be materially true, accurate and correct as of the Takedown Date except to the extent they relate only to an earlier Takedown Date. Catellus has performed all the material agreements to be performed by Catellus as of the Takedown Date.

(iii) No Event of Default. No Catellus Event of Default exists.

(iv) Application for Backbone Infrastructure. Catellus has submitted an Application for Backbone Infrastructure to the City for all or a portion of the Applicable Takedown Property.

(v) Park Infrastructure. Catellus has delivered evidence in form and content reasonably acceptable to the City that Catellus will commence construction of the Park Infrastructure:

A. in the case of the Lake Park and Phase XII and Phase III Perimeter Parks, within 120 days of the actual Takedown Date, which may be phased on a schedule mutually agreeable to the City and Catellus, and

B. in the case of the remaining Perimeter Parks, the Neighborhood Parks and the Other Parks, not later than the issuance of Certificates of Occupancy for 50% in the aggregate of the residential units/houses in the applicable phase.

By way of example and not of limitation, 275 housing units are anticipated for Phase VIII and, prior to the issuance of Certificates of Occupancy for 138 units in Phase VIII, Catellus shall Takedown and Commence Construction on the Neighborhood Park, Perimeter Park and Other Parks in Phase VIII. The actual construction obligations following such Takedowns are set forth in Section 7.2 hereof.

(vi) Architectural Master Plan. Prior to the Takedown of any portion of the Regional Retail Property, the City and Catellus must have agreed upon an Architectural Master Plan for the Regional Retail Property. Prior to the Takedown of any portion of the Town Center, the City and Catellus must have agreed upon an Architectural Master Plan for the Town Center. Prior to the Takedown of any portion of the Commercial Property adjacent to the Film Society Property, the City and Catellus must have agreed upon an Architectural Master Plan for such adjacent tracts.

(vii) Subdivision. A subdivision plat acceptable to the City (in its regulatory capacity) has been approved and recorded for the Applicable Takedown Property. A subdivision plat acceptable to the City (in its landowner capacity, which will not be unreasonably withheld, conditioned or delayed) has been approved and recorded for the Applicable Takedown Property.

(b) Catellus' Takedown Conditions. Catellus' Takedown obligations are subject to the fulfillment of each of the following conditions, which may be waived in Catellus' sole discretion:

(i) Representations, Warranties and Agreements. The material representations and warranties of the City contained herein shall be materially true, accurate and correct as of the Takedown Date except to the extent they relate only to an earlier Takedown Date. The City has performed all the material agreements to be performed by the City as of the Takedown Date.

(ii) No Event of Default. No City Event of Default exists.

(iii) TCEQ Closure. The City has obtained Closure from the TCEQ for the Applicable Takedown Property and, if required by Applicable Laws, has filed

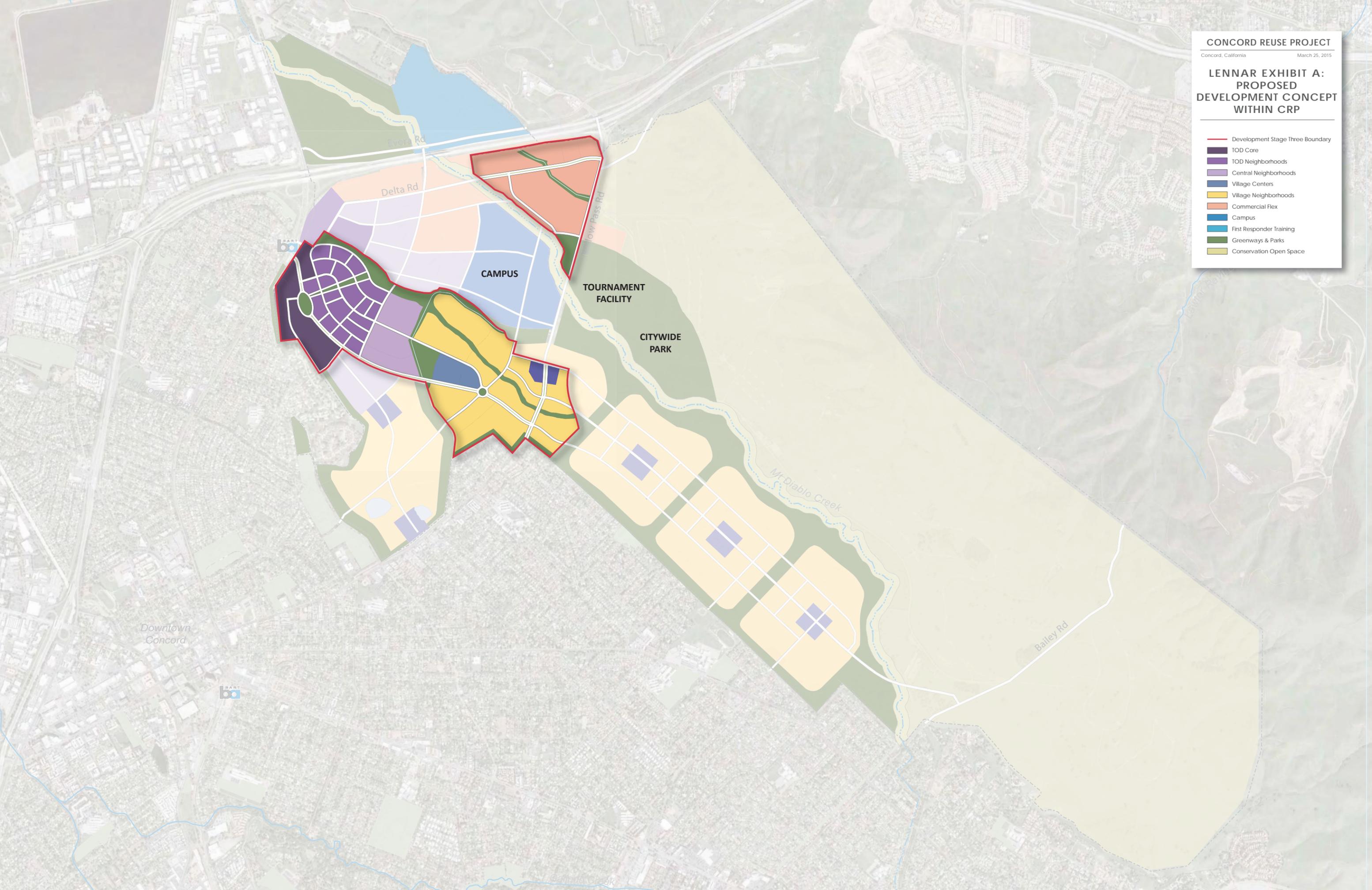
March 30, 2015

Lennar Exhibit 1



**LENNAR EXHIBIT A:
PROPOSED
DEVELOPMENT CONCEPT
WITHIN CRP**

- Development Stage Three Boundary
- TOD Core
- TOD Neighborhoods
- Central Neighborhoods
- Village Centers
- Village Neighborhoods
- Commercial Flex
- Campus
- First Responder Training
- Greenways & Parks
- Conservation Open Space



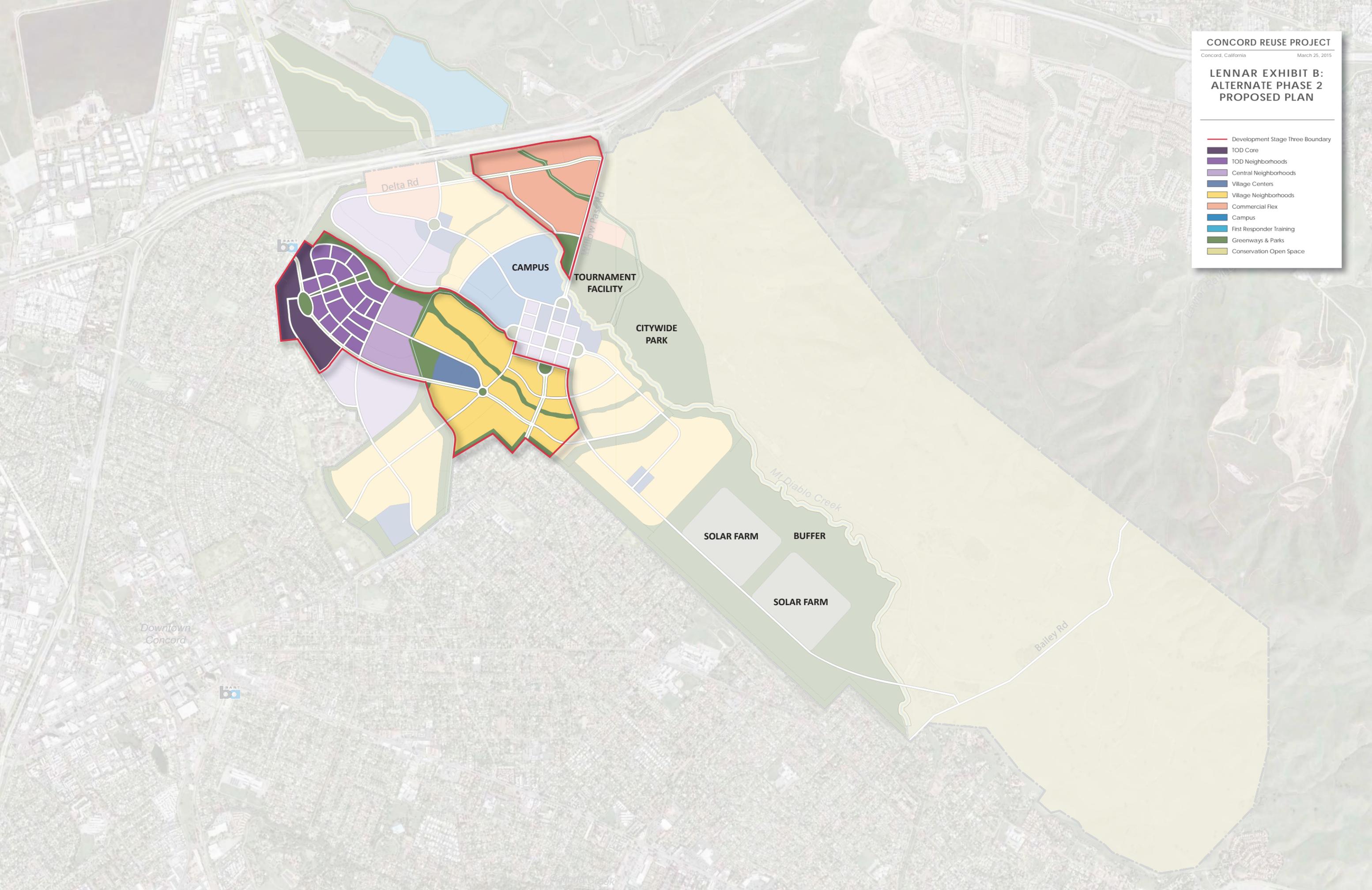
March 30, 2015

Lennar Exhibit 2



**LENNAR EXHIBIT B:
ALTERNATE PHASE 2
PROPOSED PLAN**

- Development Stage Three Boundary
- TOD Core
- TOD Neighborhoods
- Central Neighborhoods
- Village Centers
- Village Neighborhoods
- Commercial Flex
- Campus
- First Responder Training
- Greenways & Parks
- Conservation Open Space



March 30, 2015

Lennar Exhibit 3



Exhibit C -
Land Development Cash Flow - Phase 1

	Stage 1 Infrastructure			Stage 1 Buildout -->		Stage 2 Infra		Stage 2 Buildout -->		Stage 3 Infra		Stage 3 Buildout -->	
	1	2	3	4	5	6	7	8	9	10	11	12	
Item	Phase 1 Total	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
SOURCES OF FUNDS													
Finished Land Sales - No Appreciation (constant \$\$)													
Residential For Sale	\$443,173,230	\$0	\$0	\$47,058,654	\$49,090,557	\$50,351,999	\$47,346,712	\$46,452,920	\$44,779,998	\$44,011,229	\$40,929,807	\$36,914,919	\$36,236,436
Flex Office/Campus	\$21,562,200	\$0	\$0	\$0	\$0	\$0	\$0	\$6,534,000	\$6,534,000	\$6,534,000	\$1,960,200	\$0	\$0
Town Center	\$15,681,600	\$0	\$0	\$0	\$0	\$0	\$0	\$3,920,400	\$3,920,400	\$3,920,400	\$3,920,400	\$0	\$0
Industrial/Flex	\$57,678,885	\$0	\$0	\$10,781,100	\$10,781,100	\$10,781,100	\$10,781,100	\$10,781,100	\$3,773,385	\$0	\$0	\$0	\$0
Total Finished Land Sales Revenues (constant \$\$)	\$538,095,915	\$0	\$0	\$57,839,754	\$59,871,657	\$61,133,099	\$58,127,812	\$67,688,420	\$59,007,783	\$54,465,629	\$46,810,407	\$36,914,919	\$36,236,436
(Less) Commissions	(\$10,761,918)	\$0	\$0	(\$1,156,795)	(\$1,197,433)	(\$1,222,662)	(\$1,162,556)	(\$1,353,768)	(\$1,180,156)	(\$1,089,313)	(\$936,208)	(\$738,298)	(\$724,729)
Net Finished Land Sales Revenue (constant \$\$)	\$527,333,997	\$0	\$0	\$56,682,959	\$58,674,224	\$59,910,437	\$56,965,256	\$66,334,651	\$57,827,627	\$53,376,317	\$45,874,199	\$36,176,621	\$35,511,707
Net Finished Land Revenues - Appreciation (nominal \$\$)	\$761,430,694	\$0	\$0	\$67,696,233	\$72,233,046	\$73,489,834	\$91,567,519	\$88,206,105	\$89,965,118	\$80,799,809	\$66,586,491	\$68,303,973	\$68,303,973
Net Finished Land Revenues - Appreciation (constant \$\$)	\$630,685,803	\$0	\$0	\$56,682,959	\$60,112,318	\$62,883,213	\$62,722,866	\$76,619,603	\$72,359,728	\$72,355,619	\$63,710,098	\$51,473,523	\$51,765,876
Other Revenues (nominal \$\$)													
Community Facilities District (CFD)	\$160,481,507	\$0	\$62,114,312	\$0	\$0	\$0	\$62,404,054	\$0	\$35,963,141	\$0	\$0	\$0	\$0
Infrastructure Financing District (IFD)	\$32,274,273	\$0	\$0	\$157,649	\$330,311	\$516,036	\$9,372,072	\$209,949	\$438,180	\$9,095,333	\$265,763	\$549,155	\$11,339,826
Total Other Revenues (nominal \$\$)	\$192,755,780	\$0	\$62,114,312	\$157,649	\$330,311	\$516,036	\$71,776,126	\$209,949	\$36,401,321	\$9,095,333	\$265,763	\$549,155	\$11,339,826
Total Other Revenues (constant \$\$)	\$165,617,349	\$0	\$57,292,264	\$142,502	\$292,604	\$447,984	\$61,064,473	\$175,044	\$29,742,529	\$7,282,918	\$208,549	\$422,312	\$8,546,168
TOTAL SOURCES (constant \$\$)	\$796,303,151	\$0	\$57,292,264	\$56,825,461	\$60,404,922	\$63,331,198	\$123,787,339	\$76,794,648	\$102,102,258	\$79,638,537	\$63,918,646	\$51,895,835	\$60,312,044
TOTAL SOURCES (nominal \$\$)	\$954,186,474	\$0	\$62,114,312	\$62,740,216	\$68,026,545	\$72,749,083	\$145,265,960	\$91,777,467	\$124,607,426	\$99,060,450	\$81,065,572	\$67,135,646	\$79,643,799
USES OF FUNDS													
Pre-Development Costs (constant \$\$)(1)	\$11,500,000	\$10,000,000	\$0	\$0	\$500,000	\$0	\$500,000	\$0	\$500,000	\$0	\$0	\$0	\$0
Pre-Development Costs (nominal \$\$)(1)	\$12,370,488	\$10,612,080	\$0	\$0	\$563,081	\$0	\$563,081	\$0	\$609,497	\$0	\$0	\$0	\$0
In-Tract Costs (constant \$\$)	\$162,761,111	\$0	\$0	\$16,945,355	\$17,724,452	\$18,114,000	\$16,555,807	\$17,334,904	\$16,555,807	\$16,727,208	\$15,379,371	\$13,790,013	\$13,634,194
In-Tract Costs (nominal \$\$)	\$195,904,787	\$0	\$0	\$18,709,041	\$19,960,612	\$20,807,293	\$19,397,766	\$20,716,815	\$20,181,436	\$20,798,181	\$19,504,761	\$17,838,853	\$17,990,029
Infrastructure Costs (constant \$\$)													
Offsite	\$39,396,268	\$10,007,784	\$10,007,784	\$0	\$5,388,200	\$0	\$13,992,500	\$0	\$0	\$0	\$0	\$0	\$0
Backbone	\$180,942,020	\$52,190,865	\$52,190,865	\$0	\$55,798,900	\$0	\$20,761,390	\$0	\$0	\$0	\$0	\$0	\$0
Additional Backbone for Non-Resid. Areas	\$58,807,940	\$16,237,535	\$16,237,535	\$0	\$26,332,870	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Schools	\$50,750,000	\$3,625,000	\$3,625,000	\$0	\$0	\$0	\$14,500,000	\$0	\$0	\$14,500,000	\$0	\$0	\$14,500,000
Parks/ Open Space/ Centers/ Other	\$38,715,000	\$4,712,500	\$4,712,500	\$0	\$20,010,000	\$0	\$9,280,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Infrastructure Costs (constant \$\$)	\$388,611,228	\$86,773,684	\$86,773,684	\$0	\$107,529,970	\$0	\$58,533,890	\$0	\$0	\$14,500,000	\$0	\$0	\$14,500,000
Total Infrastructure Costs (nominal \$\$)	\$412,850,916	\$92,084,928	\$93,926,626	\$0	\$121,096,211	\$0	\$68,581,781	\$0	\$0	\$18,028,927	\$0	\$0	\$19,132,442
Developer Payment of CFD Special Tax (constant \$\$)	\$35,327,894	\$0	\$4,867,799	\$3,825,638	\$2,744,706	\$1,640,932	\$5,083,285	\$3,883,749	\$5,163,956	\$3,881,653	\$2,626,878	\$1,405,870	\$203,429
Developer Payment of CFD Special Tax (nominal \$\$)	\$41,744,847	\$0	\$5,277,501	\$4,232,271	\$3,098,413	\$1,890,201	\$5,974,972	\$4,658,182	\$6,320,068	\$4,847,634	\$3,347,549	\$1,828,127	\$269,928
TOTAL USES (constant \$\$)	\$578,200,234	\$96,773,684	\$91,641,483	\$20,770,993	\$128,499,128	\$19,754,932	\$80,672,982	\$21,218,652	\$22,219,763	\$35,108,861	\$18,006,248	\$15,195,884	\$28,337,623
TOTAL USES (nominal \$\$)	\$662,871,038	\$102,697,008	\$99,204,127	\$22,941,313	\$144,718,317	\$22,697,494	\$94,540,349	\$25,374,996	\$27,111,002	\$43,674,743	\$22,852,310	\$19,666,979	\$37,392,400
RATE OF RETURN													
NET CASH FLOW (constant \$\$)	\$218,102,918	(\$96,773,684)	(\$34,349,219)	\$36,054,468	(\$68,094,206)	\$43,576,266	\$43,114,358	\$55,575,995	\$79,882,495	\$44,529,676	\$45,912,398	\$36,699,952	\$31,974,421
NET CASH FLOW (nominal \$\$)	\$291,315,437	(\$102,697,008)	(\$37,089,815)	\$39,798,903	(\$76,691,773)	\$50,051,589	\$50,725,611	\$66,402,471	\$97,496,424	\$55,385,708	\$58,213,262	\$47,468,666	\$42,251,399
CUMULATIVE		(\$102,697,008)	(\$139,786,823)	(\$99,987,920)	(\$176,679,693)	(\$126,628,104)	(\$75,902,494)	(\$9,500,023)	\$87,996,401	\$143,382,109	\$201,595,371	\$249,064,037	\$291,315,437
IRR		17.3%											
NPV (at 20%)		(\$10,915,675.94)											

(1) Includes all pre-development costs accrued through 2017.

March 30, 2015

SunCal Exhibit 1



Concord - Willow Pass Road Site

○ Meyers Index Rating

Prepared by Randy Dunlevie at JNI, LLC

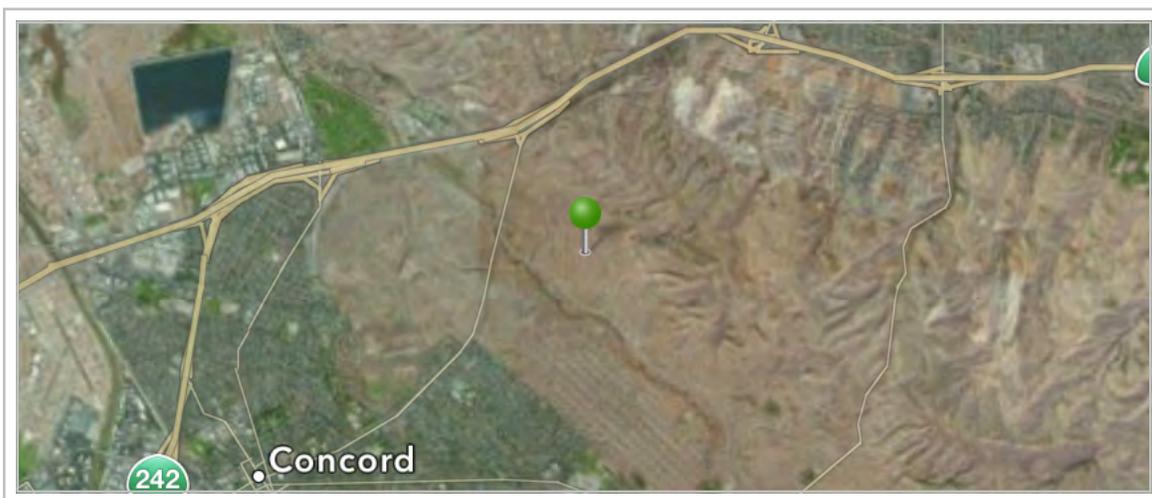
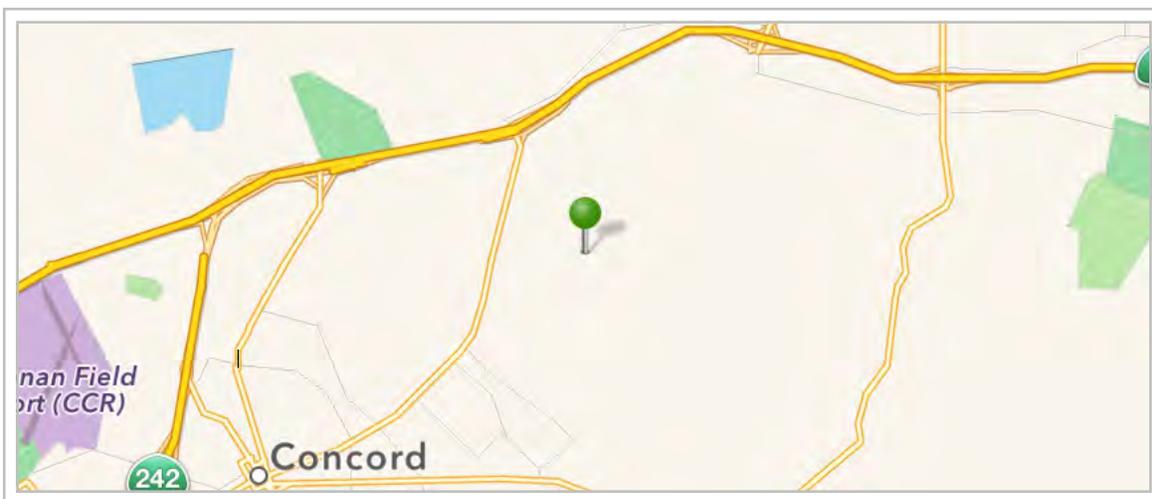
CALIFORNIA

639



Unnamed Road, Concord CA 94520

38.0006N -121.9887W



PARCEL CHARACTERISTICS

APN

111010017

Lot Size

41,708,700 sq ft

Zoning

A-2

Lot Size

957.50 acres

Land Use

PUBLIC (NEC)

LAST RECORDED SALE

Date

N/A

Sale Price

N/A

Lot Price per sq ft

N/A

OWNER INFORMATION

Name

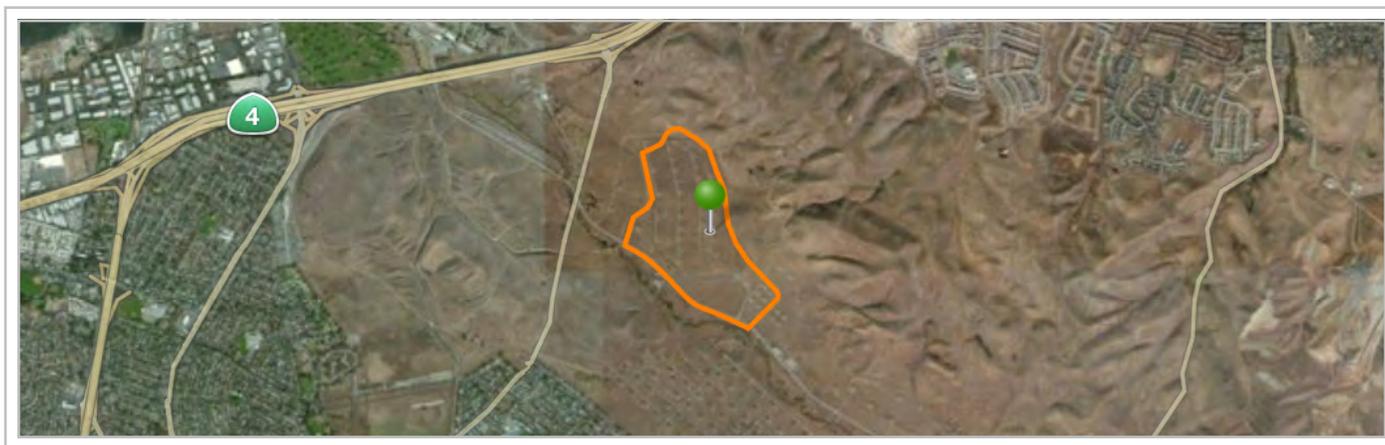
UNITED STATES OF AMERICA

Address

PO BOX 722, SAN BRUNO CA, 94066

In Care Of

NAVAL FACILITIES ENG



SITE DETAILS

Product Type: Detached

Minimum Lot Size: -

No. of Lots/Unit Types: -

HOA Fee: -

Assessments: -



Market Entry: -

Entitlement Status: -

Sales Price:

Offer Price:

NOTES

Mar. 20, 2015 04:03 PM PDT

Positioning

PRICE RANGE



Unit Size

1,700 - 4,200 sq ft

Price*

\$720,000 - \$1,400,000

PROJECTS GRAPHS

Walnut Creek

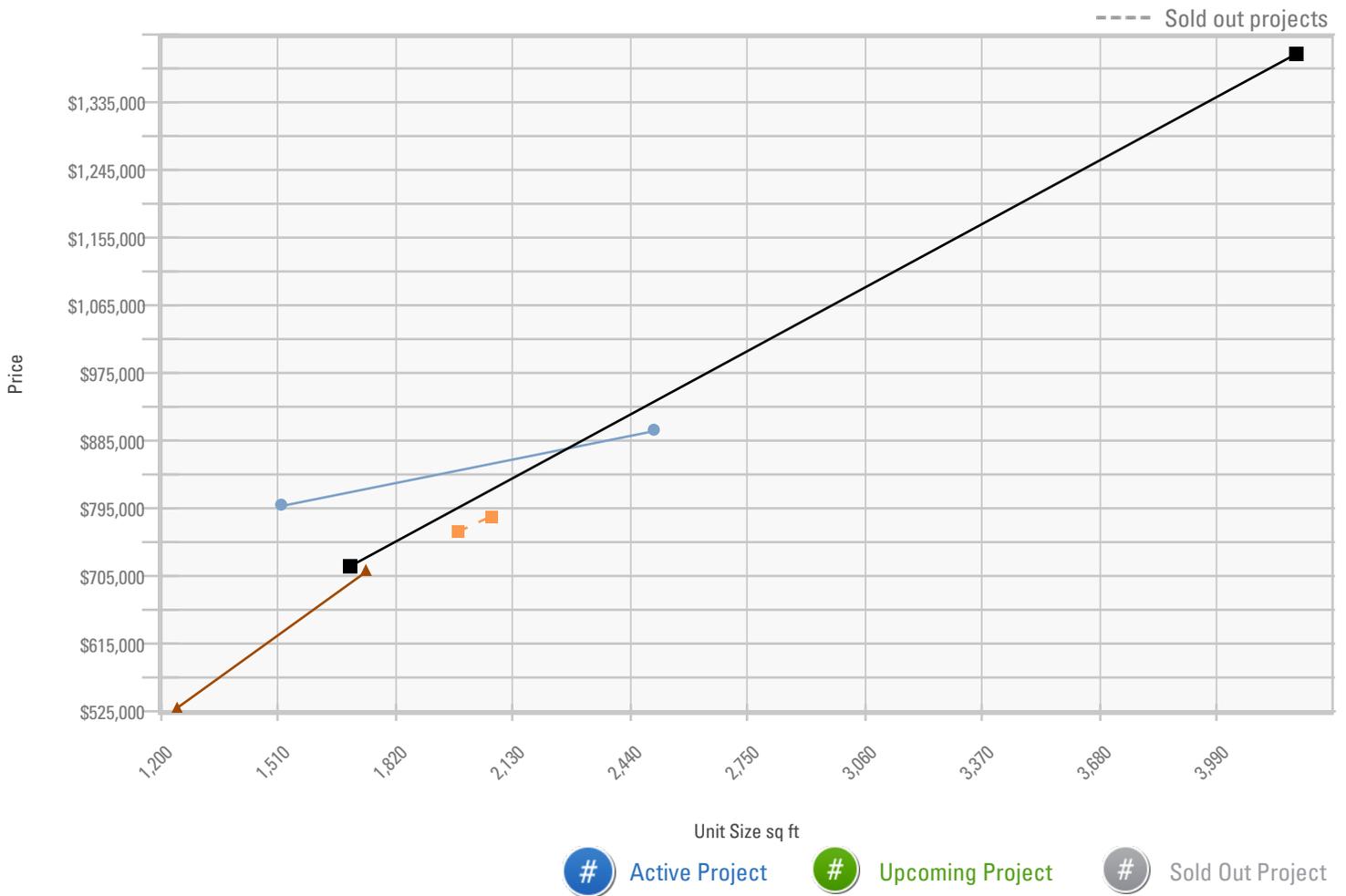
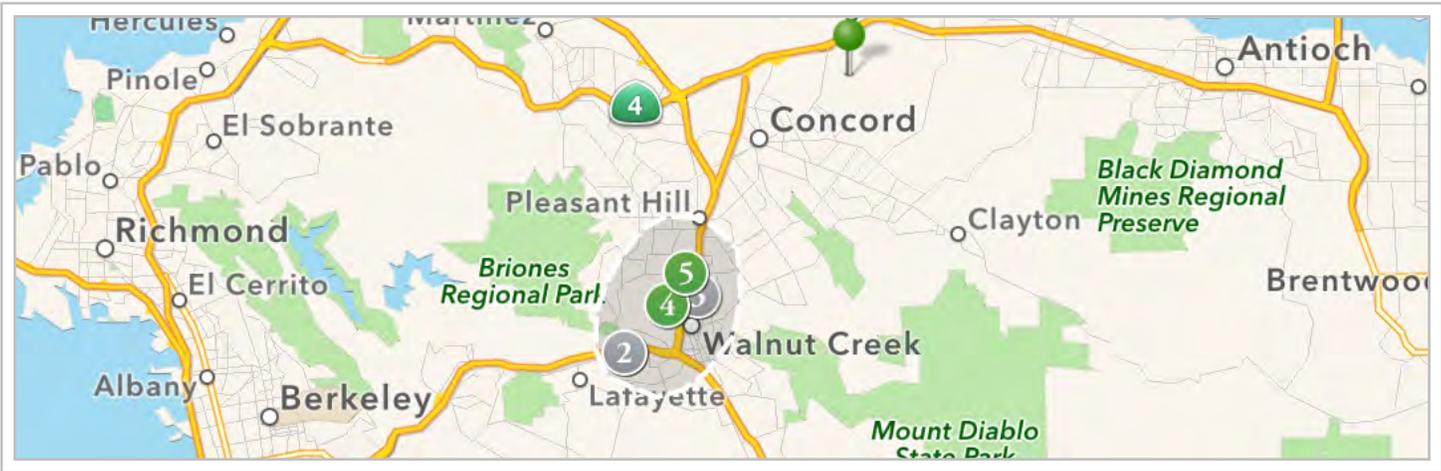


CHART KEY	MAP KEY	PROJECT NAME	BUILDER	CITY	UNIT SIZE	PRICE RANGE	AVG SALES RATE	LOT SIZE/TYPE
✓	1	3rd and Main	Taylor Morrison	Walnut Cr...	1,242 - 1,745	\$530,000 - \$714,582	N/A	Attached
✓	2	Marquis	Taylor Morrison	Lafayette	1,983 - 2,078	\$765,000 - \$786,000	1.37	Attached
	3	Walden Park	KB Home	Walnut Cr...	1,370 - 2,155	N/A	N/A	Attached

CHART KEY	MAP KEY	PROJECT NAME	BUILDER	CITY	UNIT SIZE	PRICE RANGE	AVG SALES RATE	LOT SIZE/TYPE
✓	4	Overlook	Ryder Homes	Walnut Cr...	1,521 - 2,507	\$800,000 - \$900,000	N/A	Attached
	5	Silver Trail	Taylor Morrison	Walnut Cr...	1,474 - 1,694	N/A	N/A	Attached

Averages: 1,518 - 2,036 \$698,333 - \$800,194 1.37



PROJECTS GRAPHS

Danville

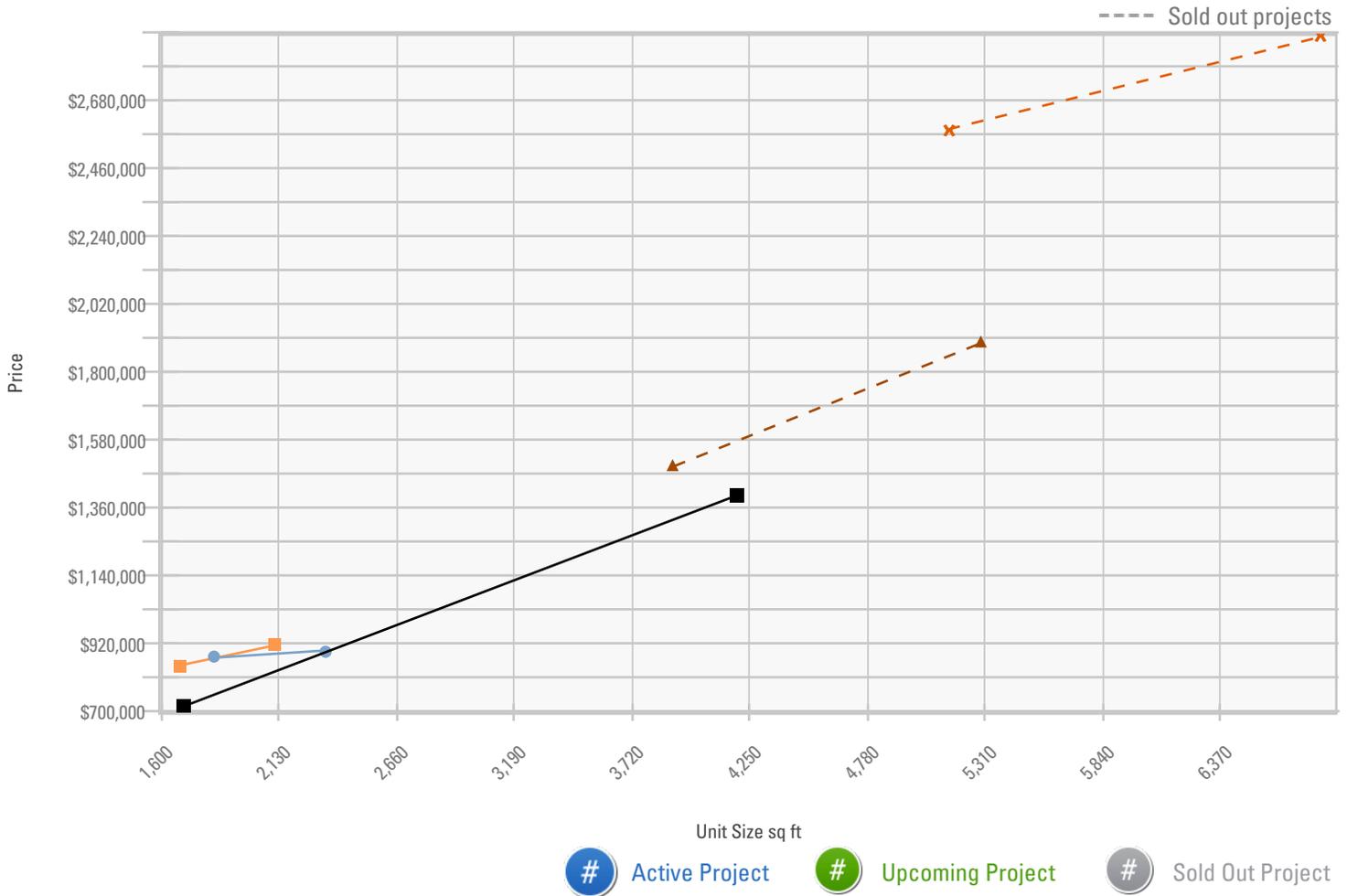


CHART KEY	MAP KEY	PROJECT NAME	BUILDER	CITY	UNIT SIZE	PRICE RANGE	AVG SALES RATE	LOT SIZE/TYPE
	①	Matadera	Davidon Ho...	Danville	3,906 - 5,299	\$1,500,000 - \$1,900,...	1.32	15,000
	②	Quail Ridge	KB Home	Danville	1,692 - 2,110	\$850,119 - \$916,778	2.63	Detached
	③	Tassajara Lane	Ryder Homes	Danville	1,837 - 2,342	\$879,900 - \$899,900	0.22	3,000
	④	Alamo Springs	Davidon Ho...	Alamo	5,148 - 6,823	\$2,588,500 - \$2,888,...	N/A	15,000
Averages:					3,146 - 4,144	\$1,454,630 - \$1,651,294	1.39	11,000

PROJECTS GRAPHS

Rancho San Ramon

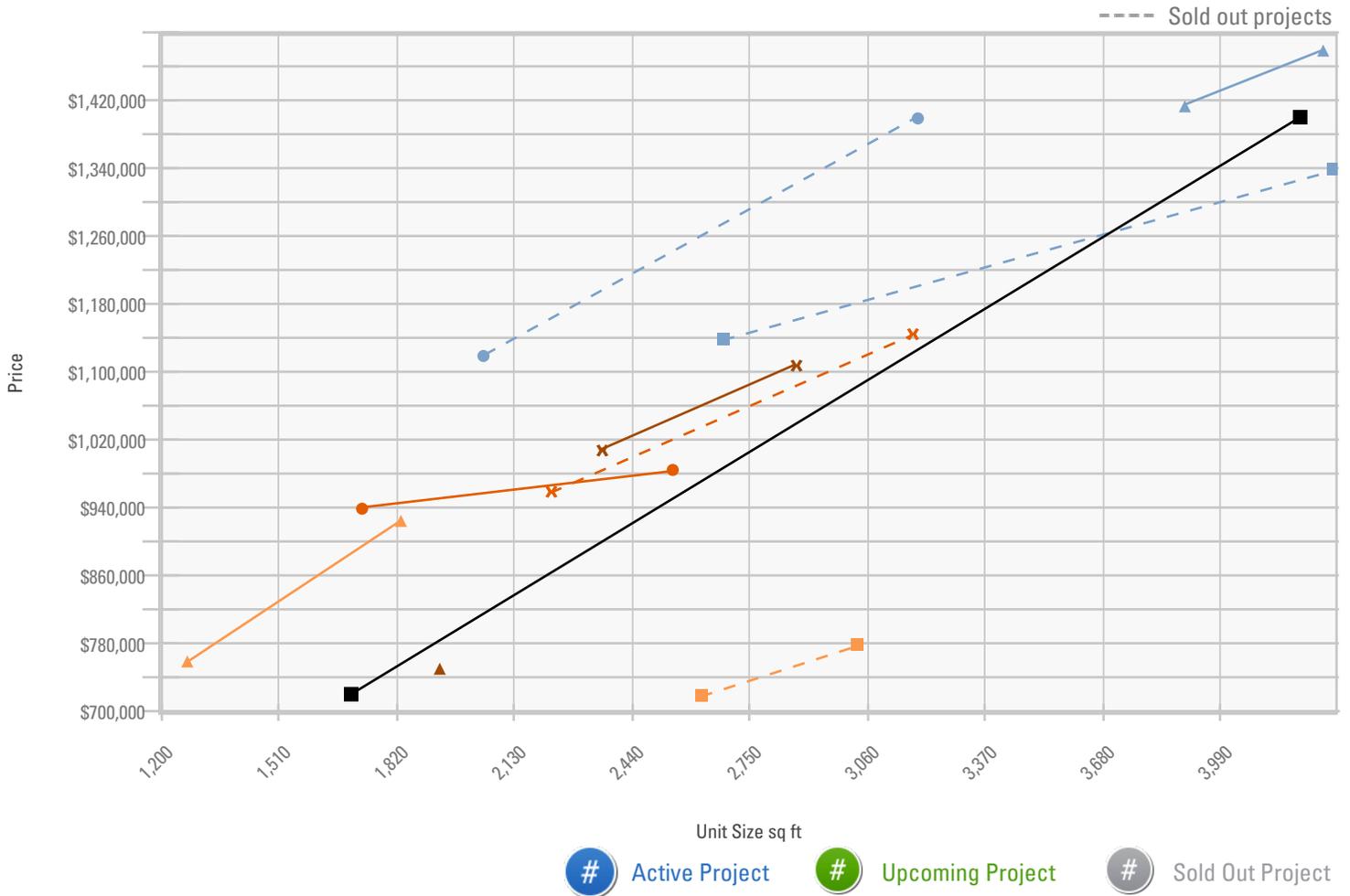
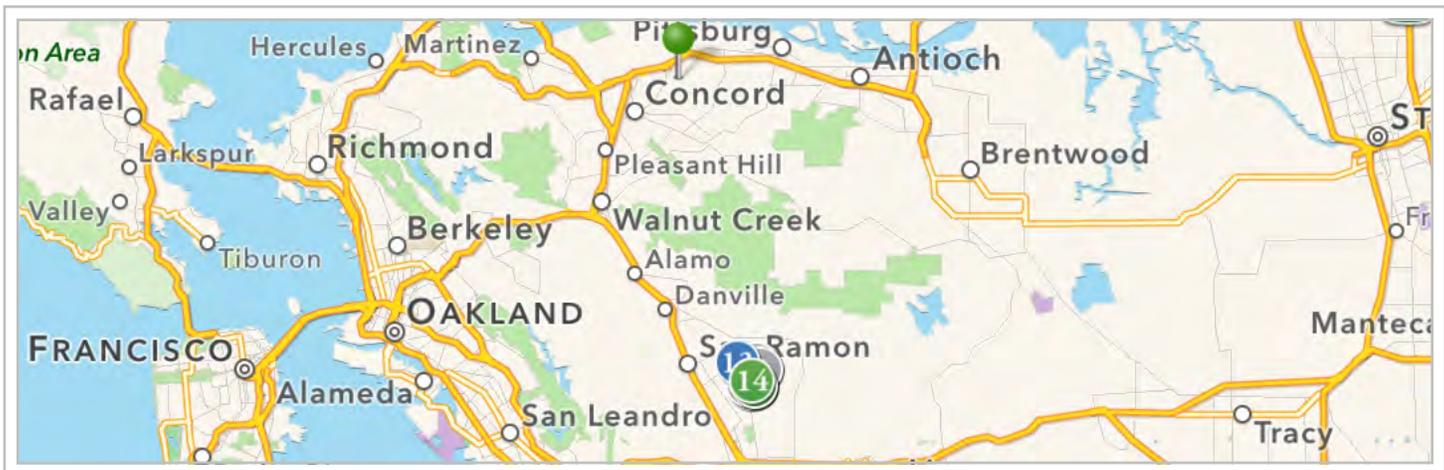


CHART KEY	MAP KEY	PROJECT NAME	BUILDER	CITY	UNIT SIZE	PRICE RANGE	AVG SALES RATE	LOT SIZE/TYPE
✘	①	Amarante	D.R. Horton	San Ramon	1,932 - 2,183	\$750,339 - N/A	N/A	Detached
✔	②	Astoria at Gale Ra...	Toll Brothers	San Ramon	2,624 - 3,035	\$719,900 - \$779,900	N/A	Detached
✔	③	Athena at Gale Ra...	Toll Brothers	San Ramon	2,053 - 3,193	\$1,120,000 - \$1,400,...	1.65	2,800
✘	④	Avanti at Gale Ranch	Toll Brothers	San Ramon	2,229 - 3,181	\$959,900 - \$1,144,900	N/A	4,000
✔	⑤	Fiorella at Gale Ra...	Toll Brothers	San Ramon	1,268 - 1,835	\$759,900 - \$927,052	5.30	2,400
✔	⑥	Florentine at Gale...	Toll Brothers	San Ramon	2,681 - 4,290	\$1,139,900 - \$1,339,...	1.70	6,300
✔	⑦	Iriana at Gale Ranch	Toll Brothers	San Ramon	1,729 - 2,547	\$940,000 - \$985,000	2.14	4,500

CHART KEY	MAP KEY	PROJECT NAME	BUILDER	CITY	UNIT SIZE	PRICE RANGE	AVG SALES RATE	LOT SIZE/TYPE
	8	Solaire/Shapell Ho...	Toll Brothers	San Ramon	1,578 - 2,813	N/A	N/A	Detached
	9	Tessera	Toll Brothers	San Ramon	1,893 - 2,490	N/A	N/A	Detached
	10	Posante at Gale Ra...	Toll Brothers	San Ramon	N/A	N/A	N/A	Detached
✗	11	Andorra at Gale R...	Toll Brothers	San Ramon	2,363 - 2,872	\$1,009,995 - \$1,109,...	N/A	3,500
	12	Romana at Gale R...	Toll Brothers	San Ramon	N/A	N/A	N/A	Detached
✓	13	Capella at Gale Ra...	Toll Brothers	San Ramon	3,895 - 4,263	\$1,414,995 - \$1,480,...	5.31	6,500
	14	Cantera at Gale R...	Toll Brothers	San Ramon	1,742 - 2,157	N/A	N/A	Attached

Averages: 2,166 - 2,905 \$979,437 - \$1,145,968 3.22 4,286



*Pricing recommendations in this section do not reflect the views and opinions of Meyers Research.

San Francisco-Oakland-Hayward, CA Metro Area

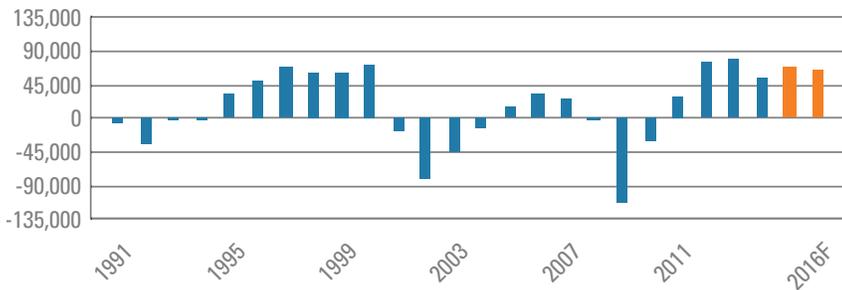
JOB GROWTH year-over-year

Dec. 2014 Job Growth:

65,600 new jobs

2015 Job Forecast:

71,017 new jobs



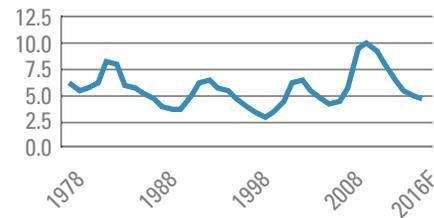
UNEMPLOYMENT RATE

Dec. 2014 Unemployment:

4.9% ↓

Unemployment 2015 Forecast:

4.9% ↓



Contra Costa County

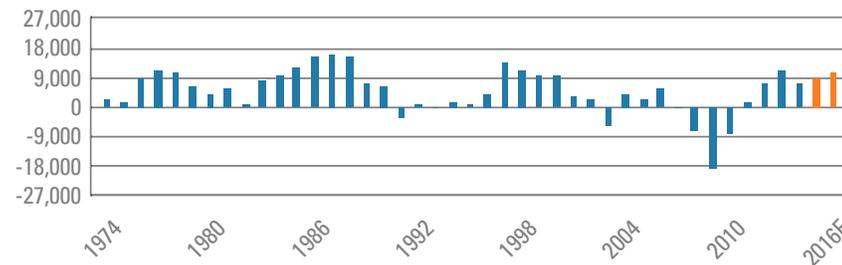
JOB GROWTH year-over-year

Feb. 2015 Job Growth:

7,425 new jobs

2015 Job Forecast:

8,984 new jobs

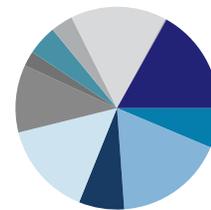


TOP EMPLOYERS

employees

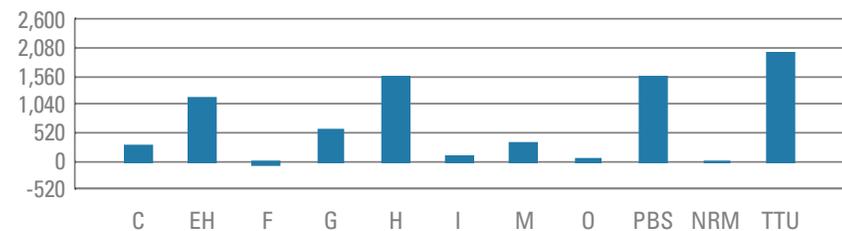
Chevron Corp	4,115
John Muir Physician Network	3,891
Kaiser Foundation Hospital	3,852
Bio-Rad Laboratories	1,705
Contra Costa Newspapers, Inc.	1,222

EMPLOYMENT BY SECTOR



6.3%	Construction (C)	4.8%	Manufacturing (M)
17.5%	Education & Health (EH)	3.5%	Other (O)
7.2%	Finance (F)	15.3%	Professional & Business Services (PBS)
15.0%	Government (G)	0.2%	Natural Resource Mining (NRM)
10.8%	Hospitality (H)	16.9%	Trade, Transport & Utilities (TTU)
2.4%	Information (I)		

ANNUAL JOB GROWTH BY SECTOR

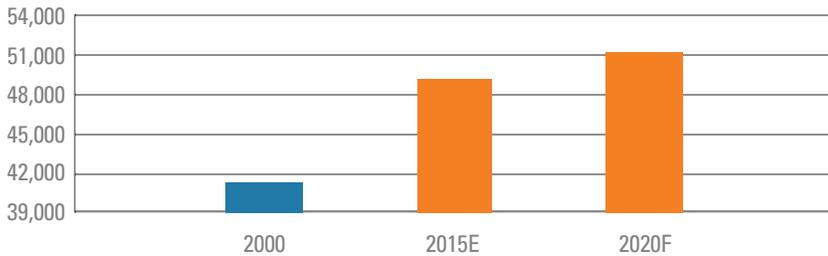


Zip Code 94520

HOUSEHOLD INCOME

2015E Median Household Incomes:

\$49,276



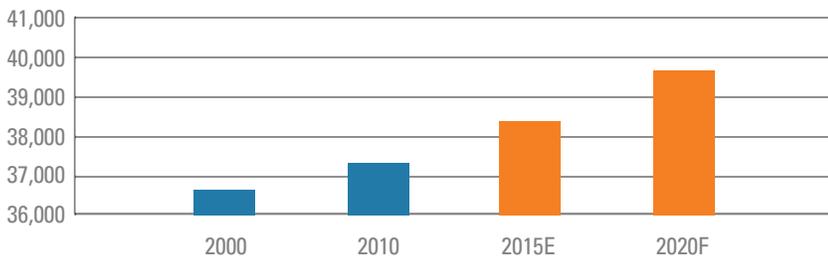
POPULATION GROWTH

2015E Population Growth:

0.19%

2020F Population Growth:

0.68%



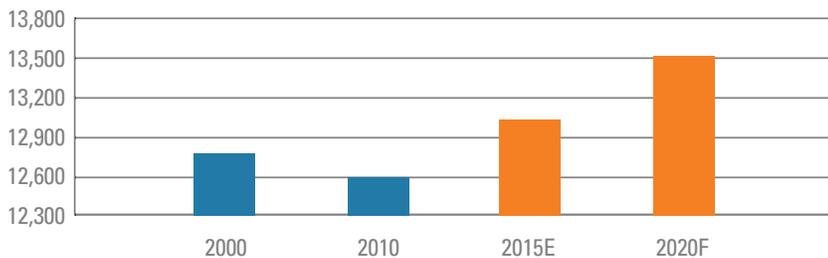
HOUSEHOLD GROWTH

2015E Household Growth:

0.13%

2020F Household Growth:

0.76%



CRIME RATE per 1,000 people

Total Crime Rate:

48.84 31.82

Violent Crime Rate:

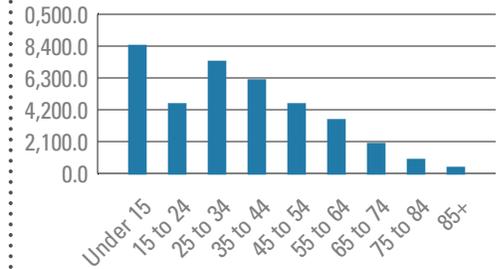
6.8 4.23

Property Rate:

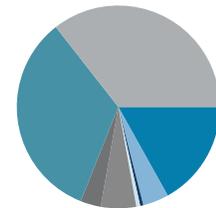
42.04 27.59

94520 California

POPULATION BY AGE



ETHNICITY



- 16.9% Others
- 4.1% Two Plus
- 0.5% American Indian
- 0.6% Pacific Islander
- 5.6% Asian
- 3.3% Black
- 33.4% White
- 35.6% Hispanic

SCHOOL

School	score
Westwood Elementary School	778
El Dorado Middle School	714
Concord High School	746

WALKABILITY

Walk Score: **48/100**

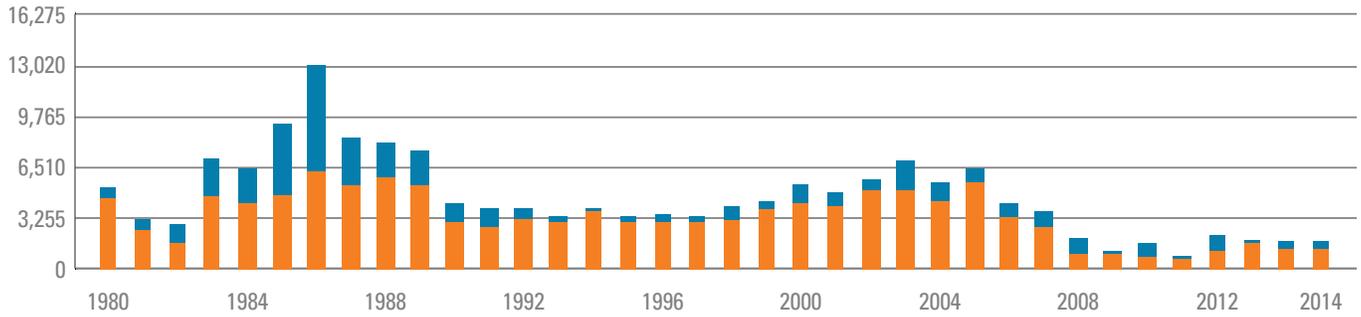
Contra Costa County

PERMITS last twelve months

Jan. 2015 Total Residential Permits:

2,093

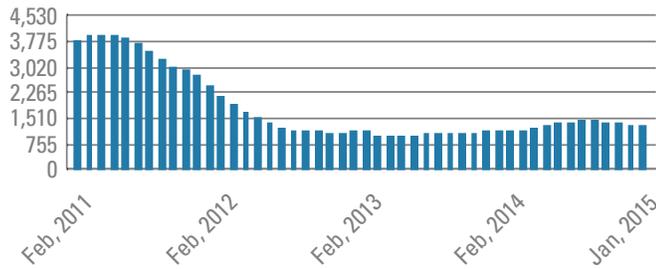
■ SFD ■ Multifamily



NUMBER OF LISTINGS

Jan. 2015 # of Listings:

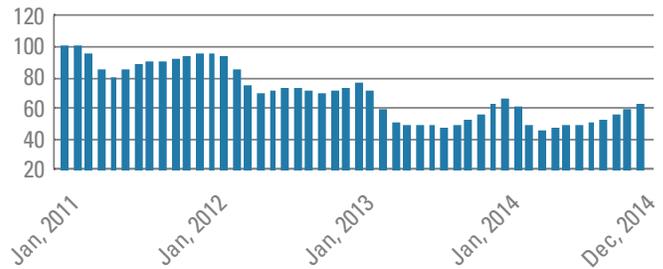
1,300 listings



DAYS ON MARKET

Dec. 2014 Days on Market:

62 days



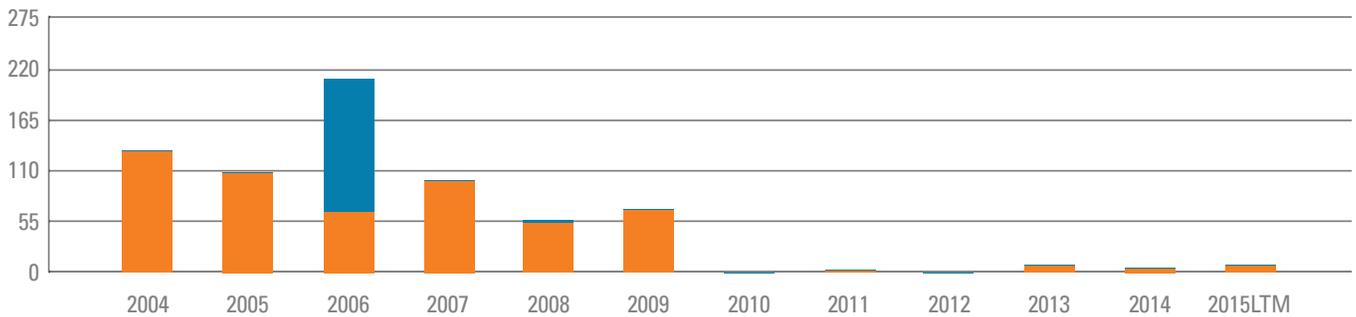
City of Concord

PERMITS last twelve months

Jan. 2015 Total Residential Permits:

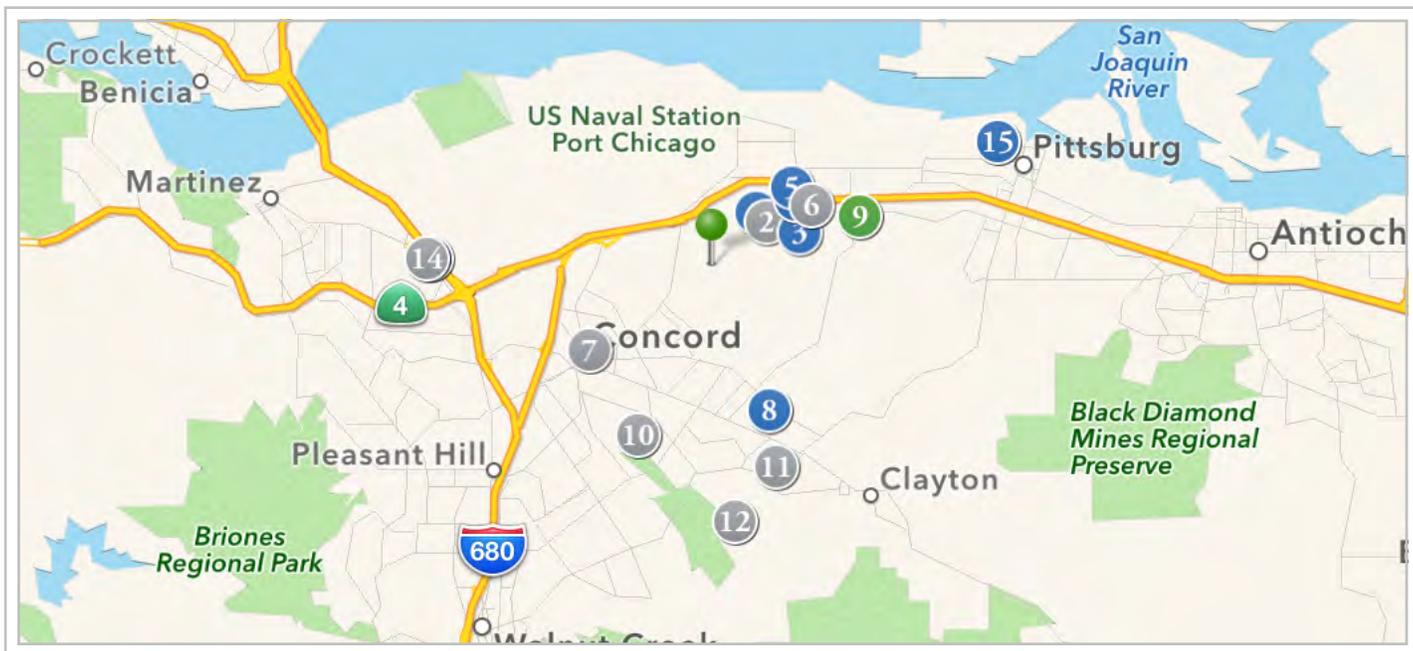
9

■ SFD ■ Multifamily



NEARBY PROJECTS

NO	PROJECT	BUILDER	UNIT SIZE	PRICE RANGE	TYPE
1	Bellagio at San Marco	Seeno Homes	2115-4690	\$500,900 - \$719,900	Detached
2	Veranda at San Marco	Discovery Homes	1836-4292	N/A	Detached
3	Vista Del Mar/Victory	William Lyon Homes	2535-3810	\$556,990 - \$634,990	Detached
4	Vineyard at Vista Del Mar	William Lyon Homes	2337-2819	\$490,000 - \$560,990	Detached
5	Toscana at San Marco	Discovery Homes	2035-2415	\$457,900 - \$481,900	Detached
6	Villages at Vista Del Mar	William Lyon Homes	1538-1945	\$369,990 - \$425,000	Detached
7	Wisteria	New America Homes	1726-1727	\$350,000 - \$364,000	Detached
8	Grove at Olive Drive	Seeno Homes	2085-3535	\$818,000 - \$950,000	Detached
9	Lawlor Estates	Discovery Homes	2446-2490	N/A	Detached
10	King's Crest	Seeno Homes	3651-3712	N/A	Detached
11	Skyler Estates	Discovery Homes	3450-3450	N/A	Detached
12	Crystyl Ranch	Seeno Homes	3894-3900	N/A	Detached
13	Ashford Place	KB Home	1515-2155	\$453,000 - \$532,000	Detached
14	Highlands Place	KB Home	1515-2155	N/A	Detached
15	Clipper Cove	Discovery Homes	1846-2480	\$378,000 - \$425,000	Detached



Contra Costa County

Total Home Sales last twelve months

Jan. 2015 Total Home Sales:

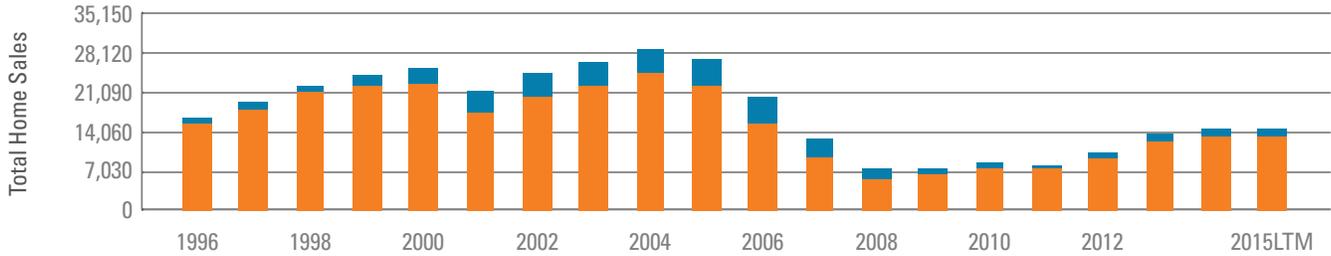
14,844

Jan. 2015 Total New Sales:

1,545

Jan. 2015 Total Existing Sales:

13,299



City of Concord

Total Home Sales last twelve months

Jan. 2015 Total Home Sales:

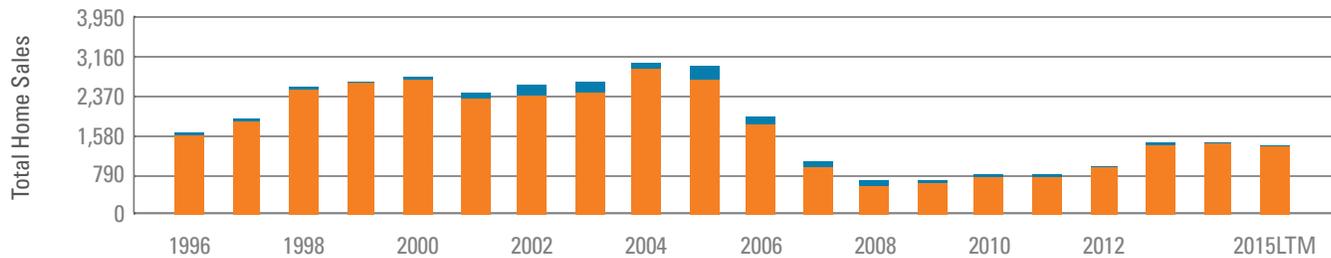
1,414

Jan. 2015 Total New Sales:

20

Jan. 2015 Total Existing Sales:

1,394



94520 Zip Code

Total Home Sales last twelve months

Jan. 2015 Total Home Sales:

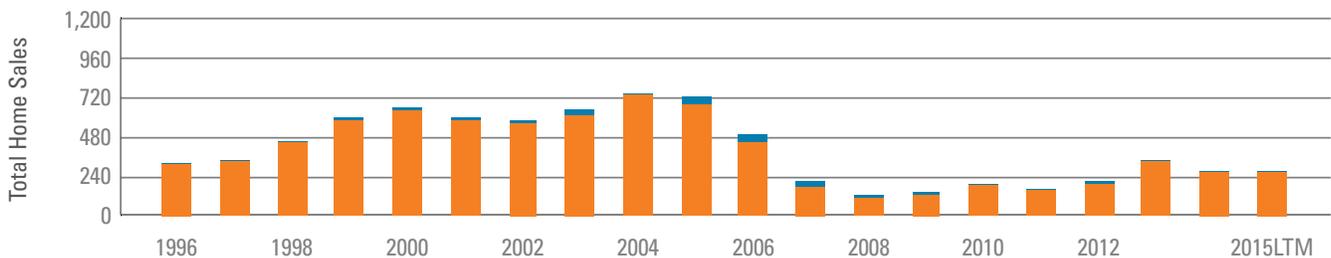
278

Jan. 2015 Total New Sales:

6

Jan. 2015 Total Existing Sales:

272



City Of Concord

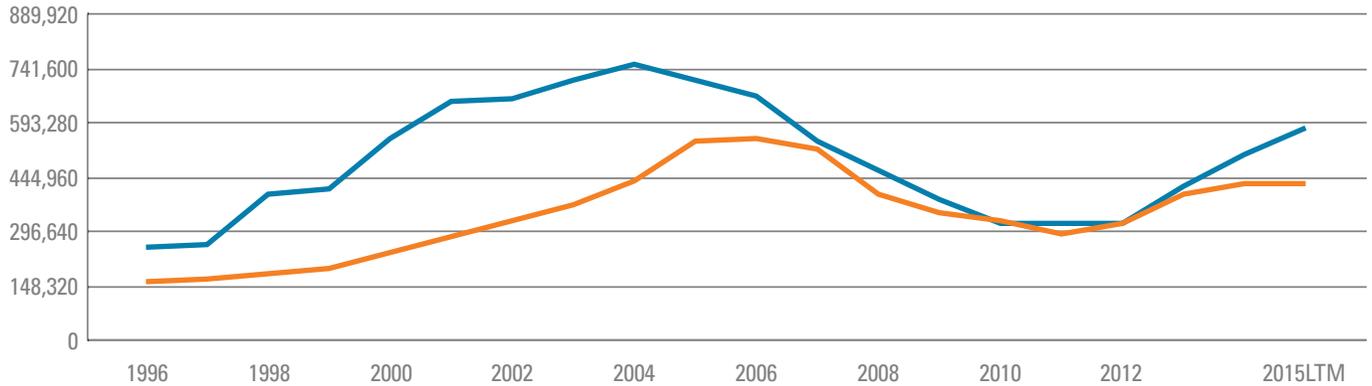
HOME PRICE

■ Jan. 2015 Median Detached New:

\$584,219

■ Jan. 2015 Median Detached Existing:

\$431,045



94520 Zip Code

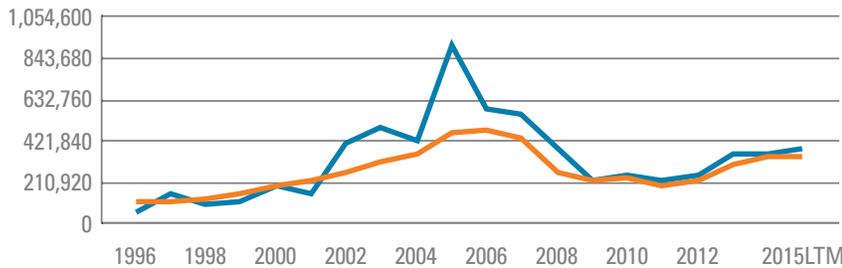
HOME PRICE

■ Jan. 2015 Median SFD New:

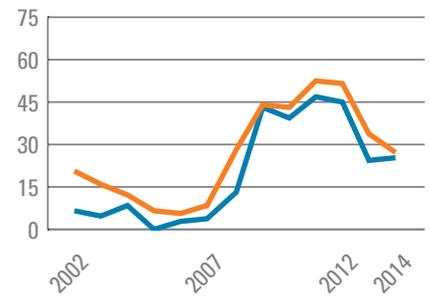
\$380,333

■ Jan. 2015 Median SFD Existing:

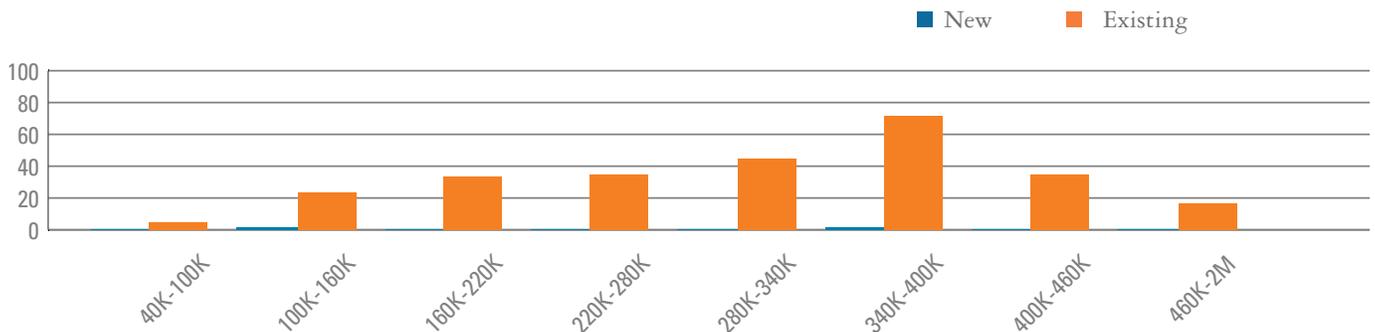
\$339,167



DETACHED AFFORDABILITY

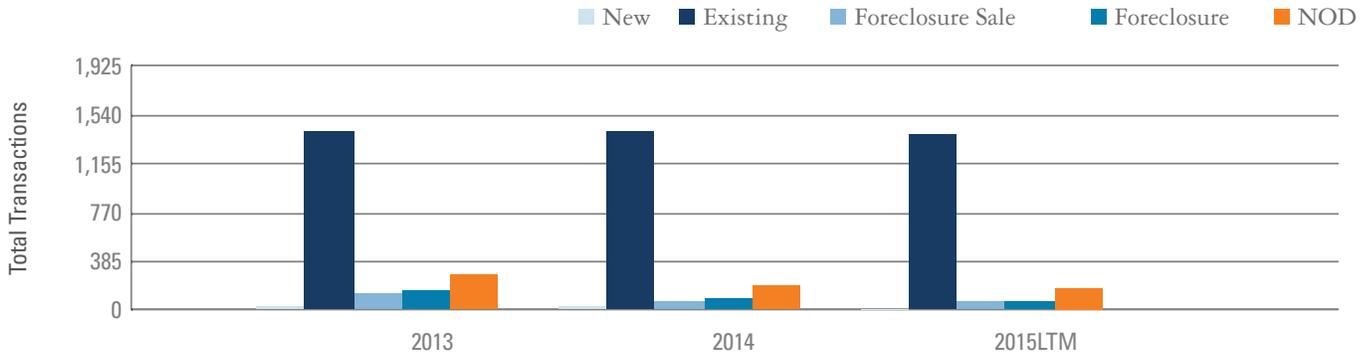


SALES BY PRICE RANGE last twelve months



City of Concord

HOUSING TRANSACTION VOLUME BY TYPE last twelve months



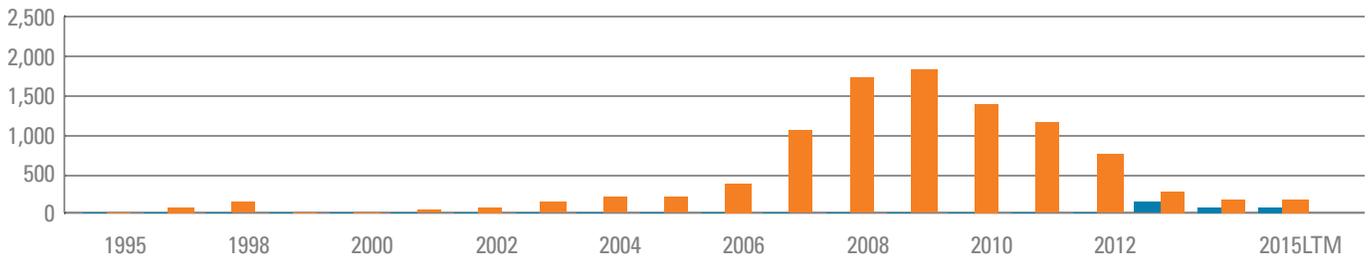
NOTICES OF DEFAULT & FORECLOSURES last twelve months

Jan. 2015 Total Foreclosures:

74

Jan. 2015 Notices of Default:

177



94520 Zip Code

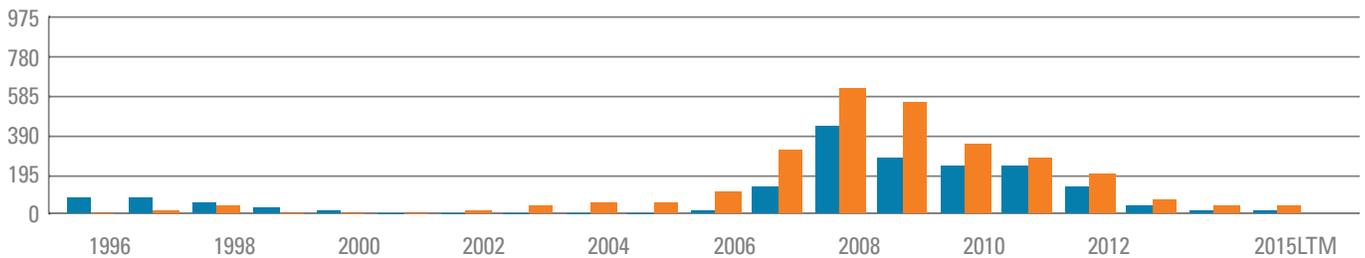
NOTICES OF DEFAULT & FORECLOSURES last twelve months

Jan. 2015 Total Foreclosures:

20

Jan. 2015 Notices of Default:

41



ABOUT

The Meyers Index is a proprietary index that produces a rating score ranging from 0 to 1,000 for a geographic area. A higher index score captures the desirability of housing development for the selected area and is calculated using specific data sets weighted to interpret the strength of the market. Such metrics include price appreciation, sales activity, permit activity, demographic growth, household income levels, school scores, and affordability.

Zonda delivers market clarity to empower our industry. Our goal is to simplify the experience of getting strategic answers.

Meyers Research, a Kennedy Wilson Company, is a trusted consulting practice, research group, and investment advisory firm for the residential real estate industry. Our goal is to supply our clients with a clear perspective and a strategic path forward. Operating from regional offices in Beverly Hills, San Diego, Irvine, Dallas, Bay Area, New Jersey, and New York, Meyers Research strives to innovate new ways to disseminate real estate data and analytics. To learn more about Meyers Research, please visit www.meyersresearchllc.com.

DEFINITIONS AND METHODOLOGY

All information presented involved the assembly of data sources that we consider to be reliable, including the Bureau of Labor Statistics, Nielsen Claritas, CoreLogic, Moody's Analytics, Great Schools, U.S. Bureau of the Census, Zillow, various regional Multiple Listing Service providers, and Meyers Research. We do not guarantee any data accuracy as all information is subject to human errors, omissions, and/or changes.



Trusted real estate advisory providing our clients with a clear perspective and a strategic path forward.



Kennedy Wilson is an international real estate investment and services firm with a success proven legacy.

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Concord Naval Weapons Station Reuse Project Area Plan Master Developer Selection

Evaluation Criteria:
 The evaluation criteria follow the proposal submittal requirements set forth in Section 5.2 of the Requests for Master Developer Proposals ("RFP"), which collectively address the six selection criteria set forth in Section 5.3 of the RFP. The six selection criteria are also addressed in the "RFP Evaluation Criteria" sections on the score sheet, in which the evaluator should note an overall score for each criteria.

Comments/Notes

	Pass	Fail						
1.0 Compliance With Threshold RFP Response Requirements								
1.1 Proposal complies with all mandatory submission requirements.	✓							
	1 Weak <-----> Strong 6 7							
2.0 Development Project Team								
2.1 Capability of team members (architects, engineers, legal counsel, etc.) to deliver proposed project.								
2.2 Capability of master developer and its key staff to deliver proposed project.								
RFP Evaluation Criteria: Experience and capability of the Lead Developer and Project Team to construct and implement build out the Development Phase One Property.								
Section Subtotal	0	0	0	0	0	0	0	
3.0 Project Vision Section								
3.1 Degree to which the Project Vision clearly addresses the vision and standards expressed in the CRP Area Plan.								
3.2 Degree to which the Project Vision clearly address current real estate market conditions.								
3.3 Clarity and thoughtfulness of a Vision Board that communicates the Respondent's general intentions for build-out of the Development Phase One Property.								
RFP Evaluation Criteria: Strength of the overall vision for development of the Development Phase One Property, including integration with the balance of the Development Footprint, as evidenced by that vision's compatibility with the community's goals and objectives as expressed in the CRP Area Plan, and responsiveness to real estate market conditions.								
Section Subtotal	0	0	0	0	0	0	0	

Concord Naval Weapons Station Reuse Project Area Plan Master Developer Selection

Evaluation Criteria	Weak <-----> Strong							Comments/Notes
	1	2	3	4	5	6	7	
4.0 Development Phase One Property Concept - responsiveness of the proposer to the City's priorities for the CRP Area as reflected in the Area Plan								
4.1 Degree to which the Narrative Statement and conceptual design drawings address the community vision as expressed through the Area Plan.								
4.2 Degree to which the proposal meets the City's adopted requirements for affordable housing, including new dwelling units, or payment of in-lieu fees.								
4.3 Degree to which the general site and development plan meets the community vision as expressed through the Area Plan; the site and development plan includes proposed land uses, locations and building heights.								
4.4 Transit-supportiveness of development plans around the North Concord BART station, developing momentum for transit-oriented development around the station.								
4.5 Quality of a transportation plan, and the extent to which it provides well-thought-out auto, transit, bicycle, and pedestrian access ways that support multi-modal access throughout Development Phase One.								
4.6 Quality of an open space plan, providing parks that will serve all of Concord, as well as being distributed throughout the site.								
4.7 Quality of public facilities plan, providing community gathering spaces and space for other services commensurate with the level of development.								
4.8 Degree to which their proposal provides backbone infrastructure and major utility systems, reflecting a reasonable understanding of infrastructure requirements to serve site development.								
4.9 Viability of the sub-phasing plan's approach to land take-down and vertical development of various components of the Development Phase One Property.								
4.10 Quality of approach to topographic opportunities on the site and a grading plan as well as congruency with Area Plan policies for ridgeline, slope, and view shed preservation.								
RFP Evaluation Criteria: Specificity, thoughtfulness and quality of the proposed Development Phase One Property concept, based on its compatibility with the objectives for the Development Phase One Property as specified in the RFP, and the quality of its physical plans and related considerations.								
Section Subtotal	0	0	0	0	0	0	0	0

Concord Naval Weapons Station Reuse Project Area Plan Master Developer Selection

Evaluation Criteria	Weak <-----> Strong							Comments/Notes
	1	2	3	4	5	6	7	
5.0 Approach to Implementation - Respondent's Understanding of Responsibilities								
5.1 Demonstration of successful experience working with not-for-profit housing developers.								
5.2 Viability of the recommended approach to entitlements and environmental documentation and mitigation of significant adverse impacts to support the entitlements.								
5.3 Viability of the recommended approach to collaborating with the City, State and Federal resource agencies to complete environmental reviews, secure site entitlements, and develop a site wide Habitat Mitigation and Monitoring Plan.								
5.4 Viability of the recommended approach to working with the City and East Bay Regional Park District (EBRPD) or other open space land owners to identify and implement onsite mitigation opportunities for special status species, wetlands and waters of the state.								
5.5 Viability of the approach and commitment to meeting City objectives on prevailing wages, local hire and use of certified apprentice programs, especially those that help returning veterans re-enter the work place; relationship with trade union representatives, including experience with and perspective on use of project labor agreements.								
5.6 Viability of the approach to any additional remediation work that may be required, including perspective on the potential early transfer of certain portions of the First Transfer Parcel and privatized clean up under City supervision.								
5.7 Viability of proposed approach to energy-conserving design principles, including land use mix, building design, energy and water use, reclamation and conservation, waste reduction and materials conservation, and use of renewable energy systems with the City's Area Plan, including Book 3 (Climate Action Plan).								
5.8 Appropriateness of the proposed public engagement techniques.								
RFP Evaluation Criteria: Understanding and acknowledgement of Master Developer responsibilities as set forth in the RFP.								
Section Subtotal	0	0	0	0	0	0	0	0

Concord Naval Weapons Station Reuse Project Area Plan Master Developer Selection

Evaluation Criteria	Weak <-----> Strong							Comments/Notes	
	1	2	3	4	5	6	7		
6.0 Development Phase One Property Financing Strategy - Collaboratively Scored by Technical Review Committee and the Evaluation Board									
6.1 Clarity of the narrative description supporting the order-of-magnitude financial estimates, projections and assumptions contained in the financial model that will enable the LRA to evaluate the Respondent's Development Phase One Property concept.									
6.2 Clarity and reasonableness of a conceptual development budget (including estimated construction costs, soft costs, financing costs for site development, infrastructure, utility systems, buildings, open space, community facilities and transportation improvements).									
6.3 Clarity and reasonableness of a conceptual level operating statement, including finished lot sales by product type and operating costs.									
6.4 Viability and reasonableness of a conceptual 15-year discounted cash flow model and investment return metrics, including net operating income, internal rate of return, and statement of whether IRR meets respondent's thresholds.									
6.5 Viability and reasonableness of a land acquisition payment offer for initial and/or recurring land acquisition payments.									
6.6 Reasonableness of sources and uses of funds identifying all forms of equity and debt.									
6.7 Viability and reasonableness of and/or approaches for any necessary public financing sources.									
RFP Evaluation Criteria: Specificity, thoughtfulness and quality of the proposed Development Phase One financial strategy.									
Section Subtotal	0	0	0	0	0	0	0	0	

Evaluation Criteria	Weak <-----> Strong							Comments/Notes
	1	2	3	4	5	6	7	
7.0 Confidential Financial Capability Information - Scored by HR&A Advisors								
7.1 Identification of the legal name and structure of the Respondent. If a consortium, partnership or joint venture must contain: executed teaming agreement, letter signed by each equity member indicating joint liability.								
7.2 Disclosure of whether any legal or arbitration issues have arisen since RFQ.								
7.3 Inclusion and strength of audited (if applicable) financial statements for each equity member and financially responsible party, for the past 3 years, including certified auditor's report (if applicable), balance sheet, income statement, statement of changes in cash flow, and Credit Rating Information, as applicable.								
7.4 Disclosure of any material changes to financial condition of proposer or any financial responsible party over last 3 fiscal years.								
7.5 Inclusion of letter from the chief executive, chief financial officer or treasurer of the Financially Responsible Party confirming financial support for respondent's obligations.								
RFP Evaluation Criteria: Overall financial capacity of the Proposer to implement the Development Phase One Property concept and subsequent phases of the Development Footprint, as evidenced by the required financial information.								
Section Subtotal	0	0	0	0	0	0	0	0
8.0 Comments on Draft Negotiation Agreement and Draft Development and Disposition Agreement								
8.1 Understanding of structure of Draft Agreement to Negotiate and Disposition and Development Agreement, and willingness to discuss and negotiate terms.								
RFP Evaluation Criteria: The nature of the redline comments on the Draft Agreement to Negotiate and Draft Disposition and Development Agreement.								
Section Subtotal	0	0	0	0	0	0	0	0
Section Total and Percent of Grand Total								
TOTAL COLUMN POINTS	0	0	0	0	0			
TOTAL OVERALL POINTS								0

Other general comments/observations:

Evaluation Board Member:
 Signature: _____

Name:

Position/Title:

Date: