EXCLUSIVE NEGOTIATION AGREEMENT

ORIGINAL

Midway Redevelopment

THIS EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement") is entered into by and between The City of San Diego, a municipal corporation ("City") and Midway Rising, LLC, a Delaware limited liability company ("Developer"), as of the date this Agreement is approved as to form by the San Diego City Attorney as shown on the signature page to this Agreement ("Effective Date"). City and Developer (each, individually, a "Party" and, collectively, the "Parties") enter into this Agreement with reference to the following recited facts:

RECITALS

A. City owns several parcels of real property located at 3500, 3250, 3220 and 3240 Sports Arena Boulevard in the Midway-Pacific Highway Community of City, collectively consisting of approximately 48.5 acres, generally shown on the site maps in EXHIBIT A attached to this Agreement and specifically described in EXHIBIT B attached to this Agreement ("Site").

B. The San Diego City Council ("Council") adopted Resolution R-313689, effective August 9, 2021, and Resolution R-313718, effective September 23, 2021, declaring the Site surplus land under the California Surplus Land Act ("SLA"), California Government Code sections 54220-54234, and available for long-term ground lease, subject to the development condition that the future development of the Site include "renovation or replacement of City's current sports arena on the Site as a regional entertainment venue and operation of that venue for concerts, sports or other events consistent with similar arenas in large cities in the United States."

C. On October 4, 2021, City issued a Notice of Availability (NOA) of the Site for lease in compliance with the SLA. On December 3, 2021, City received seven responses to the NOA. City determined five of those responses – from Discover Midway, HomeTown SD, Midway Rising, Midway Village + and Neighborhood Next – to be responsive to the NOA.

D. On December 4, 2021, in compliance with the SLA, City began a "90-day good faith negotiating period" with the five responsive teams and issued a "Supplemental Information Request" to compare all responses in a transparent and equitable manner. On March 4, 2022, the "90-day good faith negotiating period" ended.

E. On April 12, 2022, Council narrowed the focus of its efforts to the responses from HomeTown SD, Midway Rising and Midway Village + so that City could conduct detailed due diligence and economic analysis on the three responses. On June 24, 2022, as part of the due diligence process, Jones Lang LaSalle Americas, Inc. ("JLL"), City's consultant, in coordination with City staff, issued a Request for Information ("RFI") to obtain additional information to conduct financial analysis on each of those three responses.

F. On September 13, 2022, following an extensive due diligence process, City staff recommended to the Council that the Council authorize City's Mayor ("Mayor") or designee to negotiate and enter into an exclusive negotiation agreement with Midway Rising including certain specified "Key ENA Terms," and the Council provided such authorization in Resolution R-314340.

G. The Site is currently leased or licensed by City to third parties and will be used during the Negotiation Period (defined in Section 1.2) for current or future uses as City deems acceptable, and City intends that such uses will continue until the Parties enter into a Definitive Agreement (defined in Section 1.1) for Developer's long-term ground leasing of the Site and development of the Proposed Development (defined in Section 6.1) on the Site.

IN CONSIDERATION OF THE PARTIES' PROMISES AND UNDERSTANDINGS SET FORTH IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

1. NEGOTIATIONS.

1.1. Good Faith Negotiations. During the Negotiation Period, and subject to the terms and conditions of this Agreement, the Parties shall proceed diligently and in good faith in negotiation and documentation of potential terms, conditions, covenants, restrictions and agreements of a future agreement or agreements to be entered into between them for Developer's long-term ground leasing of the Site from City for development of the Proposed Development on the Site ("Definitive Agreement"). The Parties shall determine the exact terms and conditions of a Definitive Agreement, if any, during the course of their negotiations. Nothing in this Agreement shall be interpreted or construed: (a) to be a representation or agreement by either Party that a mutually acceptable Definitive Agreement will be produced from negotiations under this Agreement; (b) to impose any obligation on either Party to agree to a Definitive Agreement in the future; or (c) to be a guaranty, warranty or representation that any proposed Definitive Agreement that may be negotiated by City staff and Developer will be approved by the Council. Developer acknowledges and agrees that City's potential approval of any Definitive Agreement is subject to the retained and reserved sole and absolute discretion of the Council and all legally required public hearings, public meetings, notices, factual findings and other determinations and procedures required by law. Nothing in this Agreement shall prevent or prohibit City from discussing or disclosing the fact that City is a Party to this Agreement or providing any information in City's possession or control that would customarily be furnished to persons requesting information from City concerning City's activities, goals, matters of a similar nature, or as required by law to be disclosed, upon request or otherwise.

1.2. Negotiation Period. Subject to Section 1.3, the Parties agree to negotiate under this Agreement for two years starting on the Effective Date ("Negotiation Period"). The Mayor or designee, in their sole and absolute discretion, may administratively extend the Negotiation Period for two (2) extensions of one (1) year each and any such administrative extension of the Negotiation Period shall be confirmed in a signed letter delivered by City to Developer. Nothing in this Agreement shall prevent the Mayor or designee from declining to administratively extend the Negotiation Period or imposing any conditions on an administrative extension of the Negotiation Period.

1.3. Rights to Terminate. If at any time during the Negotiation Period, a Party determines, in its sole and absolute discretion, that the Proposed Development is not feasible or financeable or that it does not otherwise desire to proceed with negotiations under this Agreement for any reason or no reason, such Party shall provide written notice of such determination to the other Party. Within ten (10) days after delivery of such notice, the Parties shall meet to discuss potential termination of negotiations under this Agreement. Within two (2) days following the meeting, the notifying Party shall confirm or withdraw its intent to terminate negotiations under this Agreement in writing. The notifying Party's failure to withdraw its intent to terminate negotiations under this Agreement within two (2) days following the meeting will be confirmation of its intent to terminate negotiations under this Agreement. If the notifying Party confirms its intent to terminate negotiations under this Agreement, the Negotiation Period and this Agreement shall automatically terminate on the date of such confirmation.

1.4. Effect of Termination. Upon the expiration or earlier termination of this Agreement, neither Party shall have any further rights, remedies, or obligations under this Agreement, except such rights, remedies, or obligations that survive the expiration or earlier termination of this Agreement under the express terms of this Agreement.

1.5. City's Representatives. Developer acknowledges and agrees that City intends to rely on a core negotiating team to negotiate the Definitive Agreement on City's behalf and that City reserves the right to invite City's additional representatives, employees and consultants to participate in or attend any negotiation meetings, including representatives of the Office of the Independent Budget Analyst who will be invited to attend solely as observers at the Council's specific request. Developer further acknowledges and agrees that City intends to provide its representatives, employees and consultants, including JLL, with full access to documents and other related materials provided by Developer to City under this Agreement.

2. **GOOD FAITH DEPOSIT**. To provide assurance to City that Developer will proceed diligently and in good faith to perform all of Developer's obligations under this Agreement, concurrent with Developer signing and delivering this Agreement to City, Developer shall deposit with City One Hundred Thousand Dollars ($100,000) in the form of cash, a cashier's check, or a certified check, naming City as beneficiary or payee, as applicable ("Good Faith Deposit"). All interest accrued on the Good Faith Deposit (if any) shall be the property of City and shall be retained by City. If Developer has negotiated diligently and in good faith and performed all its obligations under this Agreement, including performing all the Milestones, attending all necessary meetings, responding to information requests by City, and willingly providing all appropriate materials and information requested by City in furtherance of negotiations towards a Definitive Agreement, the Good Faith Deposit will be, at Developer's option, either (a) returned to Developer upon expiration or termination of this Agreement, or (b) applied towards any deposit or earnest money required to be paid by Developer under a future Definitive Agreement between the Parties. If an Event of Default by Developer occurs, the Good Faith Deposit will be retained by City as liquidated damages under Section 21.

3. **NON-REFUNDABLE NEGOTIATION PAYMENT**. In partial consideration of City entering into this Agreement, concurrent with Developer signing and delivering this Agreement to City, Developer shall also pay to City the amount of Seventy Thousand Dollars ($70,000) in the form of cash, a cashier's check, or a certified check ("Negotiation Payment"), naming City as

beneficiary or payee, as applicable. The Negotiation Payment shall be fully earned by City on the Effective Date and shall be non-refundable to Developer. Developer waives all claim or right to any refund of the Negotiation Payment or any interest accrued on the Negotiation Payment.

4. **LICENSE FEE**. In consideration of City authorizing Developer to enter upon the Site under one or more separate license agreements to perform certain due diligence activities under this Agreement relating to development of the Proposed Development of the Site, concurrent with Developer signing and delivering this Agreement to City, Developer shall also pay to City the amount of Five Thousand Dollars ($5,000) in the form of a cashier's check or certified check ("License Payment"), naming City as beneficiary or payee, as applicable. The License Payment shall be fully earned by City on the Effective Date and shall be non-refundable to Developer. Developer waives all claim or right to any refund of the License Payment or any interest accrued on the License Payment.

5. **ENTITLEMENT AND ENVIRONMENTAL REVIEW EXPENSES**. In addition to all other payments to be made by Developer under this Agreement, pursuant to City's Development Services Department cost recovery program, Developer shall be responsible for the costs of City review, processing, and preparation of all required environmental review documents under the California Environmental Quality Act ("CEQA") or the National Environmental Policy Act ("NEPA"), as applicable.

6. **REPRESENTATIONS AND WARRANTIES**. Developer represents and warrants all the following to City for the purpose of inducing City to enter into this Agreement, as of the Effective Date:

6.1.1. Developer is a Delaware limited liability company, duly formed, validly existing and certified in good standing under the laws of the State of California by the California Secretary of State.

6.1.2. Developer has the legal power, right and authority to enter into this Agreement and to perform its obligations under this Agreement.

6.1.3. Developer's undertakings under this Agreement are for the purpose of negotiating diligently and in good faith to prepare a Definitive Agreement to be entered into between the Parties for the Site and not for speculation in land holding.

6.1.4. The persons signing this Agreement, the instruments referenced in this Agreement, and any other documents signed and delivered on behalf of Developer have the full right, power and authority to do so and have been duly authorized to do so by Developer, and no other persons are required to approve or sign this Agreement or any other instruments or documents on behalf of Developer.

6.1.5. The representations and warranties of Developer set forth in this Agreement shall survive the termination of this Agreement.

7. **DEVELOPER.**

7.1. Nature of Developer. City acknowledges that Developer may intend to form a new entity controlled by Developer or the entities comprising Developer that will be the party to the Definitive Agreement. City shall have the right to review and approve the organizational documents of such entity and the entities comprising such entity. Prior to Developer's delivery of the signed Definitive Agreement to City, Developer shall submit a copy of all joint venture formation documents (e.g., limited liability company operating agreement, partnership agreement, etc.) and all organizational documents of each entity participating in the joint venture, for approval by City, which approval shall not be unreasonably withheld. Each such document may be redacted to remove financial terms or other confidential information contained in the document, provided that such redactions do not limit City's ability (as determined by City, in its sole and absolute discretion) to complete a comprehensive evaluation of the organizational structure of the joint venture and all entities participating in the joint venture.

7.2. Principals and Employees of Developer Developer's employees or representatives who are to be directly involved in the Proposed Development and who have been designated to negotiate the Definitive Agreement with City, and to engage in the activities necessary to determine the feasibility of the Proposed Development are as follows:

Zephyr Investors, LLC
Brad Termini
Ryan Herrell
Austin Richter

Legends Venue Management, LLC
Bill Rhoda
Shelby Jordan

Chelsea Investment Corporation
James J. Schmid
Jim Andersen

7.3. Developer's Consultants and Professionals. Developer shall disclose to City its principals, shareholders, partners, members, joint venturers and officers. Developer shall disclose to City the names of its primary architect, planning consultant, CEQA consultant, traffic consultant and civil engineer. City shall not have any right to approve or disapprove any of Developer's consultants. However, City may advise Developer that a proposed person does not have sufficient financial or operational capabilities or experience to participate in the Proposed Development, or such person is reasonably believed to not be of good character or reputation. Developer is required to make full disclosure to City of its principals, officers, employees, and other associates and, specifically with respect to its financing of the Proposed Development, its partners, joint venturers, lenders, and other financial partners participating in the financing of the Proposed Development, and all other pertinent information concerning Developer and its associates.

8. **PROPOSED DEVELOPMENT.**

8.1. Proposed Development Concept and Essential Terms and Conditions. For the purposes of the Parties' negotiations under this Agreement, the proposed development of the Site to be required under the Definitive Agreement shall substantially conform with the program and development concept generally set forth in Developer's responses to the NOA and subsequent RFI (each of which is attached to this Agreement in EXHIBIT C and collectively referred to as "Developer's Original Proposal") for the development and operation of a mixed-use development on the Site that will include, at a minimum, all the following elements (collectively, "Proposed Development"): (a) affordable housing in compliance with the SLA; (b) market-rate housing; (c) replacement of the existing Sports Arena located on the Site; (d) a hotel; (e) retail space; and (f) open space. Each element of the Proposed Development identified in clauses "(a)" through "(f)" in the immediately preceding sentence is referred to in this Agreement as a "Programmatic Component." The Proposed Development shall be consistent with the SLA, the Midway-Pacific Highway Community Plan (as may be amended, in the Council's discretion, to accommodate the Proposed Development), and all other applicable laws or governmental regulations. City and Developer acknowledge that the Programmatic Components may be modified as required by City acting in its governmental regulatory capacity or during City's CEQA review process for the Proposed Development.

8.2. Qualifying Affordable Housing Units. Developer acknowledges that City provided Developer with first negotiating priority under the SLA for proposing the most qualifying affordable units (i.e., units affordable to households earning 80 percent area median income or below) on the Site, at 2,000 units. Accordingly, in addition to the minimum elements of the Proposed Development described in Section 8.1, the Proposed Development in the Definitive Agreement must contain at least 2,000 qualifying affordable housing units.

8.3. Certain Definitive Agreement Terms. Among other terms and conditions, the Parties intend that the following terms and conditions will be incorporated into a future Definitive Agreement:

8.3.1. Developer's ground leasing of the Site will, at a minimum, be: (a) conditioned on Developer providing City with Developer's financing plan for the ground leasing of the Site and multiple-phased long-term development of the Proposed Development; (b) conditioned on City approval of a Specific Plan and Master Planned Development Permit as provided in the Midway-Pacific Highway Community Plan, as well as certification of any CEQA document prepared for the Proposed Development on the Site; and (c) "as is," without representation or warranty of any kind.

8.3.2. Developer will design, obtain all required government approvals for, construct, and operate the Proposed Development on the Site at its own cost and expense, under a schedule of performance to be negotiated as part of the Definitive Agreement, a scope of development to be negotiated as part of the Definitive Agreement, and plans and specifications prepared by Developer and approved by City. City acknowledges that portions of the Site may be subleased and developed by third parties that will obtain the government approvals for the applicable portions of the Proposed Development. Developer acknowledges that regardless of such subleasing or development of portions of the Proposed Development by third parties, the

Developer will be responsible for designing and obtaining all required government approvals for constructing and operating the Proposed Development on the Site under a schedule of performance in the Definitive Agreement.

8.3.3. Developer shall be responsible for design and construction of all improvements in public rights-of-way adjacent to the Site required for the Proposed Development, at Developer's own cost and expense.

8.3.4. Developer shall submit to City a good faith performance deposit in a form mutually acceptable to the Parties at the time Developer signs and delivers the Definitive Agreement to City.

9. DEVELOPER'S OBLIGATIONS AND PERFORMANCE MILESTONES.

The term "Commencement Date" means February 1, 2023.

9.1. Quarterly Council Updates. Developer shall meet with City staff regularly to provide updates on Developer's progress in completing Developer's obligations under Sections 9.2 through 9.5 (each, a "Milestone"). Developer shall attend quarterly Council updates presented by City staff and participate in such updates as City staff or the Council request, including submitting written reports, presenting on Milestone(s) progress, and answering questions from the Council.

9.2. Community Engagement Plan. No later than thirty (30) calendar days after the Commencement Date (March 3, 2023), Developer shall submit to City for its approval, a community engagement plan ("Community Engagement Plan") that includes Developer's proposed plan for conducting outreach to community groups and stakeholders to educate the public about, and seek input with respect to, the Proposed Development. Developer shall host publicly noticed meetings, no less than quarterly, to provide a forum for members of the public and stakeholders to receive updates about the Proposed Development. City encourages Developer to offer these meetings physically, virtually, and hybrid (in person and virtual), and at a variety of locations and times of day to ensure public access. Once City approves the Community Engagement Plan, Developer shall be responsible for implementing the Community Engagement Plan during the Negotiation Period and providing updates to City staff about implementation of the Community Engagement Plan. Developer also agrees to provide notice to City of all meetings it will be hosting or attending about the Proposed Development, so City staff may participate in the meetings, as appropriate. Further, Developer agrees to provide notice to City staff of Developer's intent to schedule any meetings with other government agencies relating to the Proposed Development.

9.3. Due Diligence. No later than one hundred eighty (180) calendar days after the Commencement Date (July 31, 2023), Developer shall conduct all due diligence activities on the Site or otherwise that it deems necessary to provide Developer with sufficient information to determine the feasibility of developing the Proposed Development on the Site. Upon Developer's request, from time to time, City shall reasonably endeavor to assemble and provide information to Developer about the Site that is within City's possession. City makes no representation or warranty to Developer about the completeness or accuracy of any information provided to

Developer. Developer acknowledges that, regardless of the results of Developer's investigations of the Site or the improvements on the Site, the Definitive Agreement will provide for City's leasing of the Site to Developer in the Site's "as-is" condition, with all faults and defects.

9.4. Pro Forma. No later than one hundred eighty (180) calendar days after the Commencement Date (July 31, 2023), Developer will submit to City a detailed pro forma ("Pro Forma") for the Proposed Development that separately articulates each Programmatic Component and identifies funding sources and uses, development budgets, operating cash flows, consideration to City, subsidies required, and developer/investment return targets. Developer shall refine the Pro Forma periodically to reflect changes to the Proposed Development during the Negotiation Period, information from Developer's due diligence review of the Site, the results of market demand and feasibility studies, CEQA review, the requirements of City acting in its governmental regulatory capacity, and all other relevant information. The Pro Forma shall include, at a minimum, the information described in EXHIBIT E and clearly note and explain all refinements to the Pro Forma delivered to City as part of Developer's Original Proposal. The Pro Forma shall be submitted to City in an editable Microsoft Excel format with all working formulas and assumptions. All values shall be based on Developer's assumptions provided in the Pro Forma and shall not make use of "hard-coded" values. The Pro Forma shall be presented in a manner that is reasonably acceptable to City and readily enables City to: (a) confirm the feasibility of the Proposed Development; (b) verify the cost, market, ground rent, and other economic assumptions used by Developer; and (c) sensitivity test a range of alternative inputs.

9.5. Financing Plan. Concurrent with Developer's submittal of the Pro Forma to City under Section 9.4, Developer shall submit to City its proposed financing plan ("Financing Plan") for the Proposed Development that will include, at a minimum, proposed financing for all Programmatic Components, anticipated debt and equity sources, all letters of interest from potential financing partners, bank and other financial references, financial statements, identification of all proposed sources of subsidies for the affordable housing, all proposed public financing, and an analysis of the Proposed Development's competitiveness for such subsidy sources. Developer shall make and maintain full disclosure to City of the methods of financing and the financing documents to be used in the Proposed Development. Developer shall update the Financing Plan periodically to reflect changes to the Proposed Development during the Negotiation Period or information obtained or developed from Developer's due diligence for the Proposed Development, the results of market demand and feasibility studies, CEQA review, the requirements of City acting in its governmental regulatory capacity and all other relevant information. The Parties acknowledge and agree that, while Milestone submittals will be made in accordance with this Agreement, the Proposed Development will occur on a master and long-term phased schedule that is expected to be described in the Specific Plan and Master Planned Development Permit for the Proposed Development required by the Midway-Pacific Highway Community Plan. As a result, the final formal Financing Plan for each phase may not be complete until a few months before construction of the particular phase commences.

9.6. Proposed Development Description and City Processing. No later than two hundred seventy (270) calendar days after the Commencement Date (October 29, 2023), Developer shall submit a concise written description of the Proposed Development and related supporting information with sufficient detail to understand the Proposed Development and each Programmatic Component and undertake environmental review of the Proposed Development under CEQA; provided, however, that Developer shall provide additional information and data about the Proposed Development requested by City and necessary to complete environmental review of the Proposed Development under CEQA, in City's sole and absolute discretion. At a minimum, the Proposed Development description submitted by Developer to City under this Section 9.6 shall include the supporting information described in EXHIBIT D for each Programmatic Component. All submittals and CEQA review shall be done in accordance with the requirements of the City's Development Services Department project application and review procedures and the Land Development Code provisions of the San Diego Municipal Code. City agrees to cooperate reasonably in the processing and review of all documents submitted by Developer in connection with the Proposed Development and CEQA review. If Developer pays the customary fees charged by City's Development Services Department for expedited processing of development applications, then once Developer has submitted a complete development application for the Proposed Development and CEQA review, City will expedite its review of Developer's application in accordance with the expedited procedures used by City's Development Services Department. At Developer's request, City will endeavor to dedicate a specific City staff member or consultant to City's review of development applications for the Proposed Development as long as Developer agrees to pay processing fees to City allowing City's full cost recovery of the dedicated staff position or consultant.

9.7. Site Access Delays. In the event Developer is delayed in obtaining reasonable Site access to begin conducting Due Diligence by one or more parties, by the Commencement Date, Developer shall notify City accordingly and the Milestone deadlines shall be tolled one day for each day of delay.

9.8. Additional Submittals. In addition to the information described in this Section 9, Developer acknowledges and agrees that City reserves the right at any time to reasonably request from Developer additional information, including data and financial documents, to determine or confirm Developer's experience, its approach to financing the Proposed Development, and its capability to construct, develop and operate the Proposed Development. Without limiting any of City's rights under this Agreement, City will provide reasonable time for Developer to obtain and submit such additional information to City.

9.9. Changes to Proposed Development. The Parties acknowledge that changes may occur in the Proposed Development as additional information is obtained or developed during the Negotiation Period to achieve a plan for the Proposed Development that is acceptable to both Parties. Developer shall deliver updated written documentation to City of all changes to the Proposed Development, including changes to Programmatic Components, the Proposed Development description under Section 9.6, development plans, the Financing Plan, the Pro Forma, etc., clearly identifying changes to the scope, scale, or location of the Proposed Development for City's consideration and approval. The parties acknowledge that changes in the Proposed Development may be required by City acting in its governmental regulatory capacity or during City's CEQA review process for the Proposed Development.

10. **DEVELOPER'S FINDINGS, DETERMINATIONS, STUDIES, AND REPORTS.** From time to time, as requested by City, Developer agrees to make reasonable oral and written progress reports, and submit to City reports and analyses, advising City on all matters related to the development, including financial feasibility analyses, construction cost estimates, marketing studies, and similar due diligence matters ("DD Documents"). If this Agreement is terminated or expires before any or all DD Documents are finalized, Developer shall turn over all DD Documents to City on the date of such termination or expiration, even if some or all of the DD Documents are not in a final form. Developer may reasonably redact the content of the DD Documents for confidentiality purposes. Such redactions may include attorney work product, attorney-client communications and proprietary financial information. City shall determine, in its sole and absolute discretion, whether any DD Documents or other materials provided to City by Developer are subject to, or are exempt or partially exempt from, disclosure under the California Public Records Act ("CPRA"). If Developer notifies City in writing that it objects to the disclosure of certain information to a third party, Developer shall deliver to City, with such notice, specific and detailed written legal grounds, including any applicable case law, upon which City may rely for withholding any information requested under the CPRA. Developer agrees that City shall not be liable or obligated for any burden or loss (financial or otherwise) incurred by Developer as a result of City's disclosure or non-disclosure of any such information in response to a third party's request under the CPRA.

11. **INDEMNITY**. Developer shall protect, defend, indemnify, and hold harmless (collectively, "Indemnify") City, the Council, and each City elected official, employee, agent, or attorney (collectively, "City Entities") against all claims, losses, costs, damages, expenses, liabilities, liens, actions, causes of action (whether in tort, contract, under statute, at law, in equity, or otherwise, or foreseeable or unforeseeable), charges, awards, assessments, fines or penalties of any kind (including reasonable consultant and expert fees, expenses and investigation costs of whatever kind or nature, and attorney fees and costs), all judgments, and other costs incurred in enforcing Developer's obligation(s) to Indemnify the City Entities under this Agreement (collectively, "Claims") arising from: (a) personal injury (including death) or property damage (to property of Developer or any other person) occurring as a result of Developer's activities in performing this Agreement; (b) all wrongful intentional acts or negligence of one or more of Developer or Developer's officers, employees, contractors, or agents (collectively, "Developer Entities"); (c) strict liability relating to Developer's activities in performing this Agreement; (d) all applications for government approvals for the Proposed Development made by or on behalf of one or more Developer Entities; (e) all agreements that one or more Developer Entities makes with a third person regarding this Agreement, the Proposed Development, or any of Developer's activities in performing this Agreement; (f) all services, labor, material, or equipment supplied to, for, on behalf of, or at the request of one or more Developer Entities; or (g) all workers' compensation claims by employees or contractors of one or more Developer Entities. Notwithstanding anything to the contrary in this Agreement, Developer's obligation to Indemnify the City Entities excludes Claims arising solely from the established active negligence or willful misconduct of a City Entity. Developer's obligation to Indemnify the City Entities shall also exclude any claim, cost, expense or liability to the extent arising out of (1) any physical condition of the Site existing before the Effective Date and discovered (but not created) by Developer during investigation of the Site; or (2) Developer's discovery of any hazardous substances (defined in any applicable federal, state or local law or statute) on or under the Site that existed on or under the Site before the Effective Date ; provided, however, that Developer's obligation to Indemnify the City Entities includes Developer's exacerbation of any Site condition, including any release of a hazardous substance, whether or not existing on or under the Site before the Effective Date. The Council must approve the selection of all legal counsel designated to represent City's interests in any indemnified Claim. City may, at its election, conduct its own defense or participate in the defense of any indemnified Claim. If City elects to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any indemnified Claim, Developer shall pay all reasonable costs related to such activity, including reasonable attorneys' fees and costs. The affected City Entities shall notify Developer of any indemnified Claim within a reasonable time and shall reasonably cooperate with Developer's defense of the City Entities. Developer may only settle an indemnified Claim with the prior written consent of the affected City Entities, in their respective sole and absolute discretion. Developer's obligation to Indemnify the City Entities under this Agreement is independent of Developer's other obligations under this Agreement. If the extent of Developer's obligation to Indemnify the City Entities under this Agreement exceeds the indemnity obligation allowed by applicable law, Developer's obligation to Indemnify the City Entities shall be reduced to the extent required to comply with applicable law. Developer's obligation to Indemnify the City Entities under this Agreement shall survive the expiration or termination of this Agreement, until all actual or prospective Claims subject to Developer's obligation to Indemnify the City Entities under this Agreement are fully, finally,

absolutely, and completely barred by applicable statutes of limitations. To the extent a Claim arises from Developer's physical entry onto the Site, the indemnity provisions in Section 12 of each separate license agreement entered into between City and Developer authorizing Developer's physical entry onto the applicable portion(s) of the Site shall prevail over any conflicting indemnity provisions in this Section 11.

12. **NOTICES**. All notices submitted by either Party to the other Party under or as required by this Agreement shall be in writing and sent by messenger for immediate personal delivery, nationally recognized overnight (one business day) delivery service (i.e., United Parcel Service, Federal Express, etc.), or by registered or certified first-class mail through the United States Postal Service, postage prepaid, return receipt requested, to the address of the recipient Party, as designated below in this Section 12. Notices may be sent in the same manner to such other addresses as either Party may from time to time designate by notice under this Section 12. Notice shall be deemed received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that the notice is sent by messenger for immediate personal delivery, the next day on which the overnight delivery service makes deliveries after the day of delivery of the notice to a nationally recognized overnight delivery service, or 3 days after the notice is deposited with the United States Postal Service in accordance with this Section 12. Any attorney representing a Party may give any notice on behalf of such Party. The notice addresses for the Parties, as of the Effective Date, are as follows:

Notices to Developer under this Agreement shall be sent to:

Midway Rising, LLC
c/o Legends Venue Management, LLC
Attn: Legal Department
61 Broadway, 24th Floor
New York, NY

Copies of any notices or materials provided to the above address also should be provided to:

Legends
Attn: Shelby Jordan II
3830 Clarington Avenue
Culver City, CA 90232

Chelsea Investment Corporation
Attn: Jim Andersen
6339 Paseo Del Lago
Carlsbad, CA 92011

Notices to City under this Agreement shall be sent to:

Director, Department of Real Estate and Airport Management
1200 Third Avenue, Suite 1700
San Diego, CA 92101

13. **ASSIGNMENT OR TRANSFER**. The expertise, experience, and financial capability of (a) Zephyr Investors LLC, and (b) Legends Venue Management, LLC as individual members of Midway Rising, LLC, and Chelsea Investment Corporation as Midway Rising LLC's affordable housing developer, to undertake development of the Proposed Development on the Site are of significant importance to City. City would not have entered into this Agreement but for such expertise, experience, and financial capability. As a result, Developer shall not have any right to make or allow any assignment (including any 10% or greater change in ownership of Developer) of this Agreement (or any right, duty, or obligation under this Agreement) without the prior written consent of City, which may be given or withheld in the City's sole and absolute discretion. Developer acknowledges and agrees that, under the circumstances that this Agreement is entered into by the Parties and the public nature of the Site, the restrictions in this Agreement on assignments are reasonable. Any assignment of or attempt to assign this Agreement, whether by operation of law, through a pledge, hypothecation, or otherwise shall automatically terminate this Agreement. Additionally, should one of the primary entities listed above in a-c propose to assign or transfer their interest in this agreement, through a sale of its interests, City shall review sales documents and reserve the right to collect a portion of the proceeds of said assignment or transfer.

14. **REAL ESTATE COMMISSIONS.** Developer represents and warrants that Developer did not engage or deal with any broker or finder in connection with this Agreement and no person is entitled to any commission or finder's fee regarding this Agreement or Developer's potential future ground leasing of the Site on account of any agreement or arrangement made by Developer. Developer shall Indemnify the City Entities against any breach of the representation and warranty set forth in the immediately preceding sentence.

15. **FRAMEWORK OF NEGOTIATIONS**. The Parties acknowledge that this Agreement is a framework for negotiation of essential terms of a future Definitive Agreement, but that they have not agreed upon the essential terms or the material elements of a transaction, including ground lease rent, the final legal description of the portions of the Site that will be subject to the Definitive Agreement, the time or manner of and significant terms related to the Definitive Agreement, the conditions precedent to lease, if any (including the design and entitlement of the Proposed Development), and the requirements related to development of the Proposed Development, each of which are an essential component of the potential transaction, will be the subject of further negotiations, and shall be set forth, if at all, in a Definitive Agreement approved by the Council, in its sole and absolute discretion (or in the case of Developer, approved by its principal(s)), and signed by the respective authorized representatives of each Party. Further, Developer acknowledges that the design of the Proposed Development, the identity, stability and financial capacity of Developer, and the terms and conditions of a lease of the Site, if any, will be of material concern to City and comprise part of the essential terms of a future Definitive Agreement that are not yet agreed upon by the Parties.

16. **DEVELOPER ACKNOWLEDGMENTS.** Developer acknowledges and agrees that: (a) under this Agreement, City is not committing itself or agreeing to enter into a Definitive Agreement, undertake any exchange, sale, lease or other transfer of real property or real property interest to Developer, approve any land use entitlements, or undertake any other acts or activities

regarding real property; (b) no provision of this Agreement shall be deemed to be an offer by City, nor an acceptance by City of any offer or proposal from Developer, for City to convey any estate or interest in the Site to Developer or for City to provide any financial or other assistance to Developer for development of the Proposed Development or any other development of the Site; (c) Developer has not acquired, and will not acquire, by virtue of the terms of this Agreement, any legal or equitable estate or interest in real or personal property from City; and (d) further efforts by either Party to perform due diligence, arrange or obtain financing, or carry out other acts in contemplation of the possible ground leasing of the Site or development of the Proposed Development on the Site shall not be deemed evidence of intent by either Party to be bound by any terms, conditions, covenants, restrictions or agreements relating to ground leasing of the Site or development of the Proposed Development on the Site.

17. **NO CITY APPROVAL.** Nothing in this Agreement, nor any comments provided by City staff, nor any failure of City staff to provide comments to any submittal under this Agreement shall: (1) modify or replace any land use entitlement process of City applicable to the Site or the Proposed Development, (2) limit the police power land use jurisdiction of City relative to the Site or the Proposed Development, (3) constitute an approval of all or any portion of the Proposed Development by City under the police power land use jurisdiction of City, or (4) constitute any City approval of all or any portion of a future Definitive Agreement with Developer. City is the land use authority regarding the Site. City is not obligated to expedite any reviews, approvals, notices, meetings, or any other related matters, and nothing contained in this Agreement shall be construed to limit City's discretion in its activities relating to this Agreement, the Site, or the Proposed Development, or cause City to incur any liability or obligation in connection with any delay in obtaining or failure to obtain land use entitlements or approvals relative to the Proposed Development or the Site. Nothing contained in this Agreement shall constitute a waiver, amendment, promise or agreement by City (or any of its departments or boards) as to the issuing of any approval, permit, consent or other entitlement in the exercise of City's regulatory capacity or function.

18. **COSTS AND EXPENSES.** Developer shall be solely responsible for payment of all fees, costs and expenses of all engineers, architects, financial consultants, legal, planning or other consultants or contractors, retained by Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, planning or design activities, drawings, specifications or other activity or matter relating to the Site or the Proposed Development or negotiation or documentation of a future Definitive Agreement that may be undertaken by Developer before or during the Negotiation Period in reliance upon this Agreement or in Developer's discretion, regarding any matter relating to this Agreement, a future Definitive Agreement, the Site, or the Proposed Development. No such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of, or in reliance upon City. Regardless of the outcome of negotiations under this Agreement, City shall not be obligated to pay, reimburse or refund any expenses, fees, charges or costs incurred by Developer in pursuit of any study, analysis, evaluation, report, schedule, estimate, environmental review, planning or design activities, drawings, specifications or other activity or matter relating to this Agreement, the Site, the Proposed Development, or negotiation or documentation of a future Definitive Agreement that may be undertaken by Developer before or during the Negotiation Period.

19. **EVENTS OF DEFAULT.**

19.1. Developer Events of Default. The occurrence of any of the following shall constitute an "Event of Default" by Developer under this Agreement:

19.1.1. *Misrepresentation.* Any material breach of any representation or warranty made by Developer in this Agreement that is not cured within 30 calendar days after notice from City to Developer of such breach.

19.1.2. *Failure to Make Deposit.* Developer's failure to deliver either the Good Faith Deposit, the Negotiation Payment, or the License Payment to City as and when required by this Agreement.

19.1.3. *Failure to Make Submittal.* Developer's failure to deliver any item described in Section 9 or Section 10 to City as and when required by this Agreement, unless Developer receives prior written approval from City, in City's sole and absolute discretion, approving a late submittal. If Developer anticipates a delay, it should make best efforts to notify City at the earliest possible date of such delay.

19.1.4. *Other Material Breach.* The occurrence of any other event constituting a material breach of this Agreement by Developer if such breach is not cured within 15 calendar days after City delivers notice to Developer of such breach.

20. **CITY REMEDIES.** If there is an Event of Default by Developer, City may, in City's sole and absolute discretion, terminate this Agreement by sending written notice of termination to Developer, retain the Good Faith Deposit as liquidated damages under Section 21, or exercise any other remedies available to City at law or in equity regarding such Event of Default by Developer.

21. **CITY LIQUIDATED DAMAGES.** THE PARTIES AGREE THAT IT IS EXTREMELY IMPRACTICAL AND DIFFICULT, IF NOT IMPOSSIBLE, TO FIX THE EXACT AMOUNT OF DAMAGE THAT WOULD BE SUFFERED BY CITY AS A RESULT OF AN EVENT OF DEFAULT BY DEVELOPER. THE PARTIES HAVE CONSIDERED CAREFULLY THE LOSS TO CITY OCCASIONED BY AN EVENT OF DEFAULT BY DEVELOPER, THE EXPENSES OF CITY INCURRED IN CONNECTION WITH THIS AGREEMENT, THE EXPENSES OF CITY'S PERFORMANCE UNDER THIS AGREEMENT, AND THE OTHER DAMAGES, GENERAL AND SPECIAL, THAT THE PARTIES REALIZE CITY WILL SUSTAIN, BUT THAT CITY CANNOT AT THIS TIME CALCULATE WITH REASONABLE CERTAINTY. BASED ON ALL THOSE CONSIDERATIONS, THE AMOUNT OF THE GOOD FAITH DEPOSIT IS THE REASONABLE ESTIMATE BY THE PARTIES OF THE DAMAGES CITY WOULD SUFFER ON THE OCCURRENCE OF AN EVENT OF DEFAULT BY DEVELOPER. ACCORDINGLY, ON THE OCCURRENCE OF AN EVENT OF DEFAULT BY DEVELOPER, CITY SHALL RETAIN THE GOOD FAITH DEPOSIT AS LIQUIDATED DAMAGES. DEVELOPER SEEKS TO LIMIT ITS LIABILITY UNDER THIS AGREEMENT TO THE AMOUNT OF THE GOOD FAITH DEPOSIT IF CITY TERMINATES THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY

DEVELOPER. THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF ANY APPLICABLE LAW BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO CITY AS PERMITTED UNDER APPLICABLE LAW.

PW	BK
Initials of Authorized City Representative	Initials of Authorized Developer Representative

22. **LIMITATION ON DEVELOPER REMEDIES AND DAMAGES.**

22.1. EXCLUSIVE DEVELOPER REMEDY. DEVELOPER ACKNOWLEDGES AND AGREES THAT CITY WOULD NOT HAVE ENTERED INTO THIS AGREEMENT, IF CITY WERE TO BE LIABLE TO DEVELOPER FOR ANY MONETARY DAMAGES, MONETARY RECOVERY, OR ANY REMEDY IN THE EVENT OF A BREACH OR DEFAULT UNDER THIS AGREEMENT BY CITY, OTHER THAN TERMINATION OF THIS AGREEMENT AND AN ACTION TO RECOVER THE NEGOTIATION PAYMENT. ACCORDINGLY, DEVELOPER AGREES THAT DEVELOPER'S SOLE AND EXCLUSIVE RIGHT AND REMEDY DURING OR FOLLOWING BREACH OR DEFAULT UNDER THIS AGREEMENT BY CITY IS TO TERMINATE THIS AGREEMENT AND BRING AN ACTION TO RECOVER THE NEGOTIATION PAYMENT. UNDER NO CIRCUMSTANCES SHALL CITY BE LIABLE TO DEVELOPER AS A RESULT OF A BREACH OR DEFAULT BY CITY UNDER THIS AGREEMENT FOR ANY AMOUNT EXCEEDING THE AMOUNT OF THE NEGOTIATION PAYMENT OR FOR ANY SPECULATIVE, CONSEQUENTIAL, COLLATERAL, SPECIAL, PUNITIVE, OR INDIRECT DAMAGES OR FOR ANY LOSS OF PROFITS SUFFERED OR CLAIMED TO HAVE BEEN SUFFERED BY DEVELOPER. DEVELOPER WAIVES ALL RIGHT TO PURSUE ANY REMEDY, OTHER THAN TERMINATION OF THIS AGREEMENT AND AN ACTION TO RECOVER THE NEGOTIATION PAYMENT, AS A RESULT OF ANY BREACH OR DEFAULT UNDER THIS AGREEMENT BY CITY. UNDER NO CIRCUMSTANCE SHALL DEVELOPER BE ENTITLED TO RECEIVE DAMAGES ARISING FROM AN ACTUAL OR ALLEGED BREACH OR DEFAULT UNDER THIS AGREEMENT BY CITY EXCEEDING THE AMOUNT OF THE NEGOTIATION PAYMENT.

22.2. DEVELOPER 1542 ACKNOWLEDGMENT. DEVELOPER ACKNOWLEDGES THAT IT IS AWARE OF THE MEANING AND LEGAL EFFECT OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

22.3. DEVELOPER 1542 WAIVER. CALIFORNIA CIVIL CODE SECTION 1542 NOTWITHSTANDING, IT IS THE INTENTION OF DEVELOPER TO BE BOUND BY THE LIMITATION ON DAMAGES AND REMEDIES SET FORTH IN THIS SECTION 22 AND DEVELOPER WAIVES AND RELEASES ALL CLAIMS AGAINST CITY FOR MONETARY DAMAGES, MONETARY RECOVERY, OR OTHER LEGAL OR EQUITABLE RELIEF RELATED TO ANY DEFAULT OR BREACH OF THIS AGREEMENT BY CITY BEYOND THE RECOVERY EXPRESSLY ALLOWED IN SECTION 22.1, WHETHER OR NOT ANY SUCH RELEASED CLAIMS WERE KNOWN OR UNKNOWN TO DEVELOPER AS OF THE EFFECTIVE DATE OF THIS AGREEMENT. DEVELOPER SPECIFICALLY WAIVES THE BENEFITS OF CALIFORNIA CIVIL CODE SECTION 1542 AND ALL OTHER STATUTES AND JUDICIAL DECISIONS (WHETHER STATE OR FEDERAL) OF SIMILAR EFFECT WITH REGARD TO THE LIMITATIONS ON DAMAGES OR REMEDIES AND WAIVERS AND RELEASES OF ANY SUCH DAMAGES OR REMEDIES CONTAINED IN THIS SECTION 22.

Initials of Authorized
Developer Representative

23. **CERTIFICATION OF COMPLIANCE WITH CITY REQUIREMENTS**. By signing this Agreement, Developer agrees and certifies that Developer is aware of, and will comply with, all the following requirements in performance of this Agreement:

23.1. Certification for Americans with Disabilities Act ("ADA") and Related Laws. Developer shall comply with all accessibility requirements under the ADA and under Title 24 of the California Code of Regulations ("Title 24"). When a conflict exists between the ADA and Title 24, Developer shall comply with the most restrictive requirement (i.e., that which provides the most access). Developer also shall comply with the ADA Compliance/City Contractors requirements set forth in Council Policy 100-04, which is incorporated into this Agreement by reference. Developer warrants and certifies compliance with all applicable federal and state access laws and regulations and further certifies that all subcontracts relating to this Agreement, the Site, or the Proposed Development, will contain the subcontractor's agreement to abide by the provisions of Council Policy 100-04 and all applicable federal and California access laws and regulations.

23.2. Compliance with City's Equal Employment Opportunity Program. Developer shall comply with City's Equal Employment Opportunity Program, set forth in San Diego Municipal Code ("SDMC") sections 22.2701 – 22.2708. Developer shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Developer shall provide equal opportunity in all employment practices. Developer shall ensure that its subcontractors comply with this program. Nothing in this Section 23.2 shall be interpreted to hold Developer liable for any discriminatory practice of its subcontractors.

23.3. Equal Benefits Ordinance Certification. Unless an exception applies, Developer shall comply with the "Equal Benefits Ordinance" codified in San Diego Municipal Code ("SDMC") section 22.4308.

23.4. Equal Pay Ordinance. Unless an exception applies, Developer shall comply with the "Equal Pay Ordinance" codified in SDMC sections 22.4801 through 22.4809. Developer shall certify in writing that it will comply with the requirements of the Equal Pay Ordinance. The Equal Pay Ordinance applies to any subcontractor who performs work on behalf of Developer to the same extent as it would apply to Developer. Developer shall require all its subcontractors to certify compliance with the Equal Pay Ordinance in written subcontracts.

23.5. Product Endorsement. Developer shall comply with Council Policy 000-41 concerning product endorsement, requiring that any advertisement referring to City as a user of a good or service must have the prior written approval of the Mayor.

23.6. Business Tax Certificate. Unless City's City Treasurer determines in writing that Developer is exempt from the payment of business tax, Developer is required to obtain a City business tax certificate and provide a copy of such certificate to City before commencing any activities under this Agreement.

23.7. Employment of City Staff. Under City Council Policy 300-11, if Developer employs an individual, who, within 12 months immediately preceding such employment, did, in the individual's capacity as a City officer or employee, participate in, negotiate with, or otherwise have an influence on the recommendation made to the Council in connection with the entry into this Agreement, City, in its sole and absolute discretion, shall have the right to unilaterally and immediately terminate this Agreement by notice to Developer.

24. MISCELLANEOUS.

24.1. Approvals and Consents. Unless this Agreement otherwise expressly provides or unless applicable law requires otherwise, all approvals, consents or determinations to be made by or on behalf of: (a) City under this Agreement shall be made by the Mayor or designee; or (b) Developer under this Agreement shall be made by Shelby Jordan II ("Developer Representative"). Unless otherwise provided in this Agreement, whenever approval, consent, or satisfaction is required of a Party under this Agreement, such approval, consent, or satisfaction shall not be unreasonably withheld, conditioned or delayed, and any reasons for disapproval shall be stated in reasonable detail in writing. Approval by Developer or City of any act or request by the other shall not be deemed to waive or render unnecessary approval of any similar or subsequent acts or requests.

24.2. Principles of Interpretation. No inference in favor of or against any Party shall be drawn from the fact that such Party drafted any part of this Agreement. The Parties participated substantially in the negotiation, drafting, and revision of this Agreement, with advice from legal and other counsel and advisers of their own selection. A word, term, or phrase defined in the singular in this Agreement may be used in the plural, and vice versa, all in accordance with ordinary principles of English grammar, which shall govern all language in this Agreement. The words "include" and "including" in this Agreement shall be construed to be followed by the words "without limitation." Each collective noun in this Agreement shall be interpreted as if followed by the words "(or any part of it)," except where the context clearly requires otherwise. Every reference to a document, including this Agreement, refers to such document, as modified from time to time (excepting any modification violating this Agreement), and includes all exhibits, schedules, addenda, and riders to such document. The word "or" in this Agreement includes the word "and," except where the context clearly requires otherwise. Every reference to a law, statute, regulation, order, form, or similar governmental requirement refers to each such requirement as amended, modified, renumbered, superseded, or succeeded, from time to time.

24.3. Governing Law. The procedural and substantive laws of California shall govern the interpretation and enforcement of this Agreement, without application of conflicts of laws principles or statutes. The Parties acknowledge and agree that this Agreement is entered into, is to be fully performed in and relates to real property located in the County of San Diego, California. All legal actions arising from this Agreement shall be filed in San Diego Superior Court or in the United States District Court with jurisdiction in the County of San Diego, California.

24.4. Relationship of Parties. The Parties each intend and agree that City and Developer are independent contracting entities and do not intend by this Agreement to create any partnership, joint venture, or similar business arrangement, relationship, or association between them.

24.5. Conflict of Interest. No member, official, or employee of City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement that affects their personal interests or the interests of any corporation, partnership, or association in which they are, directly or indirectly, interested. Developer warrants that it has not paid or given, and will not pay or give, directly or indirectly, any City employee or official, any money or other consideration at all, whether or not connected in any way with the subject matter of this Agreement. Further, Developer warrants that it has no knowledge of any financial interest of any City employee or official in Developer, directly or indirectly, or in any person or entity affiliated with Developer, or in any transaction in which Developer has been involved.

24.6. Warranty Against Payment of Consideration for Agreement. Developer represents and warrants to City that: (a) Developer has not employed or retained any Person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees of Developer; and (b) no gratuities, in the form of entertainment, gifts or otherwise have been or will be given by Developer or any of Developer's agents, employees, or representatives to any elected or appointed official or employee of City in an attempt to secure this Agreement or favorable terms or conditions for this Agreement. Breach of the representations or warranties in this Section 24.6 shall entitle City to terminate this Agreement immediately. Upon any termination of this Agreement under this Section 24.6, Developer shall immediately repay to City all payments made to or on behalf of Developer by City (if any) under this Agreement prior to the termination date.

24.7. Unavoidable Delay. Performance by either Party under this Agreement shall not be considered to be in default, where any such default is due to the occurrence of an Unavoidable Delay. Any Party claiming an Unavoidable Delay shall notify the other Party: (a) within twenty (20) days after such Party knows of the Unavoidable Delay; and (b) within twenty (20) days after the Unavoidable Delay ceases to exist. To be effective, any notice of an Unavoidable Delay must describe the Unavoidable Delay in reasonable written detail. The Party claiming an extension of time to perform due to an Unavoidable Delay shall exercise commercially reasonable efforts to cure the condition causing the Unavoidable Delay, within a reasonable time. Notwithstanding anything to the contrary in this Agreement, no obligation of a Party for payment of money under this Agreement may be delayed by the occurrence of an Unavoidable Delay, unless the delay in payment of money is due to an Unavoidable Delay that prevents or materially limits the ability to transfer funds by or between federal or state chartered financial institutions. "Unavoidable Delay" means and refers to a delay in either Party performing any obligation under this Agreement arising from or on account of any cause whatsoever beyond the Party's reasonable control, including strike, labor trouble or other union activity, casualty, war, act of terrorism, riot, litigation, governmental action, regional natural disaster, pandemic, or inability to obtain materials. Unavoidable Delay shall not include delay caused by a Party's financial condition, illiquidity, or insolvency.

24.8. No Other Representations or Warranties. Except as expressly set forth in this Agreement, no Party makes any representation or warranty material to this Agreement to another Party.

24.9. No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the Parties and their respective permitted successors and assigns (if any), nor is anything in this Agreement intended to relieve or discharge any obligation of any third party to any Party or give any third party any right of subrogation or action over or against any Party.

24.10. Time for Performance.

24.10.1. *Expiration.* All performance, expiration, or termination dates (including cure dates) in this Agreement expire at 5:00 p.m., Pacific Time, on the specified date.

24.10.2. *Weekends and Holidays.* A date that falls on a Saturday, Sunday or City holiday is deemed extended to the next day on which City is open for performance of general City functions with regular City personnel.

24.10.3. *Days for Performance.* All periods for performance specified in this Agreement in terms of days shall be calendar days, and not business days, unless otherwise expressly provided in this Agreement.

24.10.4. *Time of the Essence.* Time is of the essence with respect to each provision of this Agreement.

24.11. Waivers and Amendments. Each waiver of a term, provision, covenant, condition, restriction, or agreement contained in this Agreement must be in writing and signed by the authorized representative(s) of the Party making the waiver. Failure to insist on strict compliance with a term, provision, covenant, condition, restriction, or agreement contained in this Agreement at any time or times shall not constitute a waiver of such term, provision, covenant, condition, restriction, or agreement at any other time, nor shall any waiver or relinquishment of any right or power under this Agreement at any time or times constitute a waiver or relinquishment of such right or power at any other time. Each amendment to this Agreement must be in writing and signed by the authorized representative(s) of both City and Developer.

24.12. Survival of Agreement. All the provisions of this Agreement shall be applicable to any dispute between the Parties arising from this Agreement, whether prior to or after the expiration or earlier termination of this Agreement, until any such dispute is finally and completely resolved between the Parties, either by written settlement, entry of a non-appealable judgment, or expiration of all applicable statutory limitations periods, and all terms and conditions of this Agreement relating to dispute resolution and remedies shall survive the date of expiration or earlier termination of this Agreement.

24.13. Integration. This Agreement includes twenty (20) pages and five (5) exhibits (the exhibits are incorporated into this Agreement by reference) constituting the entire understanding and agreement of the Parties regarding the subject matter of this Agreement and supersedes all previous negotiations or agreements between the Parties relating to the subject matter of this Agreement.

24.14. Titles and Headings for Reference Only. The titles and headings of the articles, paragraphs, or sections of this Agreement are for convenience of reference only, are not to be considered a part of this Agreement, and shall not in any way interpret, modify, or restrict the meaning of any term, provision, covenant, condition, restriction, reservation, or agreement in this Agreement.

24.15. Severability. If a term, provision, covenant, condition, restriction, or agreement contained in this Agreement or its application to any person or circumstance shall to any extent be invalid or unenforceable, then the remainder of this Agreement, or the application of such a term, provision, covenant, condition, restriction, or agreement to persons or circumstances other than those as to which the term or provision is invalid or unenforceable, shall not be affected by such invalidity. All remaining terms, provisions, covenants, conditions, restrictions, or agreements contained in this Agreement shall be valid and enforced to the fullest extent permitted by law.

24.16. Counterparts. This Agreement may be signed in multiple counterpart originals, each of which shall be considered an original, and all of which shall constitute one and the same agreement.

24.17. Electronic Signatures. The Parties agree: (a) to deliver and accept signatures on or under this Agreement by e-mail or electronic means (including digital signatures); and (b) that signatures delivered by e-mail or electronic means (including digital signatures) shall be binding as originals upon the Party so signing and delivering.

24.18. Exhibits. All the exhibits attached to this Agreement are described as follows:

EXHIBIT A	Site Map
EXHIBIT B	Legal Descriptions
EXHIBIT C	Midway Rising Responses to NOA and RFI
EXHIBIT D	Proposed Development Description Requirements
EXHIBIT E	Pro Forma Requirements

24.19. Use of Information by City. If negotiations do not result in a Definitive Agreement between the Parties, City may use any information provided to City by Developer in any way deemed by City to be of benefit to the disposition and development of the Site.

24.20. Incorporation of Recitals. The recitals of fact preceding this Agreement are true and correct and are incorporated into this Agreement, in their entirety by this reference.

24.21. Legal Descriptions Control. If a conflict arises between the site map(s) in EXHIBIT A attached to this Agreement and the legal descriptions in EXHIBIT B attached to this Agreement, the legal descriptions in EXHIBIT B shall control.

[*Remainder of page intentionally blank. Signatures appear on the following page.*]

SIGNATURE PAGE
TO
EXCLUSIVE NEGOTIATION AGREEMENT

Midway Redevelopment

Developer and City sign and enter into this Agreement by and through the signatures of their respective authorized representative(s) set forth below, as of the Effective Date.

CITY:

THE CITY OF SAN DIEGO,
a California municipal corporation

By: ______________________
Penny Maus, Director
Department of Real Estate and
Airport Management

Date: 12-05-2022

DEVELOPER:

MIDWAY RISING, LLC,
a Delaware limited liability company

By: ______________________

Name: BRAD TERMINI

Title: Authorized Signer

Date: 12-05-22

Approved as to form on
12-05-2022.

MARA W. ELLIOTT,
City Attorney

By: ______________________
Name: Delmar Williams
Title: Deputy City Attorney

EXHIBIT A
TO
EXCLUSIVE NEGOTIATION AGREEMENT

Midway Redevelopment

SITE MAP

(attached behind this page)

EXHIBIT A – SITE MAP

EXHIBIT A
SITE MAP

EXHIBIT B
TO
EXCLUSIVE NEGOTIATION AGREEMENT

Midway Redevelopment

<u>LEGAL DESCRIPTIONS</u>

(attached behind this page)

EXHIBIT B – LEGAL DESCRIPTIONS

Note: Parcels Correspond to Site Map in Exhibit A

Parcel A – Legal Description

Portions of Pueblo Lots 241, 242, 259, 276, 311, 312, 313 and 338 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California, according to Map thereof made by James Pascoe, a copy of which said Map was filed in the Office of the County Recorder of San Diego County, and known as Miscellaneous Map No. 36, TOGETHER WITH Lot "A" and a portion of Lot "B" of Pueblo Lot 339, according to the Partition Map thereof on file in the Office of the County Clerk of said County, in an Action entitled "Steele vs. Steele", Superior Court, Case No. 5620, TOGETHER WITH a portion of Cass and Mc Elvea Subdivision, according to Map thereof No. 1581, filed in the Office of the County Recorder of San Diego County, described as follows:

Commencing at the point of intersection of the Southeasterly line of Pueblo Lot 312 with the Northerly line of Frontier Street, (now Sports Arena Boulevard) as described in deed to Frontier Enterprises, Inc., recorded March 5, 1941 in Book 1143, Page 320 of Official Records of San Diego County; thence Northeasterly along said Southeasterly line to a point of intersection with a line which is distant 15.00 feet Northerly, measured at right angles to the Northerly line of said Sports Arena Boulevard; thence South 77° 23' 46" East, a distance of 371.52 feet to the TRUE POINT OF BEGINNING; thence North 12° 36' 14" East, a distance of 476.74 feet; thence North 36° 37' 26" East, a distance of 246.89 feet to the Northeasterly line of said Pueblo Lot 338; thence North 53° 27' 34" West, a distance of 25.00 feet to the most Northerly corner of said Pueblo Lot 338; thence South 36° 37' 26" West along the Northwesterly line of Pueblo Lot 338, a distance of 233.40 feet to the most Easterly corner of said Lot "A"; thence North 53° 27' 44" West along the Northeasterly line of said Lot "A", a distance of 233.41 feet to the most Northerly corner of said Lot "A"; thence South 36° 33' 41" West along the Northwesterly line of said Lot "A", a distance of 74.98 feet to a point distant North 36° 33' 41" East, 158.40 feet from the most Westerly corner of said Lot "A"; thence North 53° 27' 19" West, 233.43 feet to a point in the Northwesterly line of Pueblo Lot 339 distant South 36° 36' 21" West, 308.33 feet from the most Northerly corner of said Pueblo Lot 339; thence North 36° 36' 21" East along the Northeasterly line of Pueblo Lot 339, a distance of 301.33 feet to a line which is parallel with and 7.00 feet Southwesterly of and measured at right angles to the Northerly prolongation of the Northeasterly line of said Pueblo Lot 339; thence along said parallel line North 53° 26' 49" West, a distance of 786.16 feet to a point in the Southeasterly line of Kurtz Street as dedicated by Resolution No. 197[illegible]3 of the Council of the City of San Diego, a copy of which was recorded July 30, 1969 as Document No. 137836 of Official Records; thence along the boundary of said Kurtz Street as follows:

South 36° 32' 31" West, a distance of 5.00 feet; North 53° 26' 49" West, a distance of 307.00 feet to the beginning of a 300.00 foot radius curve, concave Southwesterly; and Westerly along the arc of said curve to and along the Southerly line of Hancock Street dedicated by said resolution, through a central angle of 39° 03' 30" an arc length of 204.51 feet; thence South 26° 51' 31" West, a distance of 393.88 feet; thence South 12° 35' 00" West, a distance of 960.25 feet to said line which is parallel with and 15.00 feet Northerly of the Northerly line of Frontier Street; thence along said parallel line South 77° 23' 46" East, a distance of 602.50 feet; thence North 12° 36' 14" East, a distance of 150.00 feet; thence South 77° 23' 46" East, a distance of 150.00 feet; thence South 12° 36' 14" West, a distance of 150.00 feet; thence South 77° 23' 46" East, a distance of 1,097.11 feet to the TRUE POINT OF BEGINNING.

Parcel B – Legal Description

No Legal Description Available for this Parcel

Parcel C – Legal Description

Those portions of Pueblo Lots 313 and 338 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California, according to the map thereof made by James Pascoe recorded in the Office of the County Recorder of said County as Miscellaneous Map No. 36, described as follows:

Beginning at a 3/4-inch iron pipe marked L.S. 2412 monumenting a point in the Northerly line of Sports Arena Boulevard, 115.00 feet wide, distant along said line North 77°55'15" West 220.45 feet from a 3/4-inch iron pipe marked L.S. 2412 monumenting the Westerly terminus in said line of a tangent curve having a radius of 1,019.93 feet and being concave Southwesterly; thence along said Northerly line North 77°55'15" West 277.95 feet; thence leaving said Northerly line at right angles North 12°04'45" East 476.12 feet; thence North 36°05'50" East 239.90 feet to the Southwesterly line of Kurtz Street, 57.00 feet wide, said line being also a line parallel with and distant Southwesterly 7.00 feet measured at right angles from the Northeasterly line of said Pueblo Lot No. 338; thence along said Southwesterly line South 53°59'00" East 375.32 feet to a 3/4-inch iron pipe marked L.S. 2412 monumenting a point in said line; thence leaving said Southwesterly line South 35°56'45" West 222.00 feet to a 3/4-inch iron pipe marked L.S. 2412; thence South 24°11'14" West 347.69 feet to the point of beginning; containing 4.994 acres, more or less.

Parcel D Legal Description

Those portions of Pueblo Lots 313, 314, 337 and 338 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California, according to the map thereof made by James Pascoe recorded in the office of the County Recorder of said County as Miscellaneous Map No. 36, described as follows:

> Beginning at a ¾-inch iron pipe marked L.S. 2412 monumenting a point in the Northerly line of Sports Arena Boulevard, 115.00 feet wide, distant along said line North 77°55'15" West 46.42 feet from a ¾-inch iron pipe marked L.S. 2412 monumenting the Westerly terminus in said line of a tangent curve having a radius of 1,019.93 feet and being concave Southwesterly; thence along said Northerly line North 77°55'15" West 174.03 feet; thence leaving said line North 24°11'14" East 347.69 feet; thence North 35°56'45" East 222.00 feet to the Southwesterly line of Kurtz Street, 57.00 feet wide, said line being also a line parallel with and distant Southwesterly 7.00 feet measured at right angles from the Northeasterly line of said Pueblo Lots 337 and 338; thence along said Southwesterly line South 53°59'00" East 66.32 feet and South 53°58'40" East 383.68 feet; thence leaving said line South 35°56'45" West 147.26 feet; thence North 54°03'15" West 50.00 feet; thence South 35°56'45" West 93.80 feet; thence North 75°04"35" West 182.12 feet; thence South 35°56'45" West 185.00 feet to the Point of Beginning; containing 3.801 acres, more or less.

Parcel E – Legal Description

That portion of Pueblo Lots 314 and 337 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California, according to the map thereof made by James Pascoe recorded in the office of the county recorder of said county as Miscellaneous Map No. 36, described as follows:

Beginning for reference at a point in the southeasterly line of said lot distant South 35°56'45" West along said line 7.00 feet from the northeast corner of said lot, said point being also a point in the southwesterly line of Kurtz Street as said Street was widened to 57.00 feet by Ordinance No. 7527 passed and adopted by said City of San Diego July 25, 1957; thence along said southwesterly line North 53°58'40" West 80.00 feet; thence leaving said southwesterly line South 35°56'45" West 147.26 feet; thence North 54°03'15" West 50.00 feet; thence South 35°56'45" West 93.80 feet; thence North 75°04'35" West 30.00 feet to the TRUE POINT OF BEGINNING; thence

South 35°56'45" West 182.83 feet to a point in that certain curve in the northerly line of Frontier Street, 115.00 feet wide, having a radius of 1019.93 feet and being concave northeasterly, a radial line of said curve through said point bears North 18°04'01" East; thence westerly along said curve through a central angle of 5°59'16" an arc distance of 106.59 feet; thence tangent to said curve along said northerly line North 77°55'15" West 46.42 feet; thence leaving said northerly line North 35°56'45" East 185.00 feet; thence South 75°04'35" East 152.12 feet to the TRUE POINT OF BEGINNING; containing 0.594 acres, more or less.

Parcel F – Legal Description

No Legal Description Available for this Parcel

MIDWAY RISING

A MIDWAY FOR ALL

OFFER TO LEASE SURPLUS PROPERTY

3500, 3250, 3220 and 3240 Sports Arena Blvd San Diego, CA 92110

December 2, 2021

CHELSEA INVESTMENT CORPORATION | ZEPHYR | AECOM | SAFDIE RABINES ARCHITECTS

City of San Diego Department of Real Estate and Airport Management
1200 Third Avenue, Suite 1700
San Diego CA 92101

December 2, 2021

RE: Sports Arena Notice of Availability Response

In response to the issuance of the Sports Arena Notice of Availability (NOA) on October 4, 2021, the local development team Midway Rising, LLC has developed this comprehensive multi-use proposal for consideration by the City of San Diego and community stakeholders. Our proposal for this urban infill site, Midway Rising, is a collaboration of local housing developers, businesses and community organizations to revitalize San Diego's Midway neighborhood. Midway Rising will create a vibrant and inclusive community with affordable housing, good jobs, neighborhood parks and entertainment, arts and culture for all San Diego families.

Midway Rising is designed to include 4,000 residential units with a goal of designating 50% of the total units (2,000 units) for very low and low income restricted units at 30% to 60% area median income, subject to land lease terms, land use, regulatory and entitlement approvals, infrastructure costs, gap financing availability, financial feasibility, legal validity of the increased height limit initiative and successful resolution of any litigation filed against the project approvals . In no event will the number of units for very low and low income housing be less than 30% of the project's total residential units. Within the 30% to 60% AMI range, the project will include allocations for families, seniors, veterans, and supportive homeless housing for a 50% AMI average for the project's affordable units.

OUR GUIDING PRINCIPLES:

1. AFFORDABLE HOUSING FIRST
Tackle the housing crisis with affordable homes for San Diegans of all backgrounds.

2. LEAVE NO COMMUNITY BEHIND
Champion a bold vision for community benefits to lift up Midway and San Diego's underserved.

3. NEW MODERN ARENA
Deliver a new Arena with the finest guest experience for America's Finest City.

4. EMBRACE TRANSIT
Build a transit-oriented Arena resituated at the heart of a transit-oriented community.

5. CLEAN, GREEN & HEALTHY
Advance health and sustainability with parks, open space, and climate-resilient development.

PROJECT SUMMARY:

- **4,000 total housing units**
- **50% very low and low income restricted affordable housing**
- **20+ acres of community parks**
- **250,000 SF of commercial and retail space**
- **200 key hotel**
- **New 15,000 to 16,000-seat arena**

COMMUNITY BENEFITS:

- Housing for at-risk San Diegans
- Local employment program
- New public parks and community amenities
- Union built and operated
- Pedestrian and traffic improvements
- Broadband for all
- On-site childcare and health clinic
- Hospitality career and skills center
- Youth and LGBTQ+ programming
- Homelessness solutions

Midway Rising is an inclusive community with 2,000 affordable homes that promotes social equity and opportunity through new housing, career training, community services, public parks, and employment opportunities.

Sincerely,
Midway Rising, LLC

James J. Schmid, Chelsea

Shervin Mirhashemi, Legends

Brad Termini, Zephyr

Eric Schreiner, AECOM

MIDWAY RISING
A MIDWAY FOR ALL

MIDWAYRISING.INFO

MIDWAY RISING

A MIDWAY FOR ALL

TABLE OF CONTENTS

MIDWAY RISING

A MIDWAY FOR ALL

A MIDWAY RISING OVERVIEW


SAFDIE RABINES ARCHITECTS

DEVELOPMENT CONCEPT

A SUSTAINABLE AND INTERCONNECTED VILLAGE WHICH TRANSFORMS COMMUNITY, ENTERTAINMENT, AND MOBILITY TO UPLIFT THE MIDWAY COMMUNITY.

PROJECT SUMMARY

RESIDENTIAL:

- 4,000 total housing units
- 50% very low and low income restricted affordable housing

PUBLIC PARKS & FEATURES:

- 20+ acres of community parks
- Transit Mobility Hub and new MTS station

ARENA & ENTERTAINMENT:

- 250,000 SF of commercial and retail space
- 200 key hotel
- New 15,000-16,000-seat arena


2,000 AFFORDABLE HOMES
NEW MODERN ARENA
20+ ACRES OF PUBLIC PARKS
NEW MOBILITY HUB & TRANSIT CONNECTIONS

DEVELOPMENT CONCEPT

AN INCLUSIVE, AFFORDABLE, HEALTHY AND ECONOMICALLY VIBRANT COMMUNITY FOR SAN DIEGO. A MIDWAY FOR ALL.

In order to implement goals and objectives of the community plan, the Pechanga Arena will be removed and a new modern arena will be built in a different location on the site. The strategic relocation of the arena has multiple benefits that will maximize the footprint for new residential development and ensure connectivity to the future Grand Central Station.

NEW ARENA LOCATION:

- Closer to Grand Central Station
- Opens directly onto Sport Arena Blvd and animates the street
- Links to a commercial linear plaza along Sports Arena Blvd that connects to the river
- Pechanga Arena can remain in use until the new one is completed
- Separated from the housing to allow for a quieter residential neighborhood
- Open and accessible to the surrounding community
- Allows for a more efficient utilization of land allowing for more opportunity for residential units

OUR VALUES. OUR VISION.

AFFORDABLE HOUSING FIRST
Tackle the housing crisis with affordable homes for San Diegans of all backgrounds.

A SPECIAL PLACE
Create a unique, welcoming community for Midway that reflects San Diego's spirit & history.

LEAVE NO COMMUNITY BEHIND
Champion a bold vision for community benefits to lift up Midway and San Diego's underserved community.

NEW ARENA
Deliver a new Arena with the finest guest experience for America's Finest City.

EMBRACE TRANSIT
Build a transit-oriented Arena located at the heart of a transit-oriented community.

GOOD UNION JOBS
Create thousands of high-quality jobs with local hire, apprenticeships and living wages.

CLEAN, GREEN & HEALTHY
Advance health and sustainability with parks, open space, and climate-resilient development.

COMMUNITY COLLABORATION
Partner at every step with the community and City to help Midway rise and thrive.

ROOTED IN SAN DIEGO
We're a team unlike any other - local to San Diego, driven by values and vision, and deeply committed to the community we call home.

COMMUNITY ENGAGEMENT & DIVERSITY INCLUSION

COLLABORATIVE PARTNERS:

CASA FAMILIAR

"We're excited to be part of an effort that aims to lift up the Midway area and truly benefit the entire community, especially those often left behind. Providing housing for San Diegans of all backgrounds along with job opportunities, career training, and child care is key to helping this community, and all of San Diego, rise to its full potential." - CASA FAMILIAR

SERVING SENIORS

"Chelsea's commitment to providing quality housing for seniors paired with our proven track record of successfully developing projects together in San Diego gives us assurance that this project will help struggling seniors live healthy and fulfilling lives. Additionally, this project will make an enormous impact on the lives of over 8,000 clients currently serviced by Serving Seniors in San Diego County." - SERVING SENIORS

Father Joe's Villages

"Father Joe's Village strongly supports the proposal Chelsea Investment Corporation is submitting for the City of San Diego, Midway District NOA site... The project will help change the lives of some of the more than 7,600 people who are experiencing homelessness every night in San Diego by providing what they need most: safe, stable, and quality affordable housing." - FATHER JOE'S VILLAGE

VVSD

"Veterans Village of San Diego proudly supports Chelsea Investment Corporation's proposed development for the Midway Notice of Availability to the City of San Diego. This presents a significant opportunity to provide desperately needed affordable housing for veterans and their families." - VETERANS VILLAGE OF SAN DIEGO

San Diego Regional Center

"I write in strong support of the proposal Chelsea Investment Corporation is submitting for the City of San Diego, Midway District RFP site. Chelsea's dedication to providing quality housing and the proven track record of successfully developing projects across San Diego Imperial, Orange, and Riverside counties give us assurance that this project will promote social inclusion and allow our residents with special needs to integrate with the larger community. Additionally, the project will make an enormous impact on the lives of more than 35,000 clients currently served by the San Diego Regional Center (SDRC)." - SAN DIEGO REGIONAL CENTER

"Southern California Housing Collaborative is pleased to provide this Letter of Support for Chelsea Investment Corporation proposal to develop affordable housing for the Midway Notice of Availability released by the City of San Diego... We are excited to help bring some much-needed housing to the Midway District and are pleased that the City of San Diego is focused on reaching these sensitivities populations." - SOUTHERN CALIFORNIA HOUSING COLLABORATIVE

COMMUNITY-WEALTH.ORG

"We fully support your proposal to respond to the City of San Diego's Notice of Availability for the Midway Site. We are a dedicated partner providing quality affordable housing and those services that enhance the quality of the life for the residents who live there." - PACIFIC SOUTHWEST COMMUNITY DEVELOPMENT COPORATION

COMMUNITY BENEFITS:

- HOUSING FOR AT-RISK SAN DIEGANS
- LOCAL EMPLOYMENT PROGRAM
- UNION BUILT & OPERATED
- HOSPITALITY CAREER & SKILLS CENTER
- ON-SITE CHILDCARE & HEALTH CLINIC
- 20+ ACRES OF NEW PUBLIC PARKS
- COMMUNITY RECREATIONAL FACILITIES
- PEDESTRIAN & TRAFFIC IMPROVEMENTS
- BROADBAND FOR ALL
- YOUTH AND LGBTQ+ PROGRAMMING
- HOMELESSNESS SOLUTIONS

Please see further details about our Community Benefits Framework developed with the Center Policy Initiatives on page 65.

COMMUNITY PRINCIPLES

IN ACHIEVING OUR VISION OF A SUSTAINABLE, ECONOMICALLY VIBRANT AND INTERCONNECTED FUTURE, MIDWAY RISING PROMOTES THREE IMPORTANT PRINCIPLES: INCLUSIVE COMMUNITY, SUSTAINABLE SOLUTIONS, AND ECONOMIC IMPACTS

INCLUSIVE COMMUNITY:

- Provide varied housing choices and deliver programming to uplift residents socially and economically.
- Promote social equity and environmental justice through new housing and employment opportunities.
- Enhance and sustain the community through well-designed and professionally managed housing.
- Include a mobility hub that is the beating heart of modern connectivity for transportation options that are easily accessible from housing, the new arena and retail.
- Use architecture, landscaping, and public amenities to encourage social interaction and active lifestyles.

SUSTAINABLE SOLUTIONS:

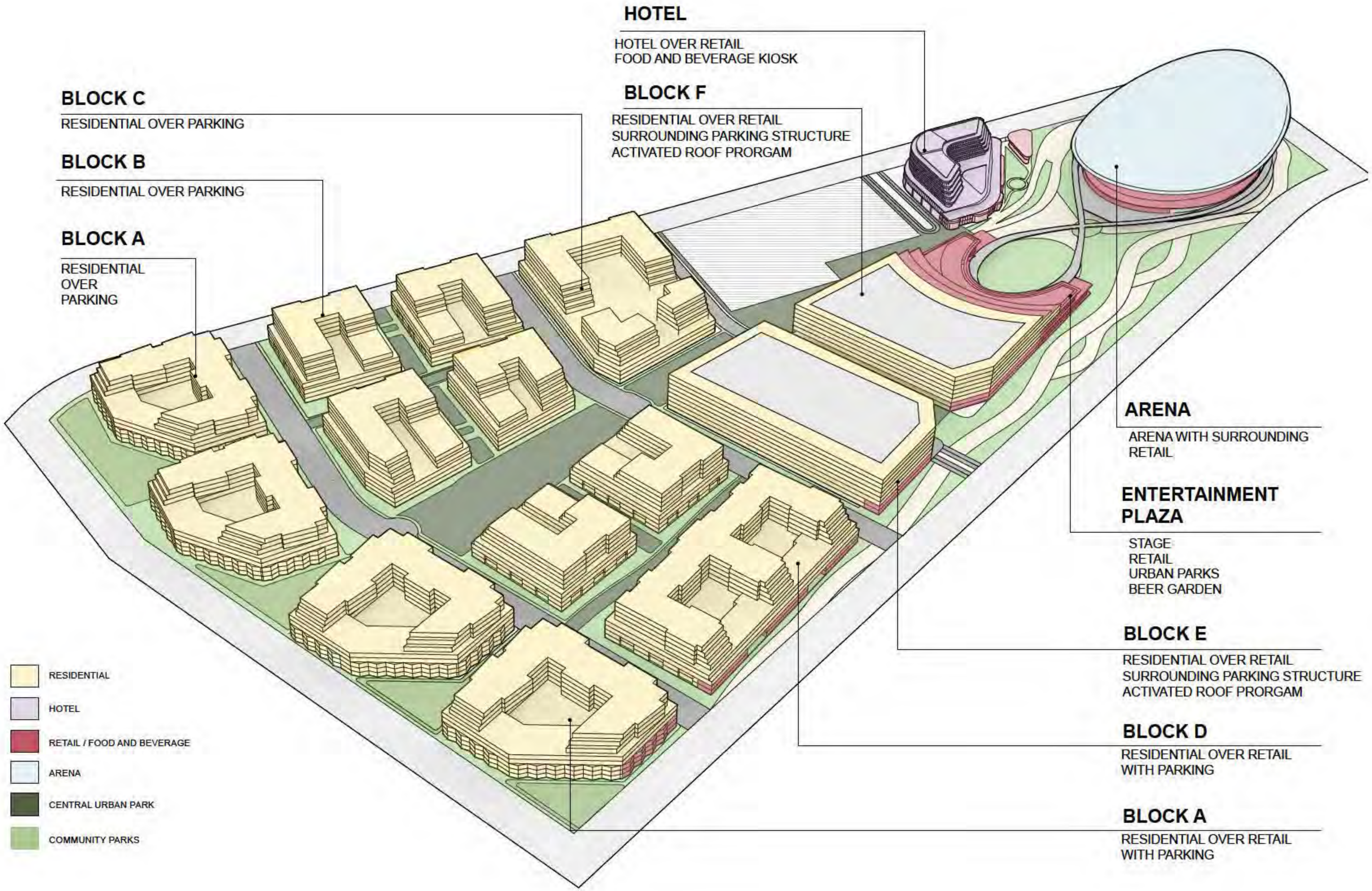
- LEED certification for renewable energy and carbon emissions reductions along with sustainable and energy efficient building design and management.
- Conserve natural resources, reduce water consumption and utilize renewable and innovative materials to minimize the carbon footprint.
- Promote wellness through ample interconnected open and recreational spaces.
- Enhance walkability and access through generous public spaces featuring enhanced amenities and a robust tree canopy.
- Minimize project-level green house gas emissions.

ECONOMIC IMPACTS:

- Estimated to create 2,200 annual and 6,400 construction jobs while establishing a living wage in employment opportunities.
- Create new business opportunities that provide tax revenue to support the City's budget and enhance services.
- Include significant investments in new green infrastructure including parks, sidewalks, bike lanes and transit.
- Align the development's affordable housing strategy with regional housing need goals that are focused on addressing affordable housing shortages.
- Develop a 200-key hotel that will serve not only the new village and arena, but the region and will contribute significant ongoing annual revenue to the City's transient occupancy tax (TOT) fund.

8
HANCOCK ST
KURTZ ST
CAMINO DEL RIO W
SPORTS ARENA BLVD
SAFDIE RABINES ARCHITECTS

PROGRAM


HOTEL
HOTEL OVER RETAIL
FOOD AND BEVERAGE KIOSK
BLOCK C
RESIDENTIAL OVER PARKING
BLOCK F
RESIDENTIAL OVER RETAIL
SURROUNDING PARKING STRUCTURE
ACTIVATED ROOF PRORGAM
BLOCK B
RESIDENTIAL OVER PARKING
BLOCK A
RESIDENTIAL
OVER
PARKING
ARENA
ARENA WITH SURROUNDING
RETAIL
ENTERTAINMENT
PLAZA
STAGE
RETAIL
URBAN PARKS
BEER GARDEN
BLOCK E
RESIDENTIAL OVER RETAIL
SURROUNDING PARKING STRUCTURE
ACTIVATED ROOF PRORGAM
BLOCK D
RESIDENTIAL OVER RETAIL
WITH PARKING
BLOCK A
RESIDENTIAL OVER RETAIL
WITH PARKING
RESIDENTIAL
HOTEL
RETAIL / FOOD AND BEVERAGE
ARENA
CENTRAL URBAN PARK
COMMUNITY PARKS

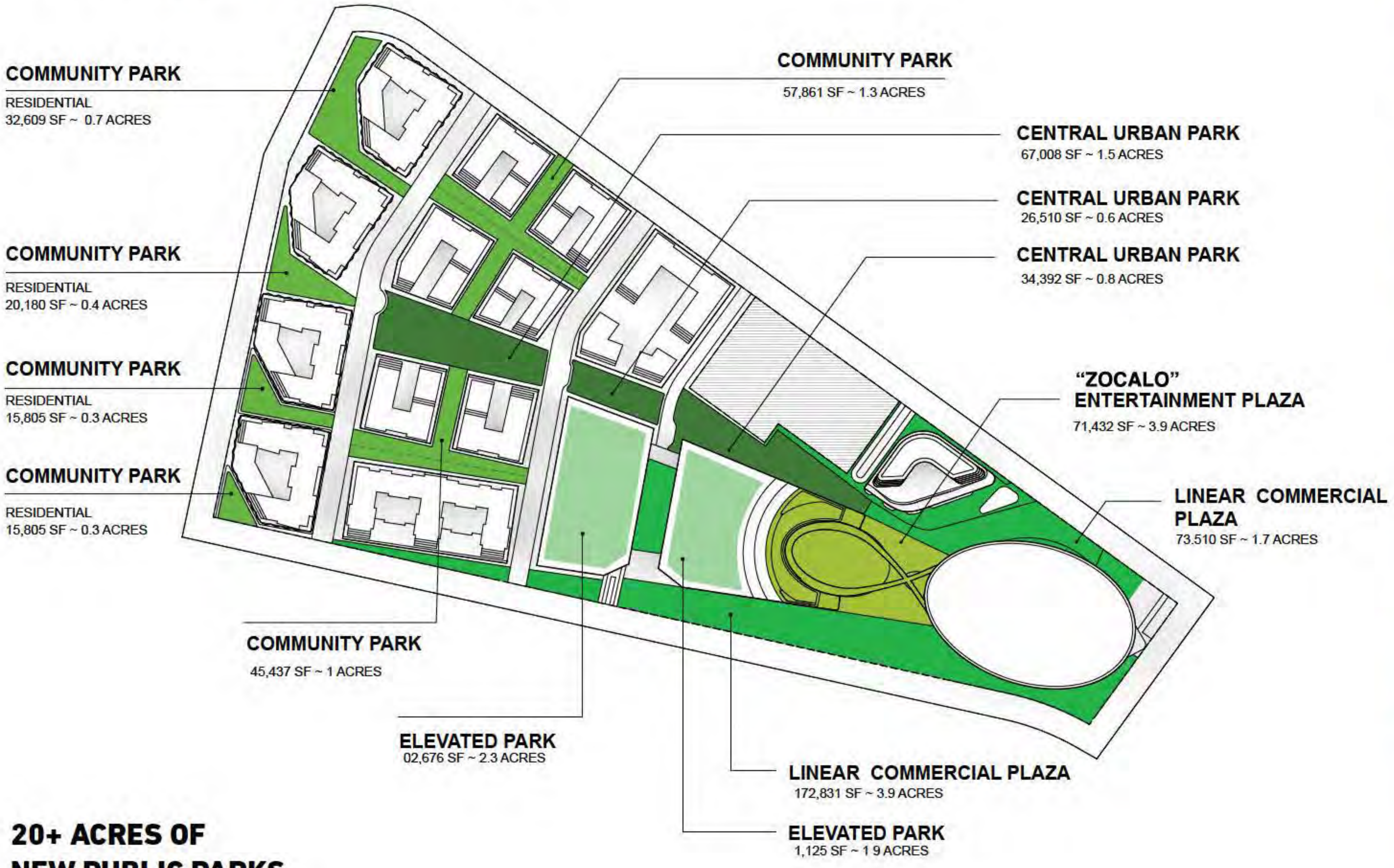
HOUSING FOR ALL

2,000 AFFORDABLE UNITS WILL BE DISPERSED THROUGHOUT THE COMMUNITY PROMOTING AN URBAN-STYLE OF LIVING SEAMLESSLY INTEGRATED WITH THE MARKET-RATE RESIDENTIAL AND COMMERCIAL USES.

HOUSING GOALS

- Develop affordable housing opportunities at various income levels to create a balanced community and restrict over 50% for very low and low income qualifying residents.
- Align the development's affordable housing strategy with regional housing needs goals that are focused on addressing affordable housing shortages.
- **Proposed allocation of affordable units by target population:**
  - Families: 60%
  - Seniors: 15%
  - Veterans: 15%
  - Homeless: 10%

PUBLIC PARKS & OPEN SPACE



20+ ACRES OF NEW PUBLIC PARKS

CENTRAL URBAN PARK
(27,911 SF ~ 2.9 ACRES)

COMMUNITY PARKS
(177,887 SF ~ 4.1 ACRES)

ELEVATED PARKS
(183,802 SF ~ 4.2 ACRES)

LINEAR COMMERCIAL PLAZA
(236,907 SF ~ 5.5 ACRES)

ENTERTAINMENT PLAZA
(171,432 SF ~ 3.9 ACRES)

RECREATION AND OPEN SPACE GOALS:

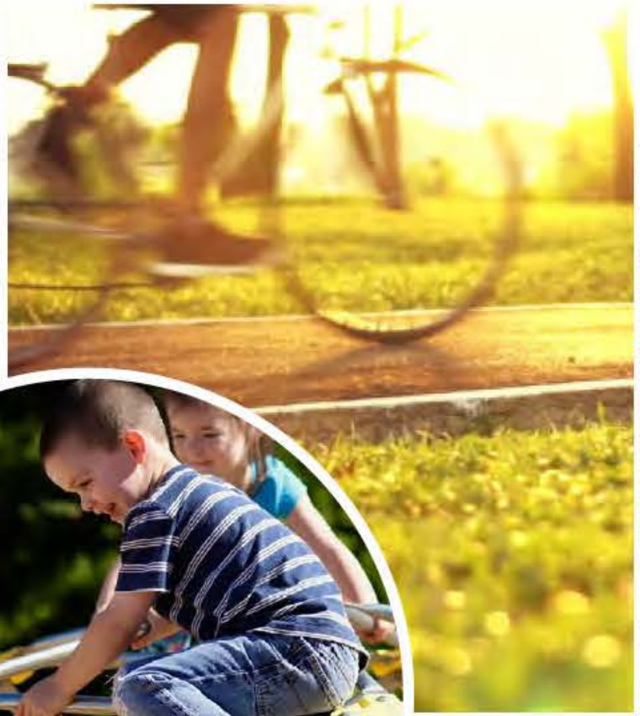
- Maintain and enhance over 20 acres of passive and active recreational spaces that implement the Community Plan's goals.
- Enhance and incorporate outdoor places for gathering, collaboration, meeting, and entertainment that offers residents and visitors the opportunity to interact around active living, entertainment and employment.
- Incorporate resiliency into open space and recreational planning through implementation of conservation and landscaping management strategies that address climate change and sea level rise.
- Emphasize the importance of community open spaces that form a balance with the built environment and offer positive benefits to health and wellbeing.

PUBLIC PARKS & OPEN SPACE - ELEVATED PARK

ELEVATED PARK:

- 4.2 acre public park on top of the parking garages
- Fitness course and amenities
- Recreation center
- Children's play areas
- Multi-purpose turf areas
- Picnic areas
- Comfort stations
- Micro retail and food vendors targeted for a diverse user group
- Outdoor beer garden

PUBLIC PARKS & OPEN SPACE - COMMUNITY PARKS



SPORTS ARENA BLVD LINEAR PARK:

- 3.9 acre public park along Sports Arena Blvd
- Walking and jogging trails
- Bicycle lanes
- Children's play areas
- Public art displays
- Picnic areas
- Drought tolerant landscaping

SPORTS ARENA SQUARE "THE ZOCALO":

- Central public plaza
- Surrounded by restaurants, retail, and the new sports arena
- Adjacent to new mobility hub and MTS station
- Multi-purpose outdoor event space
- Programming for cultural and community events
- Viewing screens for shows and events from outside the arena

CENTRAL URBAN PARK:

- Public park through the full site connecting all housing units to the Zocalo and new arena
- Centralized promenade with shade producing trees
- Farmer's market
- Dog parks
- Community events and amenities

NEW ENTERTAINMENT CENTER

MIDWAY RISING WILL RELOCATE AND DEVELOP A NEW STATE-OF-THE-ART 16,000-SEAT SPORTS ARENA, ADJACENT TO 250,000 SQUARE FEET OF COMMERCIAL AND RETAIL SPACES FEATURING LOCAL RESTAURANTS, A WEEKLY LOCAL FARMERS MARKET, COMMUNITY-ORIENTED SHOPS, AND A 200-KEY HOTEL.

The new entertainment center will offer the citizens of San Diego a state of the art venue to watch a variety of events and attractions. The venue will bring new events and impacts to the local community.

ECONOMIC DEVELOPMENT GOALS:

- Develop a new modern sports arena that is interconnected to the region
- Develop a 200-key hotel that will serve not only the new village and arena, but the region and will contribute significant ongoing annual revenue to the City's transient occupancy tax (TOT) fund

ENTERTAINMENT CENTER CONTENT VISION

ENTERTAINMENT CENTER PREMIUM SPACES VISION

ENTERTAINMENT CENTER PREMIUM SPACES & SPONSORSHIPS VISION

DISTRICT ATTRACTION VISION

RETAIL & ENTERTAINMENT DISTRICT

Included as a key feature and attraction will be the 3.9-acre Sports Arena Square known as the Zocalo. This public plaza will be surrounded by new community-serving retail and commercial spaces that are open to the public and a space to host outdoor concerts, shows, events, and more. This area will feature locally sourced restaurants and shops that cater not only to the new village community, but to all San Diegans.


3.9-ACRE
PUBLIC PLAZA
(ZOCALO)
OUTDOOR EVENT
SPACE
BEER GARDEN
JEFF & MO'S BREWERY
FANCLUB
VINYL CO
KAT'S KORNER
SALO'S PUB

COMMUNITY PLAN COMPATABILITY

MIDWAY RISING WILL SIGNIFICANTLY ASSIST THE CITY IN MEETING ITS RHNA TARGETS BY PRODUCING A A TOTAL OF 4,000 TOTAL UNITS, WITH 50% OF THE TOTAL UNITS RESTRICTED FOR VERY LOW AND LOW INCOME FAMILIES WITH AREA MEDIAN INCOMES (AMI) CAPPED BETWEEN 30% AND 60% AMI.

This new sustainably designed and constructed community will be connected through a system of complete streets that feature enhanced pedestrian- and bicycle-oriented infrastructure with ample shade-producing tree canopies that link to over 20 acres of open space and parks within the community.

The project will include a central mobility hub that is served by the Metropolitan Transit System's (MTS) bus rapid transit system to increase transit ridership and ultimately reduce the reliance on single occupancy vehicle trips.

The project anticipates including green roofs, solar panels, EV charging stations, transportation demand management (TDM) strategies, dedicated recycling programs and an anerobic food composter as part of the Sports Arena. It will also feature sustainable transit that is centralized in the Mobility Hub.

SUSTAINABILITY AND CONSERVATION GOALS:

- Ensure that future development is consistent with General Plan and Community Plan sustainability policies and support implementation of the CAP and Climate Resilient SD by reducing development project-level greenhouse gas emissions to acceptable levels.
- Include LEED Certification in the overall project planning
- Exceed Climate Equity Index goals and objectives
- Plant a significant urban forest canopy to reduce the heat island affect currently affecting this area

TRANSIT & MOBILITY

TRANSIT & MOBILITY


BICYCLE SHARING

CAR SHARING


BICYCLE LANES

ELECTRIC BUSES

NEW BRT STATION


PEDESTRIAN IMPROVEMENTS

MIDWAY RISING WILL FEATURE A NEW MOBILITY HUB ALONG SPORTS ARENA BLVD, WHICH WILL CONNECT RESIDENTS TO THE METROPOLITAN TRANSIT SYSTEM (MTS) BUS RAPID TRANSIT (BRT). THE MOBILITY HUB WILL INCLUDE A CENTRALIZED BIKE AND CAR SHARING FACILITY AS WELL AS A COMMON AREA WORKSPACE. THE PROJECT WILL ALSO FEATURE OTHER TRANSIT AND MOBILITY OPTIONS SUCH AS ELECTRIC BUSES, AS WELL AS IMPROVED PEDESTRIAN PATHS AND BICYCLE LANES.

The new BRT station will be centrally located in the Midway community and will provide the necessary transportation options to reduce reliance of single car trips for residents and visitors. The intent is to promote active transportation and rapid transit systems to help preserve and improve accessibility for vulnerable groups, including children, the elderly, people with disabilities, and the economically-disadvantaged.

TRANSPORTATION AND MOBILITY GOALS:

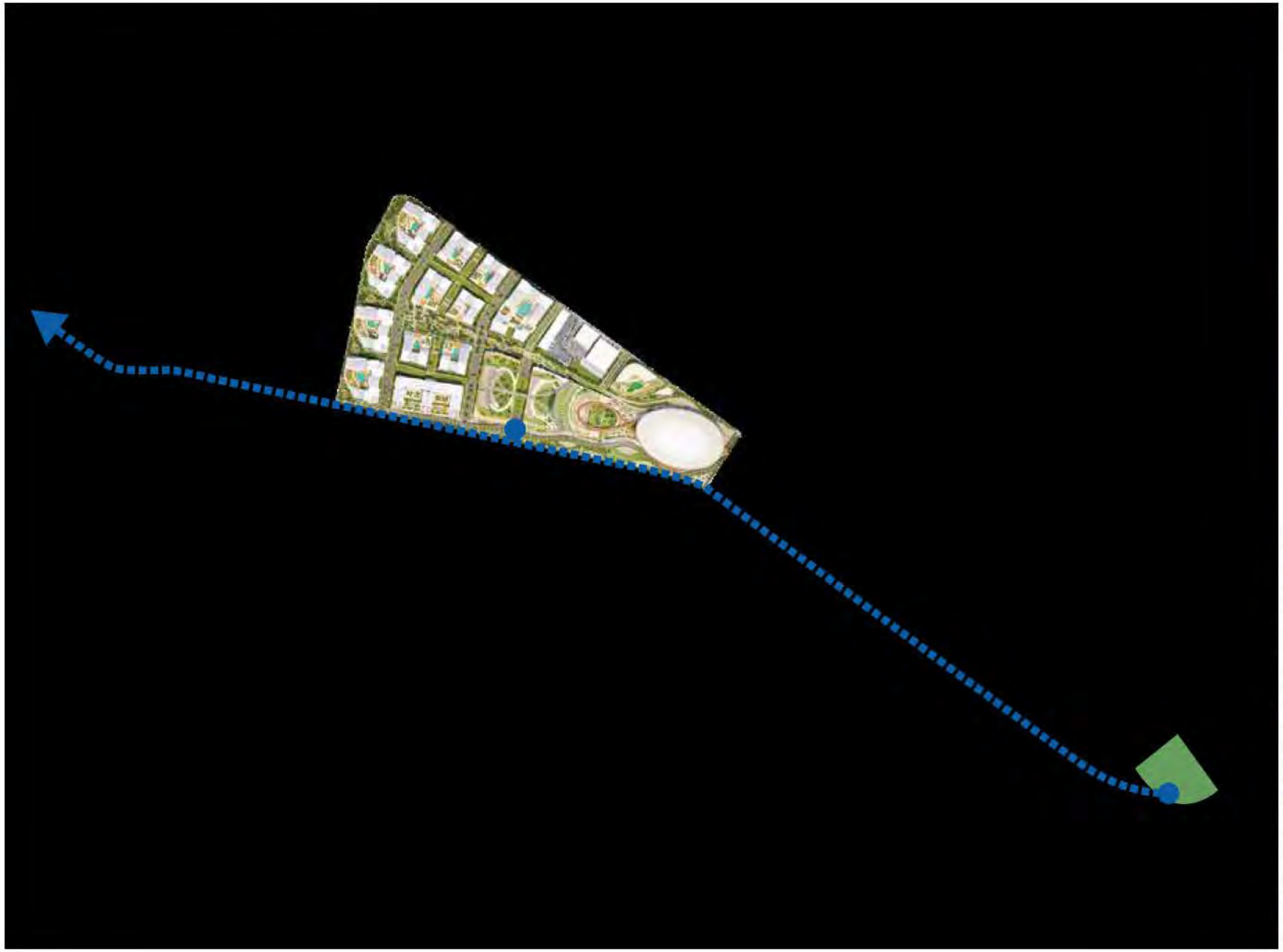
- Help resolve issues with transit ridership by constructing infrastructure and adding programs to address first/last mile ridership issues.
- Establish collaborative partnerships with local transit and government agencies to enhance and effectively coordinate services provided to the community.
- Collaborate and partner with the City of San Diego and SANDAG to improve bicycle and pedestrian infrastructure outside of the Sports Arena leasehold.
- Implement the Bay to Bay link to create walking and bicycle opportunities through continued infrastructure improvements and implementation of supporting programs and policies.
- Improve safety by reducing conflicts between vehicles, bicycles, and pedestrians through thoughtful design and clarity in circulation.
- Design buildings to enhance pedestrian connections to adjacent sites and provide appropriate bicycle connections and infrastructure.
- Further “complete streets” principles, improve intersection and roadways to increase accessibility, repurpose right- of-way, and improve bicycle and pedestrian access.
- Link high frequency transit along Rapid Bus routes with access to trolley service identified in the San Diego Regional Plan in addition to strengthening bicycle and pedestrian linkages throughout the community.
- Include Transportation Demand Strategies (TDM) to provide residents and visitors with multifaceted transportation opportunities.

GONDOLA CONCEPT

OUR TEAM IS ALSO PRESENTING A POTENTIAL GONDOLA CONCEPT THAT WOULD CONNECT THE NEW GRAND CENTRAL STATION TO SEAWORLD WITH A STOP AT MIDWAY RISING IN BETWEEN.

- Dodger Stadium in Los Angeles is currently going through an EIR process for a new gondola system that will move up to 5,500 people per hour to the stadium. Construction is expected to begin in 2025.
- The team believes that this site would benefit from a gondola system, reducing traffic and allowing the SeaWorld parking lot to be redeveloped in the future.

GONDOLA CONCEPT



MIDWAY RISING

A MIDWAY FOR ALL

B TEAM PROFILE

CHELSEA

CHELSEA INVESTMENT CORPORATION IS A LEADER IN THE FINANCING AND DEVELOPMENT OF AFFORDABLE HOUSING. WE PROVIDE FINANCIAL ENGINEERING, DEVELOPMENT SERVICES, AND ASSET MANAGEMENT TO OUR PARTNERS AND CLIENTS. OUR EXPERIENCED TEAM OF PROFESSIONALS IDENTIFY AND IMPLEMENT TIMELY AND COST-EFFECTIVE SOLUTIONS TO THE MANY CHALLENGES OF AFFORDABLE HOUSING.

Chelsea Investment Corporation is focused on creating and preserving high quality affordable rental homes. We take special pride in our ability to structure creative financing solutions that result in the development of award-winning housing that complements the surrounding neighborhood. Our highly experienced team of professionals consider each project's unique attributes and identify and implement timely and cost-effective solutions to the many challenges of this market niche. From site selection through feasibility analysis, to construction and re-syndication, our services are available on a targeted or turnkey basis.

We have developed over 120 affordable communities at a cost in excess of $3 billion. Included are special needs housing, senior housing, rural housing, and mixed-use developments.

Our portfolio includes nearly 3,500 inclusionary units in Southern California, developed at a cost of over $800 million.

Our homebuilder clients include: Beazer, Brookfield, CalAtlantic, Centex, Lennar, McMillin, Pardee, Shea, Cornerstone Communities, Integral, Meridian, TriPointe, Sudberry Properties, and more.

Our nonprofit partners include: Serving Seniors, St. Vincent de Paul/Father Joe's Villages, Veteran's Village of San Diego, Alpha Project, Prince Philanthropies, Housing Development Partners, Southern California Housing Collaborative, Weingart Center Association, Pacific Southwest Community Development Corporation, United Cerebral Palsy, and others.

Our spotless record of completing projects on time, on budget, and in line with each client's requirements demonstrates our commitment to providing superior solutions for affordable housing.

LEGENDS

WE ARE TRUSTED, RELIABLE, LEADERS.

A PREMIUM EXPERIENCES COMPANY, CONFIDENT IN OUR EXPERTISE AND HUMBLED BY THE ICONIC BRANDS WE SERVE.

DELIVERING DATA FUELED HOLISTIC SOLUTIONS FOR LEGENDARY BRANDS.

Founded in 2008, Legends, a joint venture derived from the New York Yankees and Dallas Cowboys ownership teams, is a premium experience company that specializes in delivering holistic solutions for legendary brands. Recently Sixth Street Partners took a majority investment position to expand and deepen our offerings for long-term growth. With our North American based acumen that has grown into a truly global company, we approach each project with our Data & Insights driven 360-degree service solution platform. Our global, multi-disciplinary service solutions collaborate on every project to ensure success across each of our divisions. With offices in New York City, Dallas, Los Angeles, Liverpool, London, Madrid and Hamburg, Legends consists of six divisions: Global Planning, Global Sales, Global Partnerships, Global Merchandise, Hospitality and Global Technology Solutions - while working collaboratively to deliver for our business verticals in sports, events, entertainment venues, visitors attractions, conventions centers and mixed-use real estate developments amongst others. We provide our partners with a holistic approach and innovative solutions to their business creating an atmosphere that is unique to each event, ultimately leading to an enhanced guest experience and increased revenues.

At Legends, we operate under the guidelines of a TRUE PARTNERSHIP, fundamentally based on the notion of working hand-in-hand with our partners every day. Through this approach we become STEWARDS OF YOUR BRAND. As many of our executives and partnership experts have sat in similar seats in their past careers, we understand the importance of upholding your core beliefs, values and cultures and will work tirelessly to deliver BEST IN CLASS in everything that we do.

TRUE PARTNERSHIP

BEST IN CLASS

BRAND STEWARDS

AS TRUE PARTNERS, LEGENDS WILL PROVIDE BEST-IN-CLASS DATA & INSIGHTS DRIVEN 360° SOLUTION PLATFORM THAT SPECIALIZES IN PLANNING, SALES, PARTNERSHIPS, HOSPITALITY, RETAIL AND TECHNOLOGY SOLUTIONS.

OUR WORLD CLASS END-TO-END SOLUTION IS UNIQUELY POSITIONED FOR THE UEFA PLATFORM'S OPTIMIZATION.

WITH OUR SERVICES, WE WILL DELIVER INNOVATIVE, IMPACTFUL, AND BRAND ALIGNED EXPERIENCES FOR THE OVERALL PARTNERSHIP.

ZEPHYR

WE'RE IN THE BUSINESS OF BUILDING BRIGHT FUTURES—PLACES AND SPACES WHERE MODERN LIFE CAN TRULY FLOURISH. DYNAMIC, INTEGRATED ENVIRONMENTS THAT CREATE MEANING AND VALUE WHILE CONNECTING MORE DEEPLY TO LOCAL CULTURE AND COMMUNITY.

Zephyr redefines the rules of real estate and development through its variety of high-end residential, mixed-use, hospitality communities and industrial facilities throughout California.

The company is a local development firm based in Encinitas, with an office in Los Angeles, Zephyr manages projects from concept to completion, with creative approaches that meet a multitude of community needs.

Co-founded by Brad Termini in 2008, Zephyr has successfully acquired, entitled, developed, built and sold more than $1 billion worth of mixed-use developments. Current projects include The Park at Bankers Hill, a 14-story midrise with 60 luxury residences located adjacent to Balboa Park; South Cove, a mixed-use development in Dana Point which features a community park with public art and 168 residences; Solana 101, a mixed-use development with 25 residences, creative office space, retail, and restaurant.

AECOM

AT AECOM, WE BELIEVE INFRASTRUCTURE CREATES OPPORTUNITY FOR EVERYONE – UPLIFTING COMMUNITIES, IMPROVING ACCESS AND SUSTAINING OUR PLANET.

We're committed to managing our business with the utmost responsibility and to always strive for better — be that reducing emissions, creating social value or diversifying our senior leadership and workforce. We're leading the change towards a more sustainable and equitable future, partnering with those who want to make a positive difference in the world. Thinking without limits is what keeps us at the vanguard. Ideas have no borders, and this ethos is embedded in our culture.

DESIGN CONSULTING SERVICES

CONSTRUCTION MANAGEMENT

AECOM BY THE NUMBERS

- **47K** People
- Featured on Fortune's **"World's Most Admired Companies"** seven years in a row
- **7** Continents
- **#4** Domestic Building Contractor as ranked by Engineering-News Record
- Received a perfect score for three years in a row on the **Human Rights Campaign Foundation's Corporate Equality** Index
- **#163 Fortune 500**
- Named one of 2021 **World's Most Ethical Companies** for its commitment to integrity and making a positive impact by Ethisphere
- **$13.2B** FY 2020 revenue

SAFDIE RABINES ARCHITECTS

Safdie Rabines Architects (SRA) is an interdisciplinary and collaborative practice whose work exemplifies comprehensive, community-based, and service-driven architecture and urban design.

Established in San Diego in 1993 by Taal Safdie and Ricardo Rabines, SRA's team includes 40+ architects, urban designers, project managers, and interior designers—all based out of our Mission Hills office. Our work encompasses a diverse range of project scopes, scales, and sectors including academic, civic, commercial, institutional, and infrastructure—and broadens the conventional perspective of structure and context to include community, compatibility, sustainability, and growth. We provide extensive local experience, insights, and values to impart a sense of pride, care, and stewardship over our city's public realm.

Our vision to create vibrant structures and social spaces that engage with surrounding sites and communities is best portrayed in our portfolio of mixed-use developments, encompassing market-rate multi-family housing, affordable housing, student housing, and commercial/retail spaces. SRA's ability to deeply immerse while maintaining a high level of communication and service are critical components to the success of our planning endeavors. Outcomes of these values include the development of North City in San Marcos, previously a college community devoid of urban vitality and now a thriving, 200-acre downtown core; the recently completed North Torrey Pines Living and Learning Neighborhood, a pioneering, 10-acre, interdisciplinary community on the campus of UC San Diego; and the revitalization of Seaport Village, leveraging the beauty of San Diego's harbor to enact a multifaceted development combining hospitality, education, and recreation.

Having worked closely with the City of San Diego on several completed projects and current projects in-the-works, Safdie Rabines is steeped in the culture and character so vital to the process of ensuring that San Diego is an exceptional home for its residents. We deeply appreciate our relationship with the City of San Diego and believe that our shared values of collaboration and responsibility to our city lead to innovative design solutions that perpetuate the betterment or our region.

DAVID E. WATSON

DAVID E. WATSON is a partner at the Duane Morris law firm, specializing in land use and real estate development. Mr. Watson represents land developers and homebuilders, as well as clients in the education and tourism and hospitality industries. He has served as counsel in the development and approval of master plans for some of San Diego's major universities, tourism attractions, professional sports facilities and research institutions. He also served on the Board of Directors of the San Diego County Fair from 2011 to 2020, one of the five largest fairs in North America, appointed by California Governor Jerry Brown.

Mr. Watson's experience includes planning and zoning law, the California Environmental Quality Act, the National Environmental Protection Act, the federal and state Endangered Species Acts, the Coastal Act, the federal Clean Water Act and the California Porter-Cologne water statutes. He has represented clients in numerous matters involving federal, state and local regulations and approvals. His matters have involved discretionary approvals for general plans, community plans, specific plans, master planned communities, zoning, use permits, subdivisions and annexation. His environmental and planning experience involves work with the U.S. Fish and Wildlife Service, the Army Corps of Engineers, California Department of Fish and Game, regional water quality control boards, the California Coastal Commission, local agency formation commissions, as well as several city and county governments and agencies.

Critical issues in Mr. Watson's practice involve climate change or global warming, water supply analysis, infrastructure financing, transportation management and biological impacts and mitigation.

In addition, Mr. Watson's practice includes vested rights, development agreements, dedications, exactions, special taxes and fees, affordable housing, infrastructure financing mechanisms such as Mello-Roos, and redevelopment.

Mr. Watson is a 1988 graduate of William and Mary Law School, where he was executive editor of the William and Mary Law Review and a member of the Order of the Coif, and a summa cum laude graduate of the University of Southern California.

MIDWAY RISING

A MIDWAY FOR ALL

C PROJECT DESCRIPTION AND OPERATING PLAN

MIDWAY RISING OVERVIEW

MORE THAN ONE HUNDRED DISTINCT AND DIVERSE NEIGHBORHOODS COMPRISE SAN DIEGO, CREATING ITS REPUTATION AS AMERICA'S FINEST CITY. OUR TEAM IS PROUD TO PRESENT SAN DIEGO'S NEWEST NEIGHBORHOOD: MIDWAY RISING.

Midway Rising is a vibrant, innovative proposal with an affordable housing component that envisions 50 percent of the total future homes permanently allocated for very low and low income affordable housing. These homes will serve families with between 30% and 60% area median income and an array of populations throughout the entire site.

Throughout Midway Rising neighborhoods, multiple affordable housing villages will be seamlessly integrated within the residential communities as well as commercial and entertainment uses. These affordable housing villages will consist of multiple individual communities designed for the specific tenant populations. Midway Rising intends for the affordable housing villages to provide housing for a myriad of households - **families, seniors, homeless, veterans, students, developmentally disabled, LGBTQ, artist, and the workforce** – all of which help keep San Diego exceptional and unique.

Midway Rising will become the new mixed-use heart of the Midway Community where balanced residential, commercial, employment, and civic uses are all present and integrated. It will be characterized by its inviting, accessible universally designed and attractive streets and public spaces. The public spaces will consist of more than 20 acres of well-designed public parks and plazas, including a large plaza known as "the Zocalo" that will bring people of all ages together. This project is intended to have a significant impact on the entire region and is much larger in terms of economic and social impacts than just its 48 acres. **When completed, Midway Rising will transform this underutilized City-owned property and make it a regional catalyst for new sustainable housing, entertainment and economic development opportunities.**

MIDWAY RISING OVERVIEW CONT.

SUMMARY

In response to the issuance of the Sports Arena Notice of Availability on October 4, 2021, our team has prepared this comprehensive multi-use plan for consideration by the City of San Diego and community stakeholders. By developing the site's mostly impervious parking lots into a pristine new interconnected village envisioned by the City's General Plan and the community's Midway-Pacific Highway Community Plan, Midway Rising is envisioned to connect by bus rapid transit and trolley from UTC all the way to the border and east to SDSU and beyond. **Midway Rising will usher in a new era of sustainable and responsible development that will benefit the entire region.**

HOUSING

The proposal sets forth, first and foremost, the development of a multi-faceted residential development project that will significantly assist the City in meeting its Regional Housing Needs Assessment (RHNA) targets by producing a variety of one, two and three bedroom homes for all age, income, and social groups for a **total of 4,000 total units, with 2,000 units restricted for very low and low income families with area median incomes (AMI) capped between 30% and 60% AMI.** The proposed inclusion of the new restricted affordable homes exceeds the Surplus Lands Act's 25% affordable housing requirement as well as the City's Inclusionary Housing regulations that require 10% of a development to be restricted at 60% area's median income (AMI). The overall goal is to provide a significant number of new, sustainably-designed and constructed housing units to meet not only the City's RHNA obligations but to create a village that truly balances the needs of existing and future San Diegans. The housing is proposed in a variety of innovative configurations that combine affordable and market rate housing into a seamless development project in order to implement the City's balanced communities policies.

ALLOCATION OF UNITS BY TARGET POPULATIONS: Chelsea has worked in collaboration with all the service providers listed to provide over 65 projects in San Diego County and over 120 affordable communities in our portfolio and we envision the following allocation of units by targeted population.

ALLOCATION OF UNITS BY TARGET POPULATIONS

FAMILY: Chelsea envisions roughly 60% of the affordable units to be targeted for families because families represent the highest need for affordable housing in San Diego. The average household size is 2.7 persons in the City of San Diego which is above the national average suggesting a higher need for two and three bedroom units. Additionally, the largest sum of financing available for affordable housing is set aside for projects targeting families. The family unit mix will include approximately 25% one-bedroom units, 50% two-bedroom units and 25% three-bedroom units.

Within the affordable units targeted for the family population there will be units set aside specifically for certain special needs populations. These special needs populations will include individuals with developmental disabilities as well as families with a developmentally disabled family member. Chelsea has strong track record of success working with the San Diego Regional Centers and the Southern California Housing Collaborative to develop units for the developmentally disabled population. Due to the proximity of military bases, we assume that veterans and active military families will also live in the family apartments throughout Midway Rising.

While the age classification for seniors is 55 years or older, the tax credit financing for seniors requires tenants to be 62 years or older. For this reason, 55-year-old to 61-year-old individuals and their families would live in the family units. This is another reason why the portion of family units will outweigh the portion of senior units.

SENIORS: Chelsea is planning to target seniors with 15% of the affordable units. Chelsea's strong relationship with Serving Seniors and their knowledge of the San Diego Market, indicate there is exceeding demand for creating a specific set aside of units for this population. In Serving Seniors' needs assessment report issued in September of 2021, Serving Seniors identified that one out of every four unsheltered San Diego County residents in 2020 was age 55 or older and more than 40% of those surveyed are experiencing homelessness for the first time in their lives. By truly understanding and identifying the needs of this population, Serving Seniors in collaboration with Chelsea can continue to make a large impact to combat homelessness among older adults in San Diego.

MIDWAY RISING OVERVIEW CONT.

VETERANS: Chelsea is estimating 15% of the units will target Veterans. San Diego has deep military roots and as a result, we are proud to boast a higher-than-average population of Veterans in our community. Approximately 86,000 veterans currently reside in the City of San Diego according to US Census data, many of which qualify for affordable housing. Our non-profit partners, Veterans Village, will provide targeted services for these residents. VVSD provides a wide array of services to over 3,000 veterans in San Diego County. Those services can include financial assistance through the Supportive Service for Veteran Families program, intervention, and comprehensive case management, as well as bridge, transitional and rapid rehousing services. These crucial services partnered with affordable housing in the Midway District, will make a lifesaving impact for our veterans in San Diego.

HOMELESS: The project will be targeting roughly 10% of the affordable units towards individuals experiencing homelessness. Transitional Age Youth (TYA) or young adults ages 18-24 who are experiencing homelessness and are unable to rely on familial support, make up about 12% of the unsheltered homeless population in San Diego County according to SD Youth Services. There are several factors according to the Congressional Research Service, that increase a youth's risk of becoming homeless which include family conflict, sexual orientation and transition out of foster care. This proposal will include units specifically set aside for Transitional Age Youth population, including LGBTQI and their family members, and youth considered at risk of becoming homeless.

Chelsea has partnered with Father Joe's Villages over the last 20 years to develop 9 projects totaling over one thousand units for homeless San Diegans and $375 million in total investments. Father Joe's Village has served nearly 3,200 families and close to 7,000 children by providing programs and services to this vulnerable population as well as those at risk of becoming homeless. Father Joe's Villages will be our partner to provide affordable housing and services for homeless San Diegans with Midway Rising. In addition to having a set aside for TYA, we will also serve individuals at-risk of becoming homelessness by targeting extremely low 30% AMI levels.

Chelsea's most recent project partnering with Father Joe's Villages is our project known as St. Teresa of Calcutta Villa, that is under construction in downtown San Diego. This 14-story mixed-use development that will provide 407 affordable apartments, including 270 permanent supportive housing apartments, as well as supportive services to people struggling with homelessness in downtown San Diego. Additionally, there will be units for individuals at-risk of homelessness and a specific set aside for Vets including homeless Vets. Construction began in January 2020 and the design includes 13,700 SF of related commercial space for amenities and services. Services will be provided by Father Joe's Villages, the largest homeless services provider in San Diego County.

RESIDENTIAL ARCHITECTURAL, SITING AND COMMUNITY FEATURES

In relation to the individual residential buildings, the project will use architecture, landscaping, and lifestyle amenities such as fitness equipment, wellness rooms and areas designed for dogs to encourage social interaction and active lifestyles. Residential components will include space with rooftop gardens and common gathering areas that include swimming amenities, WIFI-enabled decks and distinct fitness areas in order to bring tenants what they want, which is a healthy, connected environment and a shared sense of community. **The multifamily areas are designed to be highly interconnected with paseos that promote physical activity, interaction with nature and connection with the community beyond the property line.**

Each community will feature in-home and outdoor amenities designed for the specific populations that will live and thrive there. These amenities will include a community recreation building that may include a computer lab, library, and community kitchen for tenants to host gatherings. **Other community amenities may include but are not limited to: childcare, senior centers, co-working space, mental health workspace, remote workspaces, high speed internet, outdoor recreational and gathering space.** Services may include but not limited to after school homework club, adult education and financial literacy career training, shuttle to transit and transit passes and high-speed internet. The service provider will survey and meet with the residents to design a service program to meet the needs and desires of the residents.

In addition to community benefits, **the team is committed to providing state of the art buildings that feature sustainability and beauty in design;** the affordable housing will be enduring assets in which people will be proud to call home and the community will point to as models of success. Chelsea is a long-term owner and operator of their affordable housing assets and will maintain these communities to the highest standards.

GROSS SQUARE FOOTAGE/HEIGHT/CONSTRUCTION BY EACH TYPE OF USE PROPOSED

The affordable villages will be dispersed throughout the community promoting an urban-style of living seamlessly integrated with the market rate residential and commercial uses. The team will engage award-winning, local architects and anticipate the affordable housing to be comprised of multiple podium buildings - four to five levels of wood frame over one to three levels of concrete parking. The streetscapes will be activated by retail, service providers, leasing offices, community rooms and other resident gathering spaces. The anticipated height of the building will range from sixty-five to eighty-five feet in height, no buildings are expected to exceed ninety feet. If Measure E is successfully appealed and the height limit is rezoned back to a maximum of 30 feet, our team is prepared to work with the City to make the project compliant.

MIDWAY RISING OVERVIEW CONT.

APPROACH TO PARKING

Our team will engage highly skilled and experienced design professionals to optimize the programming for the various affordable villages, giving extensive thought to the unit mix, unit count and targeted population for each affordable village, focusing on encouraging walkability within the Arena development and surrounding San Diego community to minimize the need for vehicular transportation. Our team is committed to doing its part to help move San Diego and California towards meeting its Climate Action Goals.

SANDAG plans to develop a primary transportation center for the region, connecting all rail and bus lines with a people mover to the airport. This central mobility hub is commonly referred to as San Diego's "Grand Central Station," and due to the increased access to public transit that will result from this Grand Central Station, we anticipate the need for parking in the distant future to decrease. With this understanding, we are also proposing that the podium parking areas will be designed to accommodate conversion from parking into additional affordable residential units. **In addition to the parking being flexible for future use, we will optimize multimodal transportation options.** SANDAG's transit hub allows the creation of a true Live, Work, Play community.

The parking for all housing units will be in above ground podium structures and will make use of shared parking efficiencies with other land uses. The parking structures will be lined with active uses to shield the parking and to maximize the human scale and urban walkability. This will result in enhanced mobility, connectivity and increased use of the different transportation options. Our team will capitalize on the Transit Oriented Development (TOD) nature of the site and leverage the Old Town Train Station and its connectivity throughout the San Diego region. Fewer cars mean less traffic and improved site circulation which is a community benefit that carries significant value.

[redacted]

OPEN SPACE AND RECREATION AMENITIES

Midway Rising proposes to honor the area that was once part of the San Diego River Delta by incorporating two significant green corridors. **Known as the Greenway, this 4.6 acre central green will meander through the center of the project and will include a substantial urban tree canopy, drought-tolerant landscaping, ample pedestrian-oriented lighting, unique parklets, dog parks, way finding signage, a separate bike path as well as other enhanced sidewalk amenities. The second 3.9-acre green linear park will be included along Sports Arena Boulevard with the intent of implementing the Bay to Bay link that has been in the planning stages for decades.** This new linear park will be an important piece to creating the open space link from the San Diego River to the San Diego Bay inlet located next to Liberty Station. The new link is envisioned to enhance active transportation for the entire Midway District and provide for safe routes for all modes of transportation.

In relation to open spaces and recreation, the proposal plans to construct multiple large park spaces to conform with the Community Plan's Recreation Element. A central part of the plan, is to include the "Zocalo" as part of the overall project. **The 3.9-acre Zocalo, also known as a public square, will be surrounded by mixed use retail, office and commercial uses to ensure that the space remains an activated area where local artists can convene as well as host live music, a farmers market, swap meet and an event space for businesses.**

A prominent parks feature known as the **Sports Arena Green is envisioned to be an elevated 4.2-acre sports park that will include a variety of amenities to serve the public featuring a fitness course and recreation center, children's play areas, multi-purpose turf areas, site furniture, picnic areas, comfort station, walkways, and drought tolerant landscaping.** Green building technology, that includes incorporating active park uses on rooftops not only allow for the development of additional affordable housing on the overall site, but it also helps achieve the City's CAP goals by providing a cool roof to help address the heat island effect. This new roof top public park will seek to incorporate the community's input into the proposed amenities prior to finalizing project details.

Finally, each of the residential areas will have dedicated open space and recreational and wellness areas totaling more than 3.8 acres and will include such amenities as swimming pools, fitness equipment and wellness rooms.

SUSTAINABLE DEVELOPMENT, SMART CITY TECHNOLOGY AND HEALTHY HOMES:

Midway Rising will be a Climate Action Planned Community designed to meet federal standards for renewable energy and carbon emissions reductions. Included in each of the residential structures, will be standard rooftop solar panels which will help reduce reliance on fossil fuels as well as reduce utility bills for residential tenants. The goal is to achieve net-zero energy consumption as part of this project.

MIDWAY RISING OVERVIEW CONT.

The entire new community will be fully integrated with 5G in each household. Each home will be equipped with technology that will provide for ideal work from home conditions, centralized wireless controls to manage utilities, appliances, entertain and security. To ensure that residents have clean air, advanced filtration and monitoring technology will be included in each unit to purify air and water to remove toxins and allergins.

INTERMODAL TRANSIT LINKS AND MOBILITY HUB

The mobility hub, which will connect residents to the Metropolitan Transit System (MTS) Bus Rapid Transit (BRT), will include a centralized bike and car sharing facility as well as a common area workspace. The project will construct the BRT station along Sports Arena Boulevard and it will be centrally located in the district that will provide the necessary transportation options to reduce reliance of single car trips for residents. The intent is to promote active transportation and rapid transit systems to help preserve and improve accessibility for vulnerable groups, including children, the elderly, people with disabilities, and the economically-disadvantaged. A transportation demand management plan will be adopted and overseen by a full time TDM coordinator for both the residential and commercial aspects of the development.

CLIMATE ACTION PLAN AND EQUITY INDEX REPORT

According to the City's Climate Equity Index Report, the Midway district is identified as a Community of Concern with the City's Climate Action Plan. This area meets the CalEnviroscreen top 30% category which means that it is considered an area that has issues associated with pollution burden and the effects on the environment, socioeconomics of the area as well as sensitive populations. Critical to addressing this factor and resolving the rating for the Midway community, will be creating a diversity of housing and well-paying employment opportunities as well as active transportation and access to quality health care and transit. The proposed project has taken the City's Equity Index into account as part of the initial planning for the site. It is vital to the future vitality of our entire region, that this project become a model of how to implement the Climate Action Plan and Climate Equity Index.

Employment and Job Sectors: Per the Climate Action Plan, this project will foster programs to create well-paying jobs. Implementation of the CAP will lead to an increased demand for workers in high-growth "green" industries. This will lead to greater opportunities for new and existing workers to flourish in these innovative sectors.

SEA LEVEL RISE AND STORMWATER INFRASTRUCTURE IMPROVEMENTS

Planning for sea level rise can no longer be deferred until a later point in time as evidenced in the City of San Diego's recently released Climate Resilient SD plan. The challenges of addressing climate change and sea level rise are here in the present and will take significant regional coordination to ensure that future development projects do the most that they can to protect assets and infrastructure from rising ocean levels and groundwater inundation. As such, this project proposes to reduce parking to a minimum and avoid subterranean parking structures. Rather, this project will seek partnerships with surrounding property owners to construct above-grade shared parking structures to meet the needs of the community.

TRAFFIC INFRASTRUCTURE IMPROVEMENTS

As part of Midway Rising, new street linkages will be incorporated to break up the existing super block and provide for a more humane public realm that still accommodates automobile traffic. The dense and extensive network of on-site pedestrian facilities would also provide new connections parallel to the high-stress Sports Arena Boulevard environment that will enhance pedestrian accessibility adjacent to and within the site for area resident, employees and visitors. **Midway Rising would include walking paths and biking paths connected to active and passive recreation opportunities and open space for use by the public, including enhanced pedestrian connections to the mobility hub and bus rapid transit system.** Within the site itself, all roadways will include wide sidewalks and path to create a complete street and pedestrian path grid system.

NEW MARKET TAX CREDITS

The redevelopment of the Sports Arena will have a major impact on the local economy. Through our New Market Tax Credit ("NMTC") affiliate, Border Communities Capital Company ("BCCC"), Chelsea has participated in large scale redevelopment of functionally obsolete sites in the City of San Diego in the past, most notably our involvement in the Liberty Station project. Through our NMTC affiliate, we were able to finance $30 million of the nearly $55 million of construction and capital expenditures necessary to transform this formerly blighted area into an economic development hub. The NMTC program is designed to stimulate economic and community development and job creation in the nation's low-income communities by attracting investment capital from the private sector.

The Liberty Station project (Liberty Station) consists of the construction and rehabilitation of 128,804 square feet of retail space and 30,210 square feet of office space. Liberty Station was part of a much larger redevelopment area in San Diego. The City of San Diego Reuse Planning Committee wrote that the overall project was created to "anchor revitalization of the North Bay region. It will also support education, training, and research and development programs that attract new industries to San Diego and strengthen the region's performance in international trade."

Additionally, Chelsea has utilized NMTC to finance grocery and retail shopping in conjunction with affordable housing, in the redevelopment of Barrio Logan. NMTC was also used to finance community facilities, a day care center, a job acceleration facility, senior centers, medical clinics, and others. Chelsea is uniquely experienced in the use of NMTC and will be a significant benefit for Midway Rising.

MIDWAY RISING OVERVIEW CONT.

Midway Rising is located in a NMTC-qualified census tract, thus allowing for the potential use of this financing mechanism to deliver certain aspects of our development vision. Chelsea's NMTC affiliate, Border Communities Capital Company (BCCC), was recently awarded a $40 million allocation of New Market Tax Credits, bringing its total allocation to $195 million. These funds are deployed to fund infrastructure improvements, such as the Indio Campus of the College of the Desert, the UC San Diego Workforce Development Accelerator and Community Arts & Culture Innovation Center, the One World Beef meat processing plant in Brawley, the Ysleta Del Sur Pueblo Health and Wellness Healthcare Clinic, and the Medical Center of the Americas.

The proposed uses that benefit the greater public--the community center, workforce training initiatives, and childcare services--are all aspects of our project vision that can be funded using our NMTC allocations.

COLLABORATIVE PARTNERS

SERVING SENIORS https://servingseniors.org/

Serving Seniors (formerly Senior Community Centers) is transforming the aging experience for low income seniors in San Diego with our highly successful and innovative programs that help seniors live independently for as long as possible.

Since 1970, Serving Seniors has been the leading provider of services that meet the basic needs of the low-income, at-risk seniors living in San Diego's urban core and the only organization in San Diego, and one of the few in the country, providing such a broad base of vital services to this vulnerable senior population. We are considered a national model because of our innovative programs, and focus on building multi-disciplinary collaborations to enhance the services offered by our staff.

Through their continuum of care model, we provide health education, social services, case management, affordable supportive housing, and lifelong learning opportunities. Each program plays a critical role in our mission of helping seniors in poverty live healthy and fulfilling lives.

FATHER JOE'S VILLAGES https://my.neighbor.org/

Father Joe's Villages has helped nearly 11,500 people achieve permanent housing in the last 10 years alone. At least 7,600 people are experiencing homelessness every night in San Diego. Of those, nearly 4,000 men, women and children lie down to sleep each night on sidewalks, in doorways, canyons and alleys. They live without regular access to food or water, and no place to use the bathroom, wash their hands, bathe or do laundry. 50% of San Diegans can't find rental housing they can afford. Father Joe's Villages' Turning the Key initiative will address San Diego's affordable housing shortage by building 2,000 new units of affordable housing.

Established in 1950 to serve San Diegans experiencing homelessness and poverty, Father Joe's Villages has grown to include a comprehensive campus and scattered-site programs that house over 2,000 people nightly. It all began with a small chapel in downtown San Diego.

VETERANS VILLAGE OF SAN DIEGO https://vvsd.net/

Veterans Village of San Diego Serves America's Veterans in overcoming homelessness and related challenges. Veterans Village of San Diego (VVSD) has served all veterans since 1981 and is dedicated to "Leave No One Behind." VVSD is the only program of its kind in the United States and is nationally recognized as the leader in serving homeless military veterans. Each year VVSD provides services to more than 3,000 military veterans throughout San Diego County. This includes care for substance use, PTS, and TBI with a full range of comprehensive and innovative services for military veterans.

Veterans Village of San Diego (VVSD) offers housing options to eligible veterans who are homeless or at imminent risk of becoming homeless. From their Shelter in Point Loma for homeless veterans to affordable housing based on income, there are many options. Housing on their main campus provides fully furnished rooms with laundry facilities on site and supportive services. VVSD's permanent housing complex in Escondido offers 1, 2, and 3 bedroom units.

SAN DIEGO REGIONAL CENTERS (SDRC) https://www.sdrc.org/

Persons with developmental disabilities will live productive and satisfying lives as valued members of their communities. Their mission is to serve and empower persons with developmental disabilities and their families to achieve their goals with community partners. The San Diego Regional Center is committed to providing the highest quality services to our community. Those services include: Case finding and intake; Assessment, diagnosis, evaluation and counseling; Monitoring and evaluation; Development of an Individual Program Plan (IPP) or Individual Family Service Plan (IFSP), and coordination of services; Purchase of services to meet IPP/IFSP objectives; Advocacy for the protection of legal, civil and service rights; Resource development, program evaluation and community education; Public information and training; Information, referral, and linkage to other services and supports under age 3, the Individualized Family Service Plan (IFSP). The Regional Center may purchase services only when no other private or public funding source is available. Purchase of Service (POS) standards have been developed which are used in reviewing funding requests.

MIDWAY RISING OVERVIEW CONT.

SOUTHERN CALIFORNIA HOUSING COLLABORATIVE (SCHC)

https://socalhc.org

Southern California Housing Collaborative works to create affordable housing opportunities on behalf of the more than 20,000 consumers of the San Diego Regional Center who live in both San Diego and Imperial Counties.

In 2007, the Foundation for Developmental Disabilities surveyed the adult consumers of the San Diego Regional Center to gather information on what they struggled with the most. The answers were very consistently affordable housing, employment, and transportation.

With that in mind, SCHC was established in 2008 to address these consumers, and our primary mission is to locate and secure affordable housing opportunities for low-income individuals with developmental disabilities. They have developed relationships with for-profit and nonprofit entities that have special expertise in developing and operating affordable housing projects.

SCHC takes pride in fulfilling its objections depending on each individual's disability. Proximity to important amenities such as public transportation, grocery stores, and employment are taken into consideration while searching for housing alternatives.

PACIFIC SOUTHWEST COMMUNITY DEVELOPMENT CORPORATION (PSCDC)

https://community-wealth.org/content/pacific-southwest-community-development-corporation

Based in San Diego, Pacific Southwest Community Development Corporation (PSCDC) aims to develop high quality affordable housing and provide educational and community services that empower residents to achieve economic and social stability. Their nonprofit's portfolio includes 70 apartment properties in California and Arizona. Resident-focused programming includes computer training, financial education, free farmers markets, tutoring, job readiness support, and other health, wellness, and educational services. On a monthly basis, PSCDC organizes nearly 600 classes and events engaging over 6,000 residents.

ENTERTAINMENT CENTER OVERVIEW

SAN DIEGO ENTERTAINMENT CENTER OPERATING PLAN/VISION

The new 16,000 seat Entertainment Center will be a state-of-the art multi-purpose arena that offers year-round events including concerts, family shows, touring acts, and sporting events. The new Entertainment Center will replace Pechanga Arena and become the home to the San Diego Gulls, Sockers and Seals.

Our Team's goals are to deliver the best entertainment in the country 130 nights or more each year, deliver superior back of house operations and amenities that will make the arena a "must play" for every artist and promoter and deliver the highest level guest experience. The new arena will be developed to offer activities and entertainment options 365 days a year. Options to be explored include thrill type attractions like a sky walk on the exterior of the arena as well as serving as a venue for major corporate catered events.

The Entertainment Center will be a flexible and multipurpose venue, capable of accommodating a variety of events while also providing for future expansion opportunities for the National Basketball Association ("NBA") or National Hockey League ("NHL"). Our team has worked on similar sized arenas that have this capability. Retractable seating will allow for larger floor space and convertibility between shows / events will be included. Additional locker rooms will be developed as well as sports lighting to accommodate both NBA and NHL.

The Entertainment Center will provide a major impact to the community and will support the needs of the local community. Project Labor Agreements will be used to ensure labor policies and rates will be entered into with the unions. Additionally, the inclusion of minority/women owned businesses will be required and set to exceed the goals set by the City. Contractors and consultants working on the project will be required to meet these goals and implement programs for training, hiring and tracking of these programs.

BY THE NUMBERS

130-150 Estimated Annual Events

Multiple Public Concourses

16,000 Capacity

40 Suites

50 Loge Boxes

Estimated Annual Attendance **750,000 to 850,000**

500,000 to 600,000 Square Footage

1,200 Club Seat

NEW ARENA BENEFITS

Sports and entertainment facility design and operations have evolved drastically since the mid-1960's in terms of efficiency, technology, artist amenities, patron experience, and revenue-generating capabilities. While aging facilities maintain the ability to physically stage events, many times they are obsolete from an operational and artist standpoint, resulting in the inability to drive the necessary revenues to compete with their modern counterparts.

As competition for top-tier content continues to intensify, venues are required to provide high-quality amenities, which serve to attract and retain talent year-over-year, as well as present revenue-sharing proposals that increasingly benefit the artist. These competitive pressures underscore the need for modern venues that offer patron amenities, operating efficiencies, advanced technology, and other elements to help drive revenues and reduce expenses to support the business model. Benefits of modern, state-of-the art venues include, but are not limited to:

- High-quality green rooms to house artists;
- Multiple loading docks to ease truck access during load-in/out;
- Maximum rigging capacity;
- High-quality sound capabilities;
- State-of-the-art DAS systems for maximum connectivity;
- Mobile ticketing and enhanced security technology to reduce venue entry time;
- Wide concourses and maximum wayfinding signage to enhance patron circulation;
- Full ADA compliance to ensure safety and accessibility for all patrons;
- Ample points of sale, mobile ordering, and cashless payment to minimize food and beverage wait time;
- In-venue bars and other social gathering spaces to enhance general patron satisfaction and realize incremental food and beverage spend;
- Multiple in-venue kitchens with cooking capabilities to maximize food quality;
- Seating rake that brings patrons closer to the action and enhances the event day atmosphere;
- Increased tread depth and seat width to maximize patron comfort;
- Maximum lower bowl capacity to drive third-party event activity and ticket sales;

ENTERTAINMENT CENTER OVERVIEW CONT.

- Segmented premium seat offerings located in prime areas of the venue to maximize revenue;
- Flexible premium and public spaces that can be configured to host a variety of activity (i.e. meetings, banquets, receptions, etc.) on non-event days; and,
- Strategically positioned LED and static signage to maximize sponsorship revenue.

ARENA SUSTAINABILITY

Sustainability in arena design and construction has become the standard in recent modern new arenas. The new Entertainment Center will also provide these same benefits thru the construction and operations. Options that will be considered during the design of our arena will include:

- LEED Certification, either Gold or Platinum
- Building Electrification with no natural gas
- The use of reclaimed water
- Concrete Carbon Capture
- Solar Power with Photovoltaic Panels and batter storage
- Greenhouse Gas Emission Mitigation and Reduction Plan for construction activities
- Purchase of Carbon Emission Credits to offset greenhouse gas emissions
- Addition of electric vehicle charging stations
- Composting and Recycling Programs and the use of compostable packaging for food and beverage

CONSTRUCTION TIMELINE

A 16,000 seat new arena is normally a 27 to 30 month construction build with two years of design. Average skilled and non-skilled job creation is in the neighborhood of 3,500 new jobs created. Actual employment is bell curved with some positions having near full employment for the entire length closer to 30 months for electrical / plumbing, and most others having lengthy periods for their respective contributions.

ENTERTAINMENT CENTER CONTENT VISION

Legends takes an approach to third party event booking with a focus on building relationships and feasibility. Overarching philosophy on bookings such as the types of events, the number of events and the deal structure for each will be dictated by ownership and their desire to take risk for potential upside or reduce risk and rent the facility. Initial plans and budgets would be put together based off the preferred structure on financials. Our opinion is flexibility generates higher success both in the buildings ability to attract shows, but also the financial upside invested in the different events. If flexible, there will be a process of reviewing different financial models for different types of events and evaluating the risk and upside for each.

Once budgets and deal structures are outlined for the venue, our team would begin to reach out to third party promoters at our national level relationships to discuss the facility. This would include selling them why they should pick the new arean when playing in and around the market which our team would be well versed on all competition, where these events are currently playing, what the market sustains from ticket sales standpoint etc. In addition, we would utilize feedback and data Legends has collected thus far on the project to have real information on the types of events the market is looking for.

Lastly, we would partner with the community and local event promoters to build relationships. Third party events are complex especially when both sides are invested in the financial structure, and both have partners they want to protect. We have found that having good relationships with promoters where both sides enjoy working together even through issues and hard situations puts any facility in the best position to win the business. Nowadays there is a lot of competition and everyone is going for the same dollars, so if you can build good relationships at the promoter level where they will call you to tell you they are getting offered a better deal an hour away so they are going to go to that market, then the ownership group will have much more say in the events they want to host vs. ones they might pass on for the building.

ENTERTAINMENT CENTER FOOD & HOSPITALITY VISION

The Legends Culinary and Innovation teams would create a program centered around the food trends and diverse culture of San Diego. With a food culture heavily influenced by its neighbor Baja California, tacos and seafood dishes are plentiful in the area. The Cali burrito and carne asada fries are said to be born here.

Chefs are flocking to the area. Food groups such as Consortium Holding and SDCM are bringing excitement to the dining scene. San Diego has drawn chefs from all over the country to live and cook in its amazing bounty (Richard Blaise, William Bradley, Travis Swikard, and Eric Bost) and has cultivated hometown favorites like Brian Malarkey, JoJo Ruiz, Trey Foshee, and Carl Schroeder. We would identify the best local partners to collaborate with when building a food program to ensure that the menus are true to the local market, similar to the approach we took at SoFi Stadium. San Diego is an extremely unique self-contained culinary area – from the avocado orchards in Fallbrook, to the Imperial Valley where the majority of the country's produce is grown, to seafood off the coast, to some of the best ranched beef in the western United States at Brandt Beef. From the numerous farmers in the area, there are a few that have put San Diego on the map. One highlight is Chino Farm, made famous by Alice Waters and Wolfgang Puck, where amazing quality produce is grown year-round. Another is Cooks Pigs, where an ethos of sustainability and whole animal use drives the production of pasture-raised and family-crafted meats. We would look to target seventy five percent of the products used in the arena being locally sourced, meaning grown within a 150-mile radius.

The Beverage Development team would lean heavily on the programming that has made the Live Nation sector so successful. Programming would change based on the genre of the event/concert. Locations would have the ability to change product categories out based on the demographic. Working with a nationally acclaimed mixologist, we would develop a specially crafted cocktail program with signature drinks and packaging.

SAN DIEGO HOSPITALITY EDUCATION CENTER

MISSION

The mission of the San Diego Hospitality Education Center is to provide fast-paced, short-term, skills-based education that equips graduates with work-ready skills to enable them to obtain entry-level employment in the culinary and hospitality industries. We welcome qualified applicants at every stage in their career, from recent high school graduates to adult learners and other non-traditional students. Our goal is to provide an interactive, hands-on learning environment that fosters the development of work-oriented analytical and critical thinking skills, as well as a commitment to professionalism, integrity, and safety in the workplace.

OBJECTIVES

1. Provide fast-paced, short-term, skills-based education enabling graduates to obtain entry level employment in the culinary and hospitality industries with opportunities for growth.
2. Offer programs with relevant learning outcomes taught by experienced industry craftsmen and subject matter experts.
3. Provide hand's-on education with low student to teacher ratios allowing for an exceptional learning experience in state-of-the-industry kitchens, dining room, concessions, bar, and lounge laboratories.
4. Enable graduates to obtain important industry recognized credentials in the areas of sanitation and safety and alcohol awareness.
5. Allow students to learn and practice on up-to-date technology, including popular point of sales systems with integrated hand-held devices, inventory management programs, mobile ordering applications, and nutritional data calculators.
6. Seek to develop preferred employment opportunities at nearby hospitality businesses.

FACILITIES

The SDHEC will feature: Fully equipped teaching kitchens, a Service lab, a Beverage lab, Academic classrooms, and a Learning resource center. The campus will feature universal design.

CURRICULA

The six-month Culinary Arts program prepares graduates for a variety of careers in the food service industry. This preparation is accomplished through practical experiences in simulated commercial kitchens, including simulated situations with real-world production applications.

The program presents a broad introduction to the many aspects of the food service industry using a learner-centered approach to culinary education. Food production skills are complemented by courses transferring essential knowledge such as Sanitation and Safety, Nutrition, Menu and Recipe Costing, and Environmental Sustainability.

The three-month Professional Food & Beverage Service Program prepares graduates for a variety of careers in the food service industry. This preparation is accomplished through practical experiences in a simulated dining environment.   The program presents a broad introduction to the many aspects of the food service industry using a learner-centered approach to food service education. Professional service skills are complemented by courses transferring essential knowledge such as Exemplary Customer Service, Responsible Alcohol Service and Transactions, Reconciliations, and Point-of-Sale Systems.

The three-month Professional Beverage Service Certificate Program prepares graduates for a variety of careers in the food service industry. This preparation is accomplished through practical experiences in a simulated bar and lounge environment. The program presents a broad introduction to the many aspects of the food service industry using a learner-centered approach to food service education. Professional bar back, bartender, or mixologist skills are complemented by courses transferring essential knowledge such as Wines, Spirits, and Malted Beverages, Responsible Alcohol Service and Transactions, Reconciliations, and Point-Of-Sale Systems.

LICENSURE

Legends will apply for SDHEC's approval to operate from the California Bureau for Private Postsecondary Education following the same process utilized for the fully licensed Los Angeles Hospitality Education Center (LAHEC). LAHEC is currently undergoing the application process for nationally accredited status through a USDE recognized agency.

MIDWAY RISING

A MIDWAY FOR ALL

D ECONOMIC IMPACT ANALYSIS

ECONOMIC IMPACT ANALYSIS

OVERVIEW

The construction and annual operations of a new Arena, its tenants, and a surrounding mixed-use development in San Diego could provide significant quantifiable benefits to the local economy. Typically, quantifiable effects are characterized in terms of economic impacts and fiscal impacts. Economic impacts are conveyed through measures of direct spending, total output, personal earnings, and employment, while fiscal impacts denote changes in tax revenues. Quantifiable measurements of the effects that the proposed development could have on the local economy are summarized over the following pages.

DIRECT SPENDING

Direct Spending represents the initial primary spending that would occur as a result of the construction and operations of the proposed development. Direct spending occurs in the following ways:

CONSTRUCTION SPENDING – Construction materials, supplies, labor, professional fees, and other soft cost spending will be generated during the planning and construction of the proposed development.

OPERATIONS SPENDING – Direct spending will be generated as patrons spend money to attend events at new venues or purchase goods and services throughout the development. The operations of the venues and businesses will also generate direct spending through expenditures on salaries, wages, and benefits, marketing, and other such sources.

ANCILLARY COMMUNITY SPENDING – Direct spending will also be generated off-site but within the local area by Arena attendees, event personnel, patrons and residents within the mixed-use development, and others. Ancillary community spending will likely include spending on lodging, food and beverages, retail, entertainment, transportation, and other items in connection with visitation to the development.

DIRECT SPENDING SOURCES

CONSTRUCTION SPENDING

OPERATION SPENDING

CONSTRUCTION SPENDING:

- Materials
- Supplies
- Labor
- Professional Fees

IN-ARENA SPENDING:

- Ticket Sales
- Premium Seats
- Concessions
- Merchandise
- Sponsorship
- Parking
- Fees
- Other

MIXED-USE DEVELOPMENT SPENDING:

- Restaurants
- Bars
- Lodging
- Retail
- Residential
- Parking
- Other

ANCILLARY COMMUNITY SPENDING:

- Lodging
- Bars
- Service
- Retail
- Entertainment
- Transit
- Other

ECONOMIC IMPACT ANALYSIS CONT.

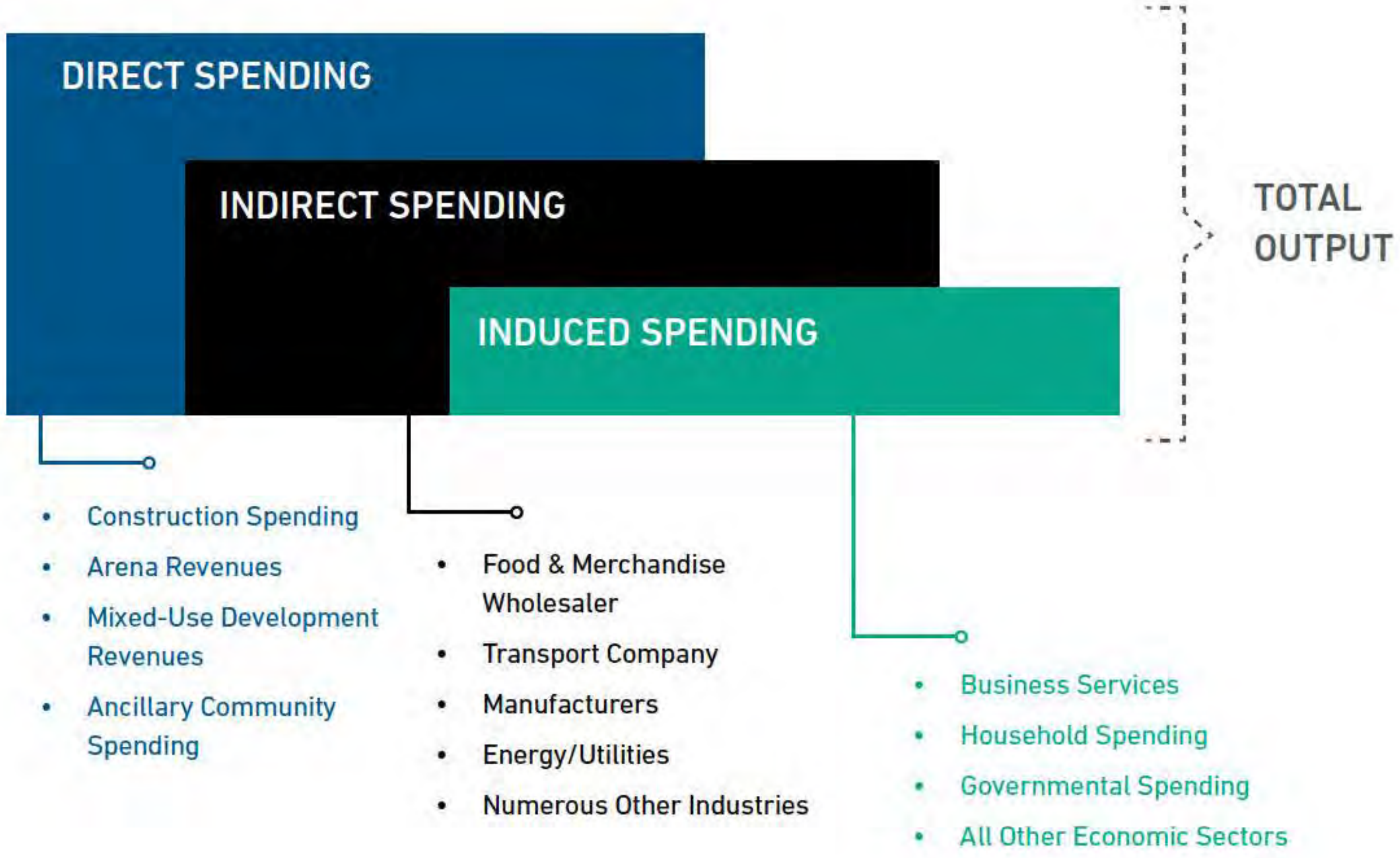
Economic impacts are further increased through re-spending of direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy, as follows:

INDIRECT SPENDING consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. Indirect impacts occur in a number of industries, including the following:

- the wholesale industry, as purchases of food and merchandise products are made;
- the transportation industry, as products are shipped from purchaser to buyer;
- the manufacturing industry, as products used to service the venue, vendors, and others are produced;
- the utility industry, as the power to produce goods and services is consumed; and,
- other such industries.

INDUCED EFFECTS consist of the positive changes in spending, employment, earnings, and tax collections generated by personal income associated with the operations of the proposed development. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment is generated, and spending occurs in virtually all business sectors. This represents the induced spending impacts generated by direct expenditures.

The following graphic illustrates the flow of direct spending through the successive rounds of re-spending, including the indirect and induced effects.



MULTIPLIER EFFECT

Indirect and induced effects are calculated by applying the appropriate multipliers to the direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area which is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

ECONOMIC IMPACT ANALYSIS CONT.

The multiplier estimates used in this analysis are based on the RIMS II system, which is a regional economic model developed by the Bureau of Economic Analysis that is used by investors, planners, and elected officials across the country to accurately assess economic impact, and are specific to the County of San Diego, CA. The specific multipliers used in this analysis are show in the chart below.

ECONOMIC MULTIPLIERS			
	Total Output	Employment (FTE)	Personal Earnings
Commercial Sports	1.99	14.45	0.84
Construction	1.83	11.87	0.71
Entertainment	1.86	16.51	0.57
Food and Beverage	1.91	22.69	0.73
Lodging	1.76	11.37	0.52
Multifamily	1.01	6.82	0.30
Office	2.01	16.00	0.78
Other	1.93	23.27	0.79
Parking	1.78	22.33	0.58
Retail	1.87	17.35	0.66
Transportation	1.78	22.33	0.58

Note: Total Output and Personal Earnings multipliers are applied one-to-one to dollars, whereas Employment multipliers are applied one-to-one to millions of dollars. Source: RIMS II.

Multipliers are applied to direct spending to calculate the following measures of economic impact:

- **TOTAL OUTPUT** represents the total direct, indirect, and induced spending effects generated by the proposed development. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **EMPLOYMENT** is expressed in terms of total full-time equivalent (FTE) jobs and includes both full- and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.
- **PERSONAL EARNINGS** represent the wages and salaries earned by employees of businesses impacted by the proposed development. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.

ECONOMIC & FISCAL IMPACT SUMMARY

The following table summarizes the estimated economic impacts of the proposed development to the local economy by the construction and ongoing operations of a new Arena, its tenants, and a surrounding mixed-use development in San Diego.

ECONOMIC & FISCAL IMPACT SUMMARY Construction + 30-Year Operations	
	Proposed Development
Construction Impacts	
Direct Spending	$2.5 B
Total Output	$4.6 B
Jobs (FTEs)	6,421
Earnings	$1.8 B
Tax Revenues	$94.8 M
Annual Impacts	
Direct Spending	$164.7 M
Total Output	$285.3 M
Jobs (FTEs)	2,150
Earnings	$108.9M
Tax Revenue	**$27.5 M**
32-Year NPV Impacts	
Direct Spending	$7.9 B
Total Output	$12.4 B
Jobs (FTEs)	8,572
Earnings	$4.5 B
Tax Revenue	**$838 M**

ECONOMIC IMPACT ANALYSIS CONT.

- The one-time economic impacts estimated to be associated with the construction of the proposed development include approximately $2.5 billion in direct spending, $4.6 billion in total output, approximately 6,400 full and part-time jobs, $1.8 billion in personal earnings, and $94.8 million in taxes.
- Impacts from annual operations of the proposed development are estimated to generate $164.7 million in direct spending, $285.3 million in total output, approximately 2,150 full and part-time jobs, $108.9 million in earnings, and $27.5 million in taxes.
- Over a 32-year period (construction period plus 30 years of operations), the net present value of one-time construction and annual operations of the proposed development is estimated to provide the following impacts to the local economy: $7.9 billion in total direct spending, $12.4 billion in total output, approximately 8,600 annual full and part-time jobs, $4.5 billion in personal earnings, and $838.1 million in taxes.

NON-QUANTIFIABLE BENEFITS

In addition to the quantifiable benefits generated from the construction and operations of the proposed development, some benefits cannot be quantitatively measured. Potential qualitative benefits, among others, for the local area could include:

- Expanding San Diego's ability to accommodate and attract various sports, entertainment, and other events
- Enhancing community pride, self-image, exposure, and reputation
- Opportunities for private commercial and real estate development
- New residential units (including some affordable housing units) to accommodate an expanding population base
- Ability to participate in community-wide events and festivals
- Additional opportunities for charitable endeavors by local businesses
- New premium seat offerings for area corporations to entertain clients and reward employees
- Additional entertainment options for local and regional residents
- New advertising opportunities for local businesses

MIDWAY RISING

A MIDWAY FOR ALL

E LAND USE, PLANNING, AND COMMUNITY PLAN

CONFORMANCE WITH THE CITY'S GENERAL PLAN, CLIMATE ACTION PLAN, CEQA AND THE MIDWAY-PACIFIC HIGHWAY COMMUNITY PLAN

OVERVIEW

In response to the Sports Arena Notice of Availability on October 4, 2021, the local development team has designed a comprehensive multi-use plan ("Midway Rising") for City and community stakeholder consideration.

Midway Rising transforms the site's mostly impervious parking lots into a pristine interconnected village envisioned by the City's General Plan and Midway-Pacific Highway Community Plan (Community Plan). Midway Rising will be connected by bus rapid transit and trolley from University City to the border with Mexico; east to San Diego State and beyond. Midway Rising will usher in a new era of sustainable and responsible development benefitting the entire region.

The General Plan and the Community Plan contain goals and policies encouraging development of compact, urban villages consistent with the General Plan's "City of Villages." In addition, the City of San Diego 2015 Climate Action Plan (CAP) helps comply with the State of California's mandates for Greenhouse Gas (GHG) emission reductions through local action to the benefit of San Diego's environment and economy. The CAP works cohesively with the General Plan and the Community Plan, to achieve GHG emissions reduction through redevelopment of underdeveloped parcels, such as the Sports Arena site, into compact high density multi-use urban villages.

Based on the 48.5-acre site's CC-3-6 zoning, the Sports Arena Village District could be developed with up to 2,113 residential dwelling units. However, the achievable residential densities could be significantly higher and could potentially achieve upwards of 5,300 residential units under the City's Complete Communities program. In furtherance of the policies in the General Plan, Community Plan and the CAP, the project proposes 4,000 units of studio, one, two and three bedroom affordable and market rate housing to materially assist in addressing the City's dire affordable housing crisis and contribute to meet the City's Regional Housing Needs Assessment (RHNA) numbers.

Furthermore, Midway Rising will relocate and develop a new state of the art 16,000 seat sports arena, 250,000 square feet of commercial and retail spaces featuring local restaurants, a weekly local farmers market, community-oriented shops, and a 200-key hotel. This new sustainably designed and constructed community will be connected through a system of complete streets that feature enhanced pedestrian- and bicycle-oriented infrastructure with ample shade-producing tree canopies that link to more than 20 acres of open space and parks within the community and to the recreational and entertainment amenities at Mission Bay, the San Diego River, and San Diego Bay. **The project will include a central mobility hub that is served by the Metropolitan Transit System's (MTS) bus rapid transit system** to increase transit ridership and ultimately reduce reliance on single occupancy vehicle trips. The project addresses connectivity through enhanced first and last mile infrastructure improvements as part of the overall design.

The Community Plan policies provide land use direction for a 30-year planning horizon. These long-term projections provide a reasonable assessment of Midway - Pacific Highway's development potential. For the purposes of calculating the future household population, the Community Plan assumes 2.46 persons reside in each household, and a 95 percent occupancy rate. The persons per household and vacancy rate are assumptions for calculating the residential population at the community plan horizon year. As stipulated in Table 3.4-1 of the Community Plan's Final Program Environmental Impact Report (EIR), the City anticipates the following net increases in development levels under the Community Plan by 2050 which is compared to the proposed project:

	Housing Units	Population	NonRes SF	Employment
Midway EIR	11,185	26,140	10,264,720	4,370
Proposed Project	4,000	8,610	900K	2,150

As such, the proposed project is within the allowable number of residential units evaluated in the Community Plan EIR. CEQA analysis for Midway Rising would be able to tier off of the certified Midway-Pacific Highway EIR as well as the Climate Action Plan EIR. In addition, this site is located within a transit priority area and is zoned to allow for more than 20 dwelling units per acre. As a result, the Sports Arena Village site may utilize the City's Complete Communities 2.5 floor area ratio (FAR) density bonus regulations. The project may also tier off of the Complete Communities EIR.

As discussed below and illustrated in Appendices A and B, Midway Rising is consistent with the Community Plan and would not require a community plan or general plan amendment.

Community Plan Elements and CPIOZ Conformance

The following narrative provides additional project details to illustrate how the overall development implements Community Plan goals and policies in relation to:

1. Housing
2. Economic Development: Sports Arena, Hotel and Commercial Revitalization
3. Sustainability and Conservation and Addressing Sea Level Rise
4. Recreation and Active Lifestyles

CONFORMANCE WITH THE CITY'S GENERAL PLAN, CLIMATE ACTION PLAN, CEQA AND THE MIDWAY-PACIFIC HIGHWAY COMMUNITY PLAN CONT.

5. Multi-Modal Mobility
6. Strategic Placement of the New Arena
7. Community Plan Implementation Overlay Zones
    a. Sports Arena Community Village CPIOZ Type A
    b. Sports Arena Community Village CPIOZ Type B

1. HOUSING

As stated in the City's 2020 Annual Housing Inventory report, the City's share of the RHNA target for the 2021-2029 Housing Element period is 108,036 units. To meet this target, approximately 13,500 new housing units will need to be produced annually. **With a current average of approximately 4,100 units produced in a year, annual housing production will need to triple to meet this RHNA target.** The RHNA allocation for very low income units is 21,977, low income is 16,703 units and for moderate is 15,462 units, respectively. The project will significantly assist the City in meeting its RHNA targets by producing a variety of one, two and three bedroom homes for all age, income, and social groups for a total of 4,000 units, with 30% to 50% of the units restricted for very low and low income families with area median incomes (AMI) capped between 30% and 60% AMI.

Affordable units will be dispersed throughout the Midway Rising community promoting an urban-style of living seamlessly integrated with the market rate residential and commercial uses. The overall goal is to provide a significant number of new, innovative housing configurations, sustainably-designed and constructed to meet not only the City's RHNA obligations but to create a village that truly balances the needs of existing and future San Diegans.

With the designs of award-winning local architects, the project will include affordable housing comprising multiple podium buildings - four to five levels of wood frame over one to three levels of concrete parking. The anticipated heights range from sixty-five to eighty-five feet. Individual residential buildings will feature unique architecture, landscaping, and lifestyle amenities such as fitness equipment and areas designed for dogs to encourage social interaction and active lifestyles. **Streetscapes will be activated by retail, service providers, leasing offices, community rooms and other resident gathering spaces. Residential components will include space with rooftop gardens and common gathering areas, WIFI-enabled decks and distinct fitness areas** in order to bring tenants what they want, which is a healthy, connected environment and a shared sense of community. The multifamily areas are designed to be highly interconnected with paseos that promote physical activity, interaction with nature and connection with the community beyond the property line.

2. ECONOMIC DEVELOPMENT – SPORTS ARENA, HOTEL AND COMMERCIAL REVITALIZATION

The policies in the General Plan and Community Plan provide a framework to encourage economic development with an emphasis on the provision of well-paying jobs and new "green employment opportunities". The project will ensure that jobs and opportunities to expand a "green" workforce are included. In particular, the development of a new arena will create well-paying construction jobs. **The arena is expected to cost $400M to construct and will be a significant source of tax and lease revenue for the City.** A key feature will be the 3.9-acre Sports Arena Square known as the Zocalo. This public open space plaza will be surrounded by new community-serving retail and commercial spaces open to the public. Not only will it serve as a public open space but the plaza will host outdoor concerts, shows, events, and more. This area will feature locally sourced restaurants and shops that cater not only to the new village community, but to all San Diegans. This will become the central gathering space for the overall development plan that connects the last-mile transit from the Old Town Transit Center and the future Grand Central Station to the Mobility Hub, and then through the activated green spine/pathway that flows through the middle of the site. While the Arena is a focal point, this central square is a significant aspect of the economic development strategy and is vital to the overall success of the project.

Additional hotel and visitor commercial uses on Midway-Pacific Highway because of the community's location close to the airport, freeways, transit, beaches, military installations, Sea World, Old Town, and Downtown. The project incorporates a 200-key hotel into the overall schematic plans to serve the village, Arena and region as well as contribute ongoing annual transient occupancy tax revenue.

3. SUSTAINABILITY, CONSERVATION AND ADDRESSING SEA LEVEL RISE

Midway Rising is consistent with General Plan and Community Plan sustainability policies and supports implementation of the CAP by reducing development project-level greenhouse gas emissions to acceptable levels. This will occur by incorporating sustainable building and development practices, applying site-specific mitigation measures, and adhering to specific strategies and actions outlined in the CAP. The project anticipates including green roofs, solar panels, EV charging stations, transportation demand management (TDM) strategies, dedicated recycling programs and an anerobic food composter as part of the Sports Arena. It will also feature sustainable transit centralized in the Mobility Hub. LEED certification will help achieve the requisite environmental benefits for the community. This new village will be a Climate Action Planned community that highlights sustainable development and design focused on connecting residents via mobility choices to employment and entertainment centers. Please reference the CAP Memo for specific project details and conformance with the checklist.

CONFORMANCE WITH THE CITY'S GENERAL PLAN, CLIMATE ACTION PLAN, CEQA AND THE MIDWAY-PACIFIC HIGHWAY COMMUNITY PLAN CONT.

New affordable housing is a primary project objective. However, of utmost importance to this project and the community overall is the need to address the potential future impacts associated with sea level rise. Every aspect of design and engineering will consider the potential effect of sea level rise on the community's infrastructure and built environment. Located on former tidal wetlands and adjacent to the San Diego River and San Diego Bay, the Sports Arena village site has a high-water table and experiences periodic flooding during storms and unusually high tides. The possibility of a rise in the water table due to sea level rise also poses risks. Concerns related to a rising water table include the structural integrity of surface infrastructure, maintenance of buried infrastructure, and groundwater infiltration into buried pipes. Subsurface structures could experience flooding from groundwater, creating a potential need for dewatering facilities. Therefore, the project is not proposing any subsurface parking to help reduce the cost of parking and address the issues associated with a high-water table. **The project will design and engineer buildings to consider the significant vulnerabilities and necessary infrastructure projects necessary to be well-positioned for the potential for future sea level rise and to also implement the City's recently released Climate Resilient SD plan.**

4. RECREATION AND ACTIVE LIFESTYLES

Midway Rising includes a wide variety of public plazas, urban greens, linear parks, dog parks, and other park and recreational amenities such as an outdoor market and space for gardening, for both the residents and visitors to enjoy. These amenities create a healthy environment and address the CalEnviroscreen criteria. **The project will include a 3.9-acre central square as a focal point for the village known as the Zocalo which will be highly programmed as it will be surrounded by commercial and retail storefronts to ensure it remains an active part of the development.** As called for in the Recreation Element, the following park improvements are included in the project:

- Sports Arena Linear Park: Is envisioned as a 3.9 acre linear park, approximately 30 feet wide, along Sports Arena Boulevard located on city owned property. Design and construction of a group picnic area, shade structure, plaza and amphitheater, a jogging trail and bike path separated from the primary pedestrian sidewalk, comfort station, children's play area, site furniture, fitness stations, game tables, art elements, drinking fountains, interpretive signage, and drought tolerant landscaping.
- Sports Arena Green: Is envisioned to be an elevated 4.2-acre sports park that will include a variety of amenities to serve the public featuring a fitness course and recreation center, children's play areas, multi-purpose turf areas, site furniture, picnic areas, comfort station, walkways, and drought tolerant landscaping.
- Sports Arena Square: Also known as the Zocalo, this will be included as the 3.9-acre central plaza open to the public focusing on activating the space around the new arena and the high retail activity centers that will include the Mobility Hub. The Zocalo square will include programming and opportunities for cultural and community events.
- Sports Arena Greenway: A large 4.6-acre linear park that will be the spine that connects the new housing to the Zocalo will be designed through the middle of the project and will feature a promenade with shade producing street trees, an area for farmer markets and other community events as well as dog parks, ample seating and other amenities to be determined by community stakeholders.
- Dedicated Residential Areas: Each residential area will have open space and recreational areas totaling 3.8 acres that will include active recreation and swimming facilities.

5. MULTI-MODAL MOBILITY

In conformance with the Community Plan, the project takes a multi-modal approach to improve circulation and access through and within the community. The project will promote a more balanced mobility network that facilitates shifting trips to transit, walking, and bicycling, while also accommodating vehicle traffic and minimizing conflicts between travel modes. **The planned mobility improvements included in the project will promote "complete streets" principles, improve intersection and roadways to increase accessibility, repurpose right- of-way, and improve bicycle and pedestrian access. The planned infrastructure improvements as well as the interconnection of the transit, bicycle, and pedestrian facilities will support the residential and employment capacity with less increase in per capita vehicle emissions.**

The Transportation Demand Management (TDM) program, which will apply to the proposed project's residential, retail and sports arena uses, will consist of the following CAP strategies: new bicycle facilities, dedicated land for bicycle linkages, bicycle parking, showers and lockers for employment areas, increased intersection density, traffic calming, car share service accommodations, and an enhanced pedestrian network. The project will also include unbundled residential parking as well as a parking cash out program, metered on street parking and an overall reduced parking supply. In relation to commute trip reduction services, the overall development will have a TDM program and marketing coordinator.

The Community Plan's land use strategy emphasizes villages linked by high frequency transit along Rapid Bus routes and with access to trolley service identified in the San Diego Regional Plan in addition to strengthening bicycle and pedestrian linkages throughout the community. This strategy intends to promote commuter use of transit by providing important first mile/last mile connections to transit through improved pedestrian and bicycle connections within and between the villages and to the Old Town Transit Center. For example, this project will embody the efforts being planned by MTS, SANDAG and also envisioned in the City's plans.

There are a number of options that the project will consider for the first/last mile strategy to/from the future Grand Central Station. Options include a robust bus rapid transit system that is operated by MTS, bike and EV car sharing stemming from the Mobility Hub and branching out via separated bike lanes, as well as a new Gondola-system connecting the Arena village with the new Grand Central Station and Mission Bay.

6. STRATEGIC PLACEMENT OF THE NEW ARENA

In order to implement goals and objectives of the community plan, the Pechanga Arena will be removed and relocated as part of a phased operation so the existing arena can remain in place until the new arena is completed. The strategic relocation of the arena has multiple benefits that will maximize the footprint for new residential development and ensure that appropriate noise and light buffers are in place so as to allow for quieter residential neighborhoods. **The relocation will allow for the new arena to be closer to the future Grand Central Station to provide people the ability to use transit thereby reducing automobile use.** Furthermore, the proposed relocation will benefit the grand open boulevard and commercial linear plaza, that will connect to the San Diego river and beyond that is being proposed along Sport Arena Boulevard. This stellar design will not only provide a more humane environment for people but will also animate the street by providing open and accessible spaces and places for the surrounding community.

7. COMMUNITY PLAN IMPLEMENTATION OVERLAY ZONES

The Community Plan Implementation Overlay Zone (CPIOZ) is applied within the boundaries of the Plan per Chapter 13, Article 2, Division 14 of the Municipal Code, to provide supplemental development regulations that are tailored to implement the vision and policies of the Plan. The matrix included as Appendix B illustrates how the project will specifically conform with CPIOZ A and B regulations.

A. SPORTS ARENA COMMUNITY VILLAGE CPIOZ TYPE A

The intent of the Sports Arena Boulevard Streetscape CPIOZ - Type A is to create a streetscape along Sports Arena Boulevard that reflects its importance as part of the long envisioned Bay-to-Bay connection and provides continuity between planned linear parks in the Sports Arena and Dutch Flats villages. The supplemental development regulations below either apply to a development's front yard or street side yard, depending on its orientation to Sports Arena Boulevard.

Per CPIOZ-A, the project will provide 20 feet of public right-of-way from the curb to the property line. Within the 20 feet of public right-of-way, the project will provide a multi-use path with a minimum width of 12 feet and, between the curb and the multi-use path, a parkway/furnishing area with a minimum width of 8 feet that incorporates tree wells. This new project will provide shade-producing street trees in the tree wells within the public right-of-way consistent with the Community Plan's street tree palette for Sports Arena Boulevard. The project will observe the setbacks along Sports Arena Boulevard. Finally, to be in conformance with CPIOZ -Type A, the project will provide a pedestrian path from the sidewalk on Sports Arena Boulevard to building entrances.

B. SPORTS ARENA COMMUNITY VILLAGE CPIOZ TYPE B

The intent of the Sports Arena Community Village CPIOZ - Type B is to require the preparation of a comprehensive specific plan or master plan for the City-owned parcels in the Sports Arena Community Village prior to significant new development within the village. This is required to implement the Community Plan's vision, and to allow maximum permitted development density and/or floor area to be calculated based on site area before dedication of the right-of-way for planned new streets and/or area for new linear parks, parks, and other park equivalencies. The CPIOZ also addresses greenhouse gas emissions from new development in the village by prohibiting the incorporation of wood and gas fireplaces in new dwelling units. As such, the project proposes to create a specific plan that will be guided by significant community and stakeholder input to ensure that the community's needs are being met and concerns are addressed. Furthermore, the project will not include any wood or gas burning fireplaces.

Attachments: Appendix A: Sports Arena Village Land Use Policy Project Conformance
Appendix B: Community Plan Implementation Overlay Zone A and B Compliance

MIDWAY RISING CLIMATE ACTION PLAN PRELIMINARY CONFORMANCE

The City of San Diego's Climate Action Plan (CAP) preliminary conformance evaluation has been prepared in response to the City of San Diego's October 4, 2021 Notice of Availability (NOA) in conformance with the State of California's Surplus Lands Act. This serves as a high-level evaluation as to whether the Midway Rising proposal to redevelop the City of San Diego's Sports Arena leasehold (proposed project), as illustrated in the Site Plan (Attachment A) would conflict with the CAP, as contemplated by Section VIII, item b) of Appendix G of the State of California's Environmental Quality Act (CEQA) guidelines.

Since this is a conceptual proposal, the following analysis cites sustainability measures that would be committed to as part of the proposed project to ensure that the project would not conflict with the City's five CAP strategies and the CAP checklist that are outlined below. Further, the project would incorporate multiple design features and strategies into the required specific plan and development that would be consistent with those identified by the City for attainment of its GHG reduction goals.

PROJECT LOCATION AND DESCRIPTION

The Midway-Pacific Highway Community Plan (Community Plan) area encompasses roughly 1,324 acres of relatively flat area. The Community Plan area is located in west-central San Diego, to the north of San Diego International Airport (SDIA), and south of Mission Bay. Interstate-5 forms the eastern boundary of the Community Plan area. The San Diego River functions as the northern boundary of the Community Plan area. The Community Plan area was historically an area of tidal marshes and flats where the San Diego River flowed alternately into San Diego Bay and Mission Bay. The San Diego River mouth was channelized to flow into the Pacific Ocean between the two bays. Development of the area was based largely around regional transportation improvements including railways and highways, military development, and aviation. The Sports Arena opened in 1966 and is surrounded by a large parking lot that is regularly utilized by a swap meet. Other parcels included in this proposal include a construction store and materials yard, as well as a mix of other commercial and retail uses.

PROPOSED PROJECT

The proposed project entails the lease, construction, and operation of a new multi-use village that includes 4,000 units of housing, a new sports arena, open space, parks, recreation, a mobility hub, hotel. Specifically, the proposed project would include:

- approximately 4,000 residential homes including 2,000 very low and low income restricted affordable homes, within a vibrant, transit-oriented village setting;
- approximately 20 acres of parks, recreation, and open space, including a Bay to Bay link, which shall be constructed by this project team that also includes community active and passive parks and recreation fields and open space, and pedestrian and biking linkages;
- construction of a new, multipurpose 16,000-capacity Sports Arena and the corresponding demolition of the existing Pechanga Sports Arena;
- approximately 200 hotel keys to support the San Diego region as well as sports arena-related events;
- approximately 250,000 square feet of community-serving commercial and retail space to support the entire Midway District, sports arena, and related facilities;
- construction of an interconnected mobility hub to address mobility needs of residents and visitors through bike and electric vehicle car sharing and enhanced EV shuttles to connect to the existing Metropolitan Transit System (MTS) Old Town transit station and future Grand Central Station, thereby, minimizing vehicular traffic use; and associated on-site and off-site infrastructure, utilities, facilities, and other amenities.

ADOPTED COMMUNITY PLAN CAP IMPLEMENTATION STRATEGIES

New land use designations and policies that were adopted in 2018 as part of the Community Plan have been designed to reflect and implement recommendations of the General Plan for creating new urban villages that will produce far less GHG emissions than what has been produced in the past. Specifically, the Community Plan includes updated Land Use, Villages and Districts; Mobility; and Conservation Elements that include multiple policies aimed at reducing GHG emissions from target emission sources and adapting to climate change. The policies refine existing General Plan policies with site-specific recommendations applicable to the Midway-Pacific Highway community. See Attachment B, Land Use Map.

CLIMATE ACTION PLAN STRATEGIES

The CAP establishes five primary strategies for achieving citywide goals for GHG reductions:

- **STRATEGY 1** (Energy & Water Efficient Buildings) includes goals, actions, and targets with the aim of reducing building energy consumption.
- **STRATEGY 2** (Clean & Renewable Energy), includes policies to encourage development that incorporates renewable energy, such as photo-voltaic panels on roof tops. As well as the use of sustainable building techniques for construction and operation of buildings that could include solar energy installations, electric vehicle charging stations, and solar water heating.

MIDWAY RISING CLIMATE ACTION PLAN PRELIMINARY CONFORMANCE CONT.

- **STRATEGY 3** (Bicycling, Walking, Transit & Land Use) has goals that relate to land use and planning. Action 3.1 in Strategy 3 of the CAP calls for implementation of the General Plan's Mobility Element and the City of Villages strategy in Transit Priority Areas (TPAs) to increase the use of transit by supporting intelligent transportation systems to improve roadway and parking efficiency, congestion, and install roundabouts where needed and feasible to reduce vehicle fuel consumption. Specific policies include, but are not limited to, coordinating with MTS and SANDAG to implement transit priority measures, encouraging the implementation of Rapid Bus to serve the areas of future residential and employment uses, and coordinating with MTS, SANDAG, and adjacent property owners to improve accessibility and the environment at transit stops.
- **STRATEGY 4** (Zero Waste – Gas & Waste Management) includes diversion of solid waste and the capture of landfill methane gas emissions.
- **STRATEGY 5** (Climate Resiliency) of the CAP calls for further analysis of the resiliency issues that face the various areas of the City. Resiliency is addressed by focusing on reducing water usage, energy efficiency, and sustainable development practices. Also included strategies supporting and encouraging green roofs and rooftop gardens, as well as an increase in the tree canopy within the community to reduce summer heat temperatures, increase absorption of pollutants and carbon dioxide, and contribute to more inviting business districts for pedestrians.

EVALUATION OF THE CITY OF SAN DIEGO'S CLIMATE ACTION PLAN

As described in the proposed project section of this memorandum, the project includes the development of a new multi-use village district within the Midway-Pacific Highway Community Plan area. The CAP outlines the actions that City will undertake to achieve its proportional share of statewide GHG emission reductions in accordance with CEQA Guidelines Section 15183.5.

The CAP Consistency Checklist includes three steps:

1. Evaluate the project to determine whether:
   a) a project is consistent with the existing General Plan, Community Plan, and zoning designations for the site, and if not, whether the project would
   b) include a land use plan and/or zoning designation amendment that would result in an increased density within a Transit Priority Area (TPA) and implement CAP Strategy 3 actions, as determined in Step 3 to the satisfaction of the Development Services Department?
   c) include a land use plan and/or zoning designation amendment that would result in an equivalent or less GHG-intensive project when compared to the existing designations.
2. Evaluate the project to includes an explanation as to how a project would implement the required measures delineated in the checklist under Step 2.
3. Evaluate the project's consistency with the CAP's transportation strategy.

STEP 1: LAND USE CONSISTENCY

Projects that do not require a change in land use or zoning designation are generally considered to be consistent with Step 1 because the CAP's emissions were based on build-out assumptions of the existing land use designations at the time of the CAP's development. The Community Plan provides a land use framework that is generally consistent with and permits the land use densities and intensities contemplated by the proposed project. Therefore, the proposed project is consistent with Option A under Step 1. Furthermore the proposed project is sited within a TPA (Attachment C) and would implement CAP Strategy 3 actions. Therefore, the project as proposed is consistent with Step 1.

STEP 2: CLIMATE ACTION PLAN STRATEGIES CONSISTENCY

The second step of the CAP consistency review is to review and evaluate a project's consistency with the applicable strategies and actions of the CAP. Since this is only a proposal and would need to be developed through a Specific Plan as required by the Community Plan's Community Plan Implementation Overlay Zone Supplemental regulations, the following are tools that the development is proposing to include in its design and execution. The proposed project would incorporate the following strategies:

STRATEGY 1:

Energy and Water Efficient Buildings by including cool and/or green roofs as well as residential and non-residential plumbing fixtures (Kitchen faucets, standard and compact dishwashers and clothes washers) and fittings that do not exceed maximum flow rates established by the California Green Building Standards Code.

STRATEGY 2: Bicycling, Walking, Transit and Land Use

- Electric Vehicle Charging for multiple family projects of more than 17 dwelling units as well as non-residential structures. The project commits to being equipped with 10% of the total residential parking spaces and 6% of total nonresidential parking spaces with appropriate electric supply equipment to allow for the future installation of electric vehicle (EV) chargers (i.e., "EV ready"). Of these "EV ready" spaces, 50% would be equipped with EV charging stations.

MIDWAY RISING CLIMATE ACTION PLAN PRELIMINARY CONFORMANCE CONT.

- Bicycle Parking Spaces: the project commits to providing more short- and long-term bicycle parking spaces than required in the City's Municipal Code (Chapter 14, Article 2, Division 5). Residential units would include secure bicycle parking per City of San Diego standards (up to 0.6 spaces per dwelling unit anticipated based on units containing up to three bedrooms). Similarly, short-term (racks) and long-term spaces (rooms, enclosures, or lockers) would also be provided for nonresidential uses per City of San Diego standards (0.1 short-term spaces per 1,000 square feet and 5% of nonresidential automobile parking provided in long-term spaces). The proposed project would also include a network of bicycle lanes on key streets such as Sports Arena Boulevard and connections to existing off- site facilities.
- Shower Facilities: the project would commit to including changing/shower facilities in accordance with the voluntary measures under the California Green Building Standards Code.
- Designated Parking Spaces: As part of the nonresidential use in the TPA, the project would provide designated parking for a combination of low-emitting, fuel-efficient, and carpool-vanpool vehicles.
- Transportation Demand Management Program: Since the project would accommodate over 50 tenant-occupants (employees), the project would commit to including a transportation demand management program that would be applicable to existing tenants and future tenants that could include the following:

At least one of the following components:

- Parking cash out program
- Parking management plan that includes charging employees market-rate for single-occupancy vehicle parking and providing reserved, discounted, or free spaces for registered carpools or vanpools
- Unbundled parking whereby parking spaces would be leased or sold separately from the rental or purchase fees for the development for the life of the development

And at least three of the following components:

- Commitment to maintaining an employer network in the SANDAG iCommute program and promoting its RideMatcher service to tenants/employees
- Onsite carsharing vehicle(s) or bikesharing
- Flexible or alternative work hours
- Telework program
- Transit, carpool, and vanpool subsidies
- Pre-tax deduction for transit or vanpool fares and bicycle commute costs
- Access to services that reduce the need to drive, such as cafes, commercial stores, banks, post offices, restaurants, gyms, or childcare, either onsite or within 1,320 feet (1/4 mile) of the structure/use

The TDM Program, which applies to the proposed project's residential and retail uses, would also consist of the following strategies:

- Land Use Diversity
- Neighborhood Site Enhancement: New Bicycle Facilities; Dedicated Land for Bicycle linkages; Bicycle Parking; Showers and Lockers in Employment Areas; Increased Intersection Density; Traffic Calming; Car Share Service Accommodations; and Enhanced Pedestrian Network.
- Parking Policy and Pricing: Unbundled Residential Parking: Parking Cash-Out Program for Office Use: Metered On-Street Parking: and Reduced Parking Supply.
- Commute Trip Reduction Services: TDM Program Coordinator and Marketing; Electric Bike-Share Accommodations; Ridesharing Support; School Pool; Hotel Shuttle Service; and Transit Pass Programs.

STEP 3: CLIMATE ACTION PLAN CONFORMANCE EVALUATION

The purpose of Step 3 is to determine whether a project is located in a TPA and includes a land use plan and/or zoning designation amendment that is consistent with the assumptions in the CAP because it would implement CAP Strategy 3 actions. As described in the Project Description, the proposed project would be consistent with the Community Plan land use and zoning designations (Option A) and would not be required to complete Step 3.

CONCLUSION

The project would be consistent with the CAP steps for consistency with land use and CAP Strategies (Attachment D). The project does not propose any land use or zoning changes from the underlying land use designation or CC-3-6 zone and is within a TPA and has been evaluated as part of the Midway-Pacific Heights Programmatic Environmental Impact Report as well as the Climate Action Plan Environmental Impact Report.

MIDWAY RISING CLIMATE ACTION PLAN PRELIMINARY CONFORMANCE CONT.

As outlined in this memorandum, the project that is proposed would implement all of the Community Plan's goals and objectives that implement all of the five primary CAP strategies goals and policies related to the CAP and would therefore be consistent with the adopted CAP. It is concluded that the project would be consistent with each of the CAP strategies by:

- Increasing the number of residential units and commercial development within the Transit Priority Areas (TPAs) within the community to support transit;
- Implementing transportation demand management strategies and programs;
- Promoting multi-modal improvements;
- Encouraging the use of passive or zero net energy strategies;
- Supporting waste reduction, recovery, and recycling;
- Encouraging the planting of native and drought-tolerant landscaping; and
- Increasing the tree canopy.

ATTACHMENTS:

A. Sports Arena Leasehold Map

B. Midway-Pacific Highway Land Use Map

C. SB 743 Transit Priority Area Map

D. Climate Action Plan Consistency Checklist

ADJACENT PROPERTIES ANALYSIS

There are two properties outside of the city-owned 48-acres that would be accretive to Midway Rising's long-term community goals and the team plans to discuss acquiring or partnering with the owners if the Midway Rising team is selected to move forward with the City.

The first property are three parcels along Kurtz St ("Property #1") and the parcels are not included in our base case master plan. Property 1 would be the ideal location for a future housing site with a mix of market-rate and affordable housing. There are currently 1 and 2-story commercial buildings located on Property #1 and it is estimated that Property #1 could yield approximately 400 housing units in the future. Redeveloping Property #1 would complete the project's revitalization of the street frontage along Kurtz St and be a catalyst for future community reinvestment in the surrounding area.

Additionally, the shopping center which includes a Home Depot, Ralph's, and Target along Sports Arena Blvd ("Property 2") could present an opportunity for additional parking spaces during events, shows, and concerts hosted by the new Arena. While Midway Rising does have adequate parking for each of the project's components, a partnership with Property 2 would reduce traffic congestion during events with a high-volume attendance. In tandem with the proposed mobility hub along Sports Arena Blvd within the Midway Rising site, the team is focused on providing transportation options to reduce the reliance on single modes of transit.

1. POTENTIAL FUTURE ACQUISITION OR PARTNERSHIP #1

- Addresses: 3495, 3487, and 3467 Kurtz St, San Diego CA 92110
- APNs: 441-330-01, -12, -11

2. POTENTIAL FUTURE ACQUISITION OR PARTNERSHIP #2

- Addresses: 3231-3245 Sports Arena Blvd, San Diego CA 92110
- APNs: 441-650-16, -17, -18, -14, -08, -15, -13

MIDWAY RISING

A MIDWAY FOR ALL

F COMMUNITY ENGAGEMENT & DIVERSITY INCLUSION

COMMUNITY BENEFITS FRAMEWORK

Developed in Consultation with the Center On Policy Initiatives (CPI)

INTRODUCTION

Unlocking the Midway District's full potential requires robust, long-lasting community benefits that ensure workers, local residents, and future tenants share in the project's positive impacts.

That's Midway Rising's commitment – to truly lift up the Midway District and ensure San Diegans benefit directly from this revitalization project for years to come.

We consulted with the Center on Policy Initiatives to develop this community benefits framework laying out a roadmap for community benefits on healthcare, good jobs, career training, family services, sustainability and more.

Our aim is advancing high road development in Midway Rising's plans and ensure its positive impacts ripple across the San Diego community.

KEY STRATEGIES FOR HIGH ROAD DEVELOPMENT & COMMUNITY BENEFITS

1. Implement high road employment practices both in the development phases and beyond in the process of securing business tenants.
2. Develop spaces that help meet community needs.
3. Provide amenities and services that meet the needs of tenants and the surrounding community.
4. Center sustainability in development plans.
5. Actively prevent displacement.

Center on Policy Initiatives (CPI) is a nonprofit research and action institute dedicated to creating economic prosperity, sustainable communities, and a healthy environment for all.

CPI serves a unique role in the San Diego region, providing the analysis, policy solutions, education, and alliances that advance social and economic justice for working people and diverse communities.

CPI CENTER ON POLICY INITIATIVES

GUIDING PRINCIPLES

1. Conduct a community engagement process to create goals that can inform which high road development strategies the developer will implement. This engagement should involve residents in the surrounding area, low-income residents who will benefit from affordable housing development plans, community-based organizations with knowledge of community needs, potential business tenants, and workers or unions employed on the project.
2. Make development goals identified from the community engagement process public. Release details on how the developer will implement high road development strategies to meet development goals.
3. Release clear timelines detailing when the developer will provide or implement each development strategy so residents can plan to utilize said benefits. Clear timelines also foster transparency and accountability so community members and the local government can ensure that the developer delivers on community promises.

CREATING LASTING CHANGE

The following section provides high road development strategies to address community needs in the Midway District/Sports Arena revitalization project.

This list is not exhaustive, but offers a host of solutions and areas of focus to meet goals identified through community engagement and create a positive and lasting impact for San Diego communities, workers and families.

Implement high road employment practices both in the development phases and beyond in the process of securing business tenants.

1. *Commit to collective bargaining and labor harmony on both construction and operations so workers have a voice on the job and can freely choose to organize unions.*
   Strong unions built the American middle class and are essential to ensuring workers share in the prosperity they create. Working collaboratively with unions ensures high wages, worker protections and quality healthcare and retirement. Workers' right to organize should not only be protected, but encouraged.

2. *Require the developer, contractors, and subcontractors to pay workers at least a living wage.*
   Ensuring workers are paid a living wage enables workers to thrive despite the rising cost of living, reduces incidents of wage theft, and boosts the local economy when workers spend their additional wages. In addition, paying a living wage increases worker morale, worker health, and improved quality of service. It also lowers turnover rates, saving money for employers.

COMMUNITY BENEFITS ROADMAP CONT.

3. *Create a targeted local hire program.*
   A local and targeted hiring program requires or incentivizes businesses to hire from targeted populations in the community and local workers. Programs can also include local hire goals that stipulate a percentage of the total workforce that should come from certain areas/socioeconomic groups/other underemployed populations. Programs help job seekers overcome racial discrimination and other barriers to employment, thus improving employment outcomes in communities with high unemployment. They also help the developer/contractor/subcontractor secure reliable, local workers. Targeted local hire programs should prioritize individuals whose jobs may be displaced by the development, residents in surrounding areas, low-income individuals, and individuals referred by local, community-based job training organizations.

DEVELOP SPACES THAT HELP MEET COMMUNITY NEEDS

1. *Create a Child Care and After School Care Center.*
   Developers can provide favorable lease terms for child care provider tenants to ensure these spaces remain affordable. There is currently not enough child care available in San Diego to meet families' needs. Current licensed early childhood education capacity only supports 14% of the population 0-14 years old[1]. In addition, the early childhood education industry is a top source of low labor standards, including low pay, long hours, and limited benefits. By pairing favorable lease terms for providers and requiring high road commitments from lessees, the development can help families gain access to child care spaces while also helping address labor standards.

   Developers can provide further benefits to families by helping to subsidize child care slots for affordable housing residents and ensure they receive priority for enrollment. The cost of child care is often out of reach for many families at an average of $17,604 per month for children 0-2[2]. By receiving subsidies, families can better afford child care, help reduce poverty levels, and provide short and long-term benefits to children's success.

2. *Include retail space for affordable healthy food options.*
   There are approximately 441,037 people who experience nutrition insecurity in the City of San Diego[3]. By ensuring there is space in the development for people to access healthy food at an affordable price, more people will have healthy and nutritious food access.

3. *Develop park space.*
   San Diego neighborhoods with the highest concentrations of poverty have limited access to park spaces[4]. Furthermore, where parks are available, they are often not accessible due to safety concerns, limited walkability, lack of transportation, and lack of cultural inclusion. Access to parks and green spaces has many positive benefits, including health benefits, improved mental health, and increased opportunity for social connection, among many others. Park space in the development will also help improve water and air quality, reducing congestion and protecting wildlife.

4. *Create recreational facilities and opportunities accessible to the broader community, including community meeting spaces, affordable and accessible group exercise, youth programming, and other community programming.*
   A 2021 City audit found significant inequities in recreation opportunities in low-income communities in San Diego[5]. Recreation opportunities are also limited for those with limited English proficiency. Developing spaces that can be used for recreation opportunities provides similar benefits to those of parks, including social connection, improved mental health, and improved overall health of those using programs and services.

5. *Include a Health Clinic to support the health and wellness of development residents and the local community.*
   Everyone needs healthcare services wherever they live and work. These needs span income levels, ages, and demographics. Including an affordable clinic in the development, can help increase access to care while also bringing increased traffic to development shops and businesses.

PROVIDE AMENITIES AND SERVICES THAT MEET THE NEEDS OF TENANTS AND THE SURROUNDING COMMUNITY.

1. *Provide free internet in shared spaces and free or subsidized internet for low-income residents.*
   Access to the internet is essential in our everyday lives. However, 1 in 5 lower income households in the central San Diego region do not have access to internet service at home[6]. Providing free or subsidized internet access can help close this digital divide providing increased access to education and work opportunities for residents and community members.

2. *Provide computer labs for tenants.*
   Low-income individuals experience a technology gap in addition to lacking internet access. Computer labs also provide additional amenities such as larger computers, more program options, and printers to help meet educational, work, and personal use needs.

3. *Subsidize transit for low-income residents.*
   San Diego needs to make aggressive changes to meet air pollution reduction, traffic congestion, and mobility goals. By helping to encourage transit use, developers can promote mode shifts for those not currently taking transit, help support those who are transit-dependent, and help the City achieve these environmental goals.

COMMUNITY BENEFITS ROADMAP CONT.

4. *Create job training programs.*
   Job training programs can help bring more people into the skilled workforce and help reduce unemployment. Furthermore, job training programs can help decrease the youth disconnection rate, which is the percentage of youth 16-24 who are not in school or working.

CENTER SUSTAINABILITY IN DEVELOPMENT PLANS.

1. *Ensure all development spaces have all-electric appliances.*
   Residential gas consumption is currently dominated by appliance use. By utilizing all-electric appliances, the development can bring cleaner air, benefit resident health, reduce energy consumption, and reduce construction costs.
2. *Align with Climate Action Plan goals of 35% tree canopy cover in public areas.*
   As of Fall 2021, the City of San Diego only has an average of 13% urban tree canopy, while climate action goals are set at 35%[7]. Adding ample tree cover to development plans can help meet these goals, help reduce summer peak temperatures, and decrease air pollution.
3. *Commit to a zero carbon or net-zero development and include commitments to zero carbon in retail/office tenant leases.*
   Zero carbon and net zero carbon commitments can limit the development's carbon footprint and contribute to achieving climate goals. Only credible, ethical carbon offsets should be used when zero carbon is not immediately feasible.
4. *Provide electric vehicle charging infrastructure for residents and retail customers.*
   Providing EV charging infrastructure can incentivize and support the transition to electric vehicles while helping achieve city climate goals to reduce air pollution.

ACTIVELY PREVENT DISPLACEMENT.

1. *Ensure no less than 30% of housing units are affordable with limits on rent increase for affordable housing units.*
   San Diego is experiencing a housing crisis, with rental prices skyrocketing. Securing affordable housing can help address this crisis and prevent displacement. Furthermore, displacement often occurs when rents become unaffordable for tenants. Affordable housing units can become unaffordable after a few years of rent increases and push tenants out. By ensuring enforceable limits on rents and rent increase in affordable units, we can help keep people housed and prevent this displacement. The developer can also ensure affordable housing remains accessible to those who need it most by committing to accepting housing vouchers.
2. *Fund legal assistance for low-income tenants who will live in the development.*
   By contributing to legal assistance funds for residents, the developer can help ensure residents can assert their rights by enforcing habitability requirements and preventing unjust evictions.
3. *Provide relocation assistance for any surrounding tenants affected by construction to prevent housing insecurity.*
   Relocation assistance can help prevent displacement, helping those who may have to move during construction stay within the neighborhood. In addition to providing cash assistance, developers can help affected families find new housing.
4. *Create a process for tenants to weigh in on the selection of property management companies*
   Property management companies dictate much of the tenant experience, including habitability, maintenance, and other issues. Providing tenants with the opportunity to choose the management company can help secure a responsive and trusted property manager that supports a positive housing experience for tenants.

[1] San diego YMCA Child Care Supply Map
[2] Voice of San Diego Child Care Cost
[3] San Diego Hunger Coalition. (2021). Estimated Nutrition Insecurity in San Diego County by City. Jan. 2021
[4] Parks for California San Diego Park Access Data
[5] City of san Diego Equity in Recreation Programming Audit
[6] SANDAG Digital Divide Report
[7] EHC Start Here, Start Now - Environmental Justice Assessment of the City of San Diego Climate Action Plan

COMMUNITY PARTNERSHIPS & LETTERS OF SUPPORT

Father Joe's Villages

Deacon Jim F. Vargas, OFS
President & CEO

p 619 446 2151
f 619 445 2129
DeaconJim@neighbor.org

November 16, 2021

James Schmid, Chief Executive Officer
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

Dear Jim,

Father Joe's Villages strongly supports the proposal Chelsea Investment Corporation is submitting for the City of San Diego, Midway District NOA site. Father Joe's Villages has been working in partnership with Chelsea Investment Corporation for 27 years and together we have developed nine projects totaling over one thousand units of affordable housing for individuals experiencing homelessness in San Diego. We look forward to expanding our partnership under this latest proposal for the subject site.

This project will help change the lives of some of the more than 7,600 people who are experiencing homelessness every night in San Diego by providing what they need most: safe, stable, and quality affordable housing.

For over 70 years, Father Joe's Villages has been serving San Diegans experiencing homelessness and poverty. The organization has grown to include a comprehensive campus and a scattered-site program that houses as many as 2,500 people nightly. Additionally, Father Joe's Villages offers services such as public meals, therapeutic childcare services, medical, dental, and behavioral health care, and employment education and vocational training programs.

We are thrilled to be a part of this proposal and to provide this letter of support for housing and services for the most fragile members of the San Diego community, including those experiencing homelessness, as part of Chelsea's proposed project in the Midway District.

Please contact me if you have any questions or concerns.

Sincerely,

Deacon Jim F. Vargas

Deacon Jim F. Vargas
President & Chief Executive Officer

3350 E Street
San Diego, CA 92102
neighbor.org

PACIFICSOUTHWEST
Community Development Corporation

November 9, 2021

James Schmid, Chief Executive Officer
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

Dear Jim,

Pacific Southwest Community Development Corporation (PSCDC) is committed to proving superior on site services to the residents of Chelsea Projects across California. We fully support your proposal to respond to the City of San Diego's Notice of Availability for the Midway Site.

PSCDC has been the non profit partner and service provider for Chelsea Investment Corporation for over twenty years. We have jointly developed over seventy projects and incorporated services that benefit specific populations within each community. We are a dedicated partner providing quality affordable housing and those services that enhance the quality of the life for the residents who live there.

PSCDC provides on site services at no charge to the residents of our communities starting within 6 months of the project's placed in service date. The services are typically provided for a minimum period of 15 years. The total annual value of the services provided by PSCDC will be determined once awarded the NOA.

PSCDC will provide adult educational and skill building classes to include computer literacy, ESL and art classes, job counseling, financial literacy, health and wellness workshops and a food distribution program. These classes and workshops will provide 60 hours of instruction each year on site at no charge to the residents.

PSCDC will also offer an After School Program for children that will provide a minimum of 10 hours of service per week during the school year. This program will include tutoring, mentoring, arts & crafts, computer skills and other educational enrichment activities at no cost to the residents.

Please contact me if you have any questions.

Sincerely,

Robert W Laing
President

16935 W. Bernardo Drive, Suite 238,
San Diego, CA 92127
Tel: 858 675 0506 Fax: 858 675 0702
www.pswcdc.org

San Diego Regional Center

Serving Individuals with Developmental Disabilities in San Diego and Imperial Counties

4355 Ruffin Road, San Diego, California 92123 • (858) 576-2996 • www.sdrc.org

November 10, 2021

James Schmid, Chief Executive Officer
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

Dear Jim,

I write in strong support of the proposal Chelsea Investment Corporation is submitting for the City of San Diego, Midway District RFP site. The San Diego Regional Center has been working in partnership with Chelsea Investment Corporation and Southern California Housing Collaborative for more than a decade to provide homes for SDRC clients.

Chelsea's dedication to providing quality housing and the proven track record of successfully developing projects across San Diego, Imperial, Orange, and Riverside counties give us assurance that this project will promote social inclusion and allow our residents with special needs to integrate with the larger community. Additionally, this project will make an enormous impact on the lives of more than 35,000 clients currently served by the San Diego Regional Center (SDRC).

SDRC is prepared to provide services to support residents with an intellectual or developmental disability.

SDRC is a service of the San Diego – Imperial Counties Developmental Services, Inc. SDRC is a focal point in the community for services and information for persons with developmental disabilities living in San Diego and Imperial counties. We are a non-profit 501 (c) (3) organization that contracts with the State of California to provide the services outlined in the Lanterman Developmental Disabilities Services Act (Welfare & Institutions Code, Section 4500, et seq.)

To ensure that the provision of services is consistent with the Lanterman Developmental Disabilities Act and each client's Individual Program Plan (IPP), SDRC will, to the fullest extent possible, appropriately, and effectively use funds in the purchase of services for all clients. Decisions regarding purchase of services are made in the context of the Planning team. The IPP developed by the team describes the client's individual service needs and the various agency resources that are necessary to meet those needs. There are various options available to help clients achieve their goals and objectives.

Southern California Housing Collaborative

To locate and secure affordable housing opportunities for persons with developmental disabilities.

November 10, 2021

Cheri Hoffman, President
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

Dear Ms. Hoffman,

Southern California Housing Collaborative is pleased to provide this Letter of Support for Chelsea Investment Corporation proposal to develop affordable housing for the Midway Notice of Availability released by the City of San Diego. Southern California Housing Collaborative has worked in partnership with Chelsea Investments for more than a decade to provide housing for individuals with developmental disabilities.

SCHS was established in 2008 to address locating and securing safe, accessible, and affordable housing opportunities for low-income individuals with developmental disabilities. SCHC has successfully completed six projects with Chelsea Investment Corporation totaling over 80 units with several in the pipeline reserved for the developmentally disabled community in collaboration with the San Diego Regional Center.

SCHC is a non-profit (c) (3) organization that partners to serve over 35,000 clients across San Diego and Imperial County. Individuals with Developmental Disabilities can include intellectual disabilities, cerebral palsy, epilepsy, and autism. SCHC works in collaboration with the San Diego Regional Center to find housing and coordinate with different vendors based on the Individual Program Plan (IPP) of each resident within these communities.

We are excited to help bring some much-needed housing to the Midway District and are pleased that the City of San Diego is focused on reaching these sensitive populations.

Please contact me if you have any questions or concerns.

Sincerely,

Nathan Schmid
Executive Director

SERVING SENIORS

November 10, 2021

James Schmid, Chief Executive Officer
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

Dear Jim,

Serving Seniors strongly supports the proposal Chelsea Investment Corporation is submitting for the City of San Diego, Midway District NOA site. Serving Seniors has been working in partnership with Chelsea Investment Corporation for more than 20 years to provide affordable housing for seniors in San Diego County.

Chelsea's commitment to providing quality housing for seniors paired with our proven track record of successfully developing projects together in San Diego gives us assurance that this project will help struggling seniors live healthy and fulfilling lives. Additionally, this project will make an enormous impact on the lives of over 8,000 clients currently served by Serving Seniors in San Diego County.

Serving Seniors is transforming the aging experience for low-income seniors in San Diego with our highly successful and innovative programs that help seniors live independently for as long as possible.

Since 1970, Serving Seniors has been the leading provider of services that meet the basic needs of the low-income, at-risk seniors living in San Diego's urban core and the only organization in San Diego, and one of the few in the country, providing such a broad base of vital services to this vulnerable population. We are considered a national model because of our innovative programs and focus on building multi-disciplinary collaborations to enhance the services offered by our staff.

Through our continuum of care model, we provide health education, social services, case management, affordable supportive housing, and lifelong learning opportunities. Each program plays a critical role in our mission of helping seniors in poverty live healthy and fulfilling lives.

The seniors we serve are one of the lowest income and most vulnerable populations in San Diego County. All are over the age of 60, and most are single with no familial support and live alone in nearby apartments, single room occupancy hotels, or on the street.

More than three-quarters of the seniors who rely on assistance from Serving Seniors have incomes well below the poverty level, averaging just $950 per month. Our clients represent an increasingly culturally diverse population throughout San Diego County.

525 14th Street, Suite 200 | San Diego, CA 92101
619-235-6572
www.servingseniors.org

VETERANS VILLAGE OF SAN DIEGO

40 YEARS

Veterans Village of San Diego serves America's veterans in overcoming homelessness and related challenges

November 10, 2021

Cheri Hoffman, President
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

Dear Ms. Hoffman,

Veterans Village of San Diego proudly supports Chelsea Investment Corporation's proposed development for the Midway Notice of Availability to the City of San Diego. This presents a significant opportunity to provide desperately needed affordable housing for veterans and their families.

Veterans Village of San Diego (VVSD) has been a leading provider of supportive services to Veterans in San Diego County since 1981. Our programs extend assistance to veterans and their families beyond the basic food, clothing, and shelter to help Veterans enrolled in our programs to reach the highest level of independence. We offer an array of housing options to eligible homeless Veterans or at imminent risk of becoming homeless, including bridge housing, transitional housing, and rapid rehousing services.

VVSD is also a leader in the community as a provider for life-saving services such as financial assistance, intervention, and comprehensive case management for Veterans struggling with health issues, homelessness, and unexpected crises. Each year VVSD serves more than 3,000 veterans throughout San Diego County.

We are eager to partner with Chelsea Investment Corporation on this exciting proposal that will help provide relief to the Veterans of San Diego County, with much needed affordable housing in the newly envisioned Midway District.

Please contact me if you have any questions or concerns.

Sincerely,
Akilah Templeton
President & CEO

Founders of STAND DOWN for Homeless Veterans
Vietnam Veterans of San Diego, dba Veterans Village of San Diego
4141 Pacific Highway, San Diego, California 92110 • 619-393-2000 • fax 619-497-0263
VVSD is a nonprofit charitable 501C(3) corporation EIN #95-3849525
www.vvsd.net

MIDWAY RISING

A MIDWAY FOR ALL

G FINANCIAL CAPABILITY

TEAM & FINANCIAL CAPABILITY

Chelsea Investment Corporation is a leader in the financing and development of affordable housing. We provide financial engineering, development services, and asset management to our partners and clients. Our experienced team of professional identify and implement timely and cost-effective solutions to the many challenges of affordable housing. Chelsea is a prively-held company and is majority-owned and controlled by Jim Schmid and his wife, Lynn, who are residents of San Diego County.

https://www.chelseainvestco.com

Founded in 2008 by the Jones family of the Dallas Cowboys and the Steinbrenner family of the New York Yankees, Legends is a privately-held premium experience company that specializes in delivering holistic solutions for legendary brands. Major shareholders include one of the world's largest private equity firms Sixth Street Capital.

https://www.legends.net

Zephyr is a local development firm based in Encinitas, with an office in Los Angeles, and manages projects from concept to completion, with creative approaches that meet a multitude of community needs. Zephyr is a privately held company majority owned and controlled by Brad Termini, a resident of San Diego County.

https://builtbyzephyr.com

At AECOM, we believe infrastructure creates opportunity for everyone – uplifting communities, improving access and sustaining our planet. We're committed to managing our business with the upmost responsibility and to always strive for better — be that reducing emissions, creating social value or diversifying our senior leadership and workforce. AECOM is a publicly-traded company. Enclosed on the following pages are the 2021 financial statements.

https://aecom.com

All trade secrets shown on this page, including company ownership structure, financial information, proprietary information, and real estate negotiation documents shall be exempt from public disclosure.

MIDWAY RISING

A MIDWAY FOR ALL

H APPENDIX

SPORTS ARENA LAND USE POLICIES CHECKLIST

Sports Arena Village Land Use Policy Project Conformance
Appendix A

#	Policy Category	Policy	Project Conformance
1	Vision	Establish a pedestrian- and transit-oriented landmark entertainment destination.	The project will incorporate a mix of entertainment, office, retail, residential, public, and park uses. The Sports Arena Boulevard streetscape will be improved to create an inviting gateway to the village that features a linear park and pedestrian and bicycle multi-use path. A rapid bus station that is done in coordination with the Metropolitan Transit System (MTS) and the San Diego Association of Governments (SANDAG) will be integrated into the overall project design to create a strong transit connection to serve employees, residents, and visitors. Commercial and entertainment uses intermixed with 4,000 units of residential will provide activity and vitality to the village. New uses will also be integrated around the new modern arena and the 3.9 acre primary village square known as the Zocalo.
2	Uses	Identify a mix of entertainment, office, retail, residential, recreational, public, and park uses.	The project will include 4,000 new residential units and will relocate and develop a new state of the art sports arena to the southern end of the leasehold. The project plans to include 250,000 square feet of commercial and retail spaces featuring local restaurants, a weekly local farmers market, community-oriented shops, and a 200-key hotel. This new community will be connected through a system of complete streets that feature enhanced pedestrian- and bicycle-oriented infrastructure that link to parks within the community and to the recreational and entertainment amenities at Mission Bay, the San Diego River, and San Diego Bay. The project will include a central mobility hub that is served by MTS's bus rapid transit system to increase transit ridership and ultimately reduce the reliance on single occupancy vehicle trips. First/last mile solutions to connect residents and visitors to/from the existing Old Town transit station as well as the proposed Grand Central Station to the Arena village will be a key element of the proposed project.
3	Uses	Include an entertainment venue which could consist of the existing Sports Arena building, a new arena, or another entertainment facility.	The project includes a new state of the art sports arena building as part of the overall development proposal.
4	Uses	Encourage on-site affordable housing	The project includes 2,000 units of affordable housing that will range between 30% AMI and 60% AMI. The restricted units will be a mix of studios, one, two and three bedroom units, totaling nearly 1.6 Million gross square feet.
5	Uses	Support the continuation of existing retail uses in the village, including a swap meet or other outdoor retail market use	The project will include an active and vibrant outdoor retail market use that will be located as part of the development's 3.9-acre Zocalo plaza that will be directly adjacent to the new sports arena. This area will create a retail/commercial entertainment area that is open to the public and surrounding community. Not only will this new entrainment district serve as an public open space but will also host outdoor concerts, shows, events, etc. The open plaza will be activated by F&B, shops, restaurants and more. This is the central gathering space for the development that connects the last-mile transit from Grand Central Station to the Mobility Hub, and then through the activated green spine/pathway in the middle of the site.
6	Mobility	Incorporate a new street, pedestrian, and bicycle network within the superblock to create a walkable scale for new development and improve public north- south access.	The project will incorporate a new pedestrian-oriented street grid that will reestablish connections between Sports Arena Boulevard and Kurtz Street. The super blocks will be broken up with plazas and paseos as well as dog parks.

SPORTS ARENA LAND USE POLICIES CHECKLIST CONT.

Sports Arena Village Land Use Policy Project Conformance
Appendix A

7	Mobility	Provide pedestrian paths that create connections between adjacent developments and/or properties.	The project will be connected through a system of complete streets and park/open space that feature enhanced pedestrian- and bicycle-oriented infrastructure that link to parks within the community and to the recreational and entertainment amenities at Mission Bay, the San Diego River, and San Diego Bay. The street network will include new infrastructure realize the Bay to Bay connection and to complete the first and last mile connection to the existing Old Town Transit Station as well as the future Grand Central Station.
8	Mobility	Coordinate with SANDAG and MTS to incorporate a future Rapid Bus station with a mobility hub into the village to create a strong transit connection.	The project team will work closely with SANDAG and MTS staff to ensure that a future Rapid Bus station with a centralized mobility hub is included in the project to create a strong transit connection. The new sports arena will be sited on the southern tip of the project site in order to reduce the distance between the site and the future Grand Central Station so people can feel more comfortable walking or taking transit. This will be a catalyst for solving the first and last mile issues commonly affecting transit ridership and walkability.
9	Mobility	Encourage the use of shared structured parking serving multiple uses to efficiently meet parking needs.	The project incorporates shared parking strategies along with a centralized mobility hub that will connect residents and visitors to the regional transit network as well as provide bike and Electric Vehicle car sharing options. Residential parking will be in above ground podium structures and will make use of shared parking efficiencies with other land uses. The parking structures will be lined with active uses to shield the parking and to maximize the human scale and urban walkability. This will result in enhanced mobility, connectivity and increased use of the different transportation options. The

Sports Arena Village Land Use Policy Project Conformance
Appendix A

			project will capitalize on the Transit Oriented Development (TOD) nature of the site and leverage the Old Town Transit Station and its connectivity throughout the San Diego region. Fewer cars mean less traffic and improved site circulation which is a community benefit that carries significant value. San Diego Association of Governments plan to develop a primary transportation center for the region, connecting all rail and bus lines with a people mover to the airport. This central mobility hub is commonly referred to as San Diego's "Grand Central Station," and due to the increased access to public transit that will result from this Grand Central Station, we anticipate the need for parking in the distant future to decrease. With this understanding, we are also proposing that the podium parking areas will be designed to accommodate conversion from parking into additional affordable residential units. In addition to the parking being flexible for future use, we will optimize multimodal transportation options. San Diego Association of Governments' transit hub allows the creation of a true Live, Work, Play community.
10	Parks	Identify the type, size, and location of a mix of parks and/or park equivalencies that meet the population-based park needs of residential uses located within the village, which can include plazas, urban greens, linear parks, and other park and recreational amenities as addressed in the Recreation Element.	The project will include over 20 acres of new parks and open space. Please see site plan for location of park and open space. The areas will be broken out into the following: a. Central Urban Park space = 2.9 acres b. Community Park space = 4.1 acres c. Elevated Park Space = 4.2 acres d. Linear Park Space = 5.7 acres e. Entertainment Plaza aka The Zocalo = 3.9 acres

SPORTS ARENA LAND USE POLICIES CHECKLIST CONT.

Sports Arena Village Land Use Policy Project Conformance
Appendix A

		Include a central green or square as a focal point for the village.	Total acreage: 20.8 acres
11	Parks	Create a multi-use urban path and linear park along Sports Arena Boulevard and the extension of Kemper Street, to enhance the public realm and provide a pedestrian and bicycle link to a future connection across I-8 as part of the Bay-to-Bay Link.	The Sports Arena Linear Park that will celebrate the Bay to Bay link and will include 3.9 acres of open space that will be planned to include a group picnic area, shade structure, plaza and amphitheater, a jogging trail and bike path separated from the primary pedestrian sidewalk, comfort station, children's play area and/or a skateboard area, site furniture, fitness stations, game tables, art elements, drinking fountains, interpretive signage, and drought tolerant landscaping.
12	Urban Design & Public Realm	Incorporate a main street with pedestrian-oriented retail uses.	The project will incorporate a variety of pedestrian-oriented uses with over 250,000 square feet of new retail that will be located throughout the project site and connect the housing to the vibrant entertainment plaza known as the Zocalo. The team will work with the businesses, residents, and stake holders for the project site to create a vibrant new neighborhood for the Midway District. Understanding the past, present and future for the site is crucial and inviting collaboration including Koby Swap Meet, Phil's and the community Stakeholders will shape the Midway District to be diverse, equitable and inclusive.
13	Urban Design & Public Realm	Provide active ground-floor uses in buildings with frontages along streets, public spaces, and parks.	The project incorporates over 250,000 square feet of new active community-oriented retail and commercial uses.
14	Urban Design & Public Realm	Incorporate space for an outdoor market, which can be on public right-of-way along main streets or at another public space.	A weekly outdoor market will be included in the 3.9-acre Zocalo Plaza. This will be a retail/commercial entertainment area that is open to the public and surrounding community. Not only will the area serve as a public open space but it is anticipated to host outdoor concerts, shows, events, and more. The open area will be activated

Sports Arena Village Land Use Policy Project Conformance
Appendix A

			by local restaurants and bars and other community serving venues. This is the central gathering space for the development that connects the last-mile transit from Grand Central Station to the Mobility Hub, and then through the activated green spine/pathway in the middle of the site. While the Arena is a focal point, this central square is a significant aspect of the proposed development.
15	Urban Design & Public Realm	Improve Sports Arena Boulevard as the gateway to the village with a multi-use urban path and linear park.	Significant gateway features and enhanced drought tolerant landscaping with shade-producing street trees will be included as part of the overall design of the project.
16	Urban Design & Public Realm	Consider raising the grade of new development to reduce the potential for future flooding.	The project will raise the grade of the overall development to reduce the potential for future flooding. Complete information will be provided once engineering surveys are completed.
17	Coastal Access	Provide a pedestrian and bicycle connection to the San Diego River Park and the Coastal Zone where feasible.	The project will provide an extensive "Complete Boulevard" that implements the Bay to Bay linkage along Sports Arena Boulevard that will connect to the San Diego River.
18	Implementation	Provide a development phasing and implementation program that considers the existing long-term city property leases and addresses the implementation of public facilities, including on-site parks to serve residential uses.	The project includes a development phasing and implementation program

SPORTS ARENA CPIOZ CHECKLIST

#	Policy Category	Policy	Project Proposal
SDR-1	Requirement	For any development within the boundaries of the Sports Arena Community Village CPIOZ that proposes an increase in floor area or the development of residential use(s), a specific plan or a development plan with a Master Planned Development Permit (PDP) shall be required. The decision of which type of plan is required (specific plan or development plan with a Master PDP) shall be made by the Development Services Director. For a specific plan, a community plan amendment initiation is not required if the proposed scope or objectives are consistent with the Community Plan's vision regarding village development, mobility, parks, and urban design.	The project will create a specific plan with ample community engagement.
SDR-2	Requirement	Wood and gas fireplaces shall not be permitted in any new dwelling unit within the boundaries of the Sports Arena Community Village CPIOZ. Gas fireplaces are permitted in common amenity spaces.	The project will not include wood or gas fireplaces in any new dwelling unit.
SDR-3	Incentive	Allow development on properties within the Sports Arena Community Village CPIOZ to calculate maximum allowable residential density and/or floor area based on the entire parcel area including the public right-of-way provided for new streets and the area provided for new parks, linear parks, and other park equivalencies.	The project will comply with the CPIOZ-A requirements and will therefore be eligible for this incentive.
SDR-4	Requirement	Development shall provide 20 feet of public right-of-way from the curb to the property line. Within the 20 feet of public right-of-way, development shall	The project design will comply with this requirement.

Community Plan Implementation Overlay Zone A and B Compliance
Appendix B

#	Policy Category	Policy	Project Proposal
		provide a multi-use path with a minimum width of 12 feet and, between the curb and the multi-use path, a parkway / furnishing area with a minimum width of 8 feet that incorporates tree wells.	
SDR-5	Requirement	Development shall provide street trees in the tree wells within the public right-of-way consistent with the Community Plan's street tree palette for Sports Arena Boulevard (refer to Appendix A).	The project will comply with this require and will propose the street tree palette outlined in Appendix A.
SDR-6A and 6B	Requirement	Development shall observe a minimum front setback or street side setback of 10 feet and a maximum front setback or street side setback of 25 feet along Sports Arena Boulevard (see Figure 2-17). **A.** Within the front yard or street side yard along Sports Arena Boulevard, development shall provide a row of trees parallel to the multi-use path, equal in number to the required street trees; and consistent with the street tree palette for Sports Arena Boulevard in Appendix A; and landscaping. **B.** Within the front yard or street side yard between the minimum setback and the maximum setback (if applicable), development may provide publicly accessible, privately owned pedestrian path(s), plaza space, and/or landscaping.	The project will comply with the setback requirements.

SPORTS ARENA CPIOZ CHECKLIST CONT.

Community Plan Implementation Overlay Zone A and B Compliance
Appendix B

SDR-7	Requirement	Development shall provide a pedestrian path from the sidewalk on Sports Arena Boulevard to the building entrance.	The project will comply with the pedestrian path requirement along Sports Arena Boulevard.
SDR-8	Incentive	Allow development on properties within the Sports Arena Boulevard Streetscape CPIOZ to calculate maximum allowable residential density and/or floor area based on the entire parcel area including the public right-of-way provided for the enhanced streetscape	The project will comply with the CPIOZ-B requirements and will therefore be eligible for this incentive.

SPORTS ARENA LEASEHOLD MAP (ATTACHMENT A)

A - Stonewood Garden Apartments
8.36 acres, expires 03-31-2057

B - Orchard II
5.59 acres, expires 03-01-2036

C - ST Associates
5.01 acres, expires 06-20-2032

D - Sports Arena Village
17.61 acres, expires 01-01-2029

E - Hancock Partners
0.61 acre, expires 08-31-2035

F - AEG Management (Sports Arena)
33.58 acres. expires 05-31-2020

G - Heritage Group Mgmt. Agmt. for Sports Arena Square
5.00 acres, expires 05-31-2020

H - Probuild Company (Dixieline Lumber)
3.80 acres, expires 05-31-2020

I - Victor J. Schulman Trust
0.59 acre, expires 05-31-2020

J - Pier 1 Imports
0.623 acres, expired 05-31-2018

K - MCS Sports Arena Business Park
1.75 acres, expires 10-24-2033

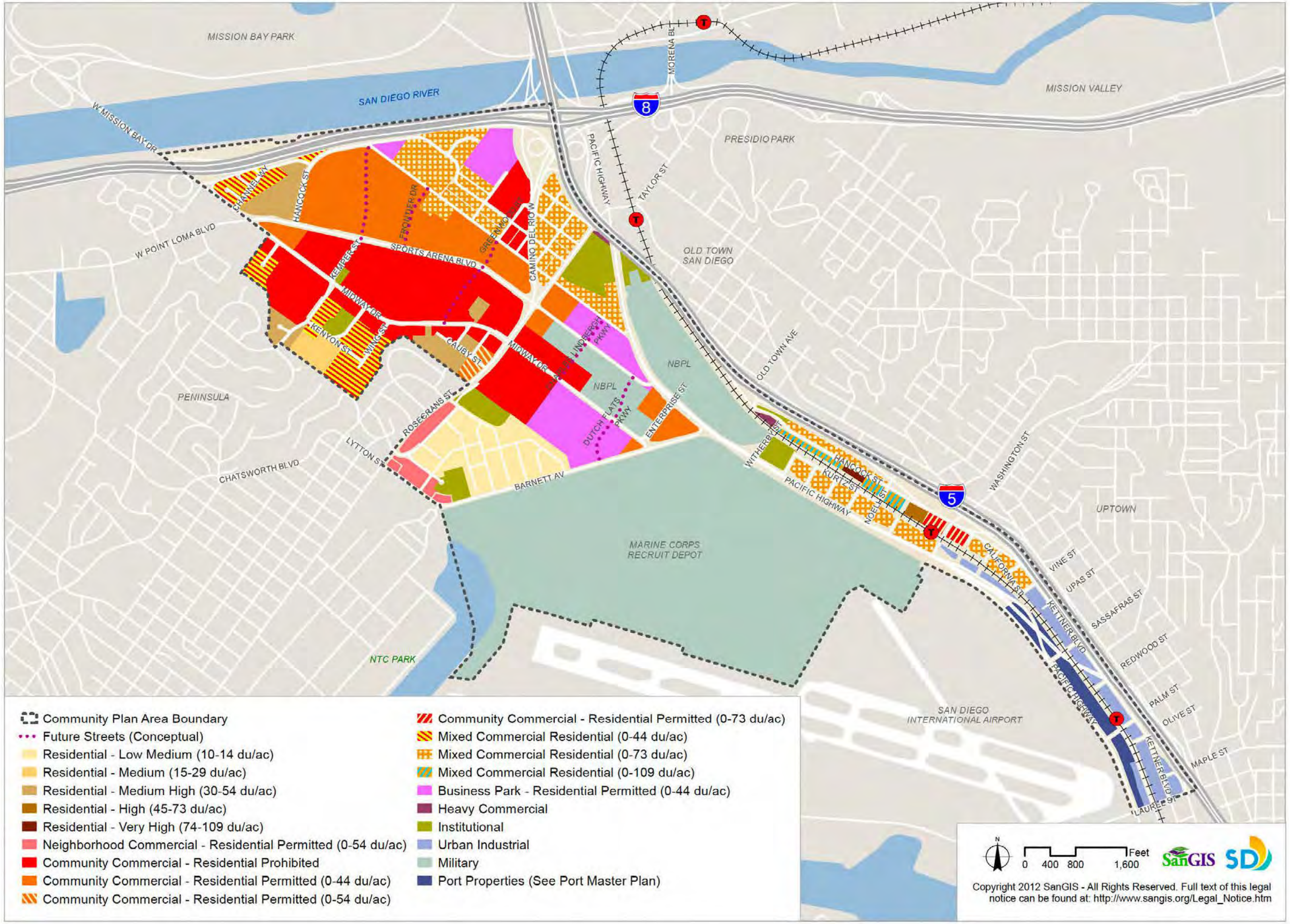
L - AEG Management (Retail Pads)
4.92 acres, expires 04-03-2032

Revised 01/29/18

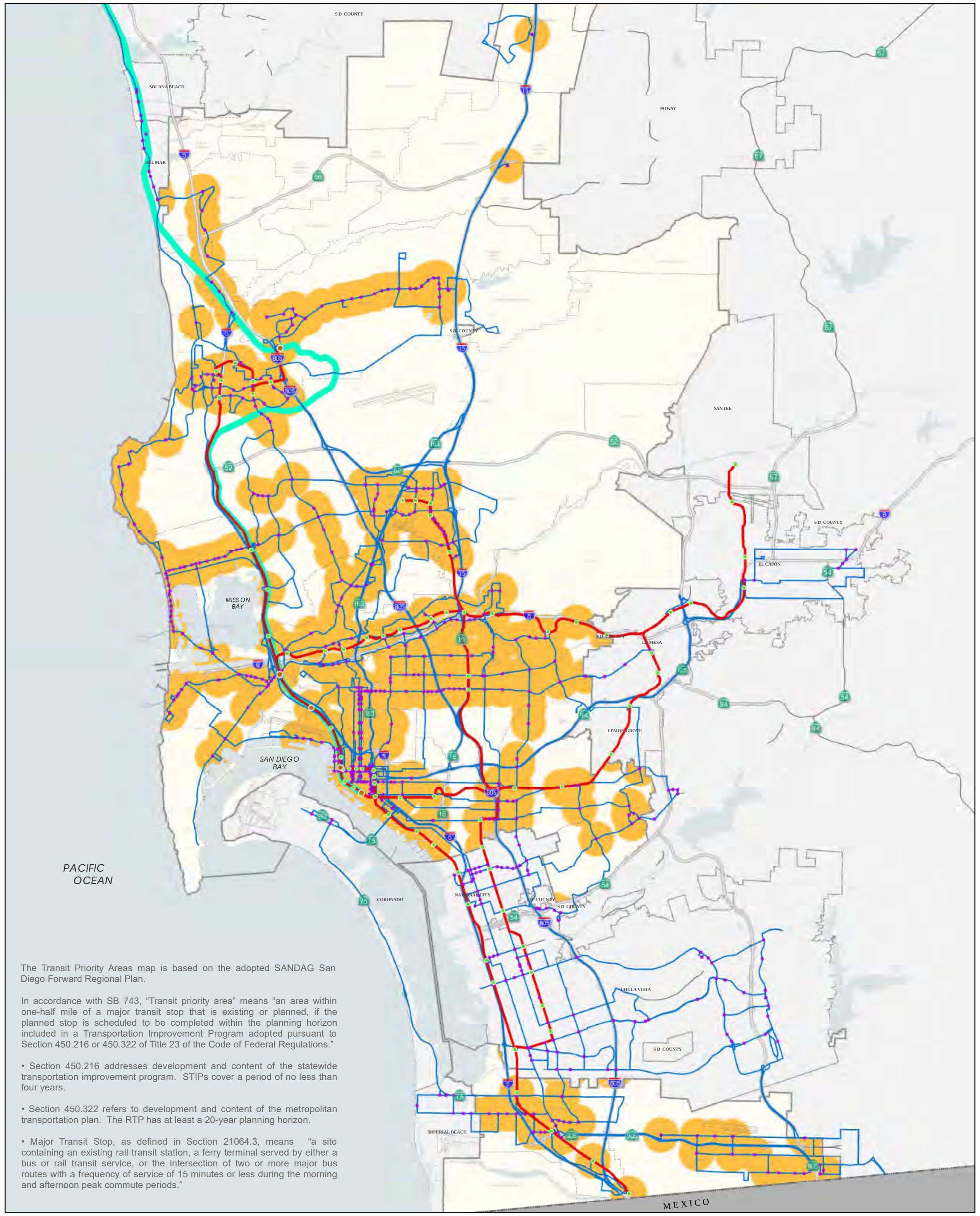
N

SanGIS

MIDWAY - PACIFIC HIGHWAY LAND USE MAP (ATTACHMENT B)



SB 743 TRANSIT PRIORITY AREA MAP (ATTACHMENT C)



ATTACHMENT D

CLIMATE ACTION PLAN
CONSISTENCY CHECKLIST INTRODUCTION

In December 2015, the City adopted a Climate Action Plan (CAP) that outlines the actions that City will undertake to achieve its proportional share of State greenhouse gas (GHG) emission reductions. The purpose of the Climate Action Plan Consistency Checklist (Checklist) is to, in conjunction with the CAP, provide a streamlined review process for proposed new development projects that are subject to discretionary review and trigger environmental review pursuant to the California Environmental Quality Act (CEQA).[1]

Analysis of GHG emissions and potential climate change impacts from new development is required under CEQA. The CAP is a plan for the reduction of GHG emissions in accordance with CEQA Guidelines Section 15183.5. Pursuant to CEQA Guidelines Sections 15064(h)(3), 15130(d), and 15183(b), a project's incremental contribution to a cumulative GHG emissions effect may be determined not to be cumulatively considerable if it complies with the requirements of the CAP.

This Checklist is part of the CAP and contains measures that are required to be implemented on a project-by-project basis to ensure that the specified emissions targets identified in the CAP are achieved. Implementation of these measures would ensure that new development is consistent with the CAP's assumptions for relevant CAP strategies toward achieving the identified GHG reduction targets. Projects that are consistent with the CAP as determined through the use of this Checklist may rely on the CAP for the cumulative impacts analysis of GHG emissions. Projects that are not consistent with the CAP must prepare a comprehensive project-specific analysis of GHG emissions, including quantification of existing and projected GHG emissions and incorporation of the measures in this Checklist to the extent feasible. Cumulative GHG impacts would be significant for any project that is not consistent with the CAP.

The Checklist may be updated to incorporate new GHG reduction techniques or to comply with later amendments to the CAP or local, State, or federal law.

[1] Certain projects seeking ministerial approval may be required to complete the Checklist. For example, projects in a Community Plan Implementation Overlay Zone may be required to use the Checklist to qualify for ministerial level review. See Supplemental Development Regulations in the project's community plan to determine applicability.

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City Council Approved July 12, 2016
Revised June 2017

CLIMATE ACTION PLAN CONSISTENCY CHECKLIST CONT.

CAP CONSISTENCY CHECKLIST SUBMITTAL APPLICATION

- The Checklist is required only for projects subject to CEQA review.[2]
- If required, the Checklist must be included in the project submittal package. Application submittal procedures can be found in Chapter 11: Land Development Procedures of the City's Municipal Code.
- The requirements in the Checklist will be included in the project's conditions of approval.
- The applicant must provide an explanation of how the proposed project will implement the requirements described herein to the satisfaction of the Planning Department.

Application Information

Contact Information

Project No./Name: C ty of San D ego 48.5 Acre Sports Arena Redeve opment Proposa

Property Address: 3500 Sports Arena Bou evard San D ego CA 92110

Applicant Name/Co.:

Contact Phone: Contact Email:

Was a consultant retained to complete this checklist? ☒ Yes ☐ No If Yes, complete the following

Consultant Name: Contact Phone:

Company Name: Contact Email:

Project Information

1. What is the size of the project (acres)? 48.5 acres
2. Identify all applicable proposed land uses:
   - ☐ Residential (indicate # of single-family units):
   - ☒ Residential (indicate # of multi-family units): 4,000
   - ☒ Commercial (total square footage): 250,000
   - ☐ Industrial (total square footage):
   - ☒ Other (describe): Sports Arena
3. Is the project or a portion of the project located in a Transit Priority Area? ☒ Yes ☐ No
4. Provide a brief description of the project proposed:

See project descr pt on nc uded as part of the CAP memorandum that descr bes the proposed project wh ch w enta the ease, construct on, and operat on of a new mu t -use v age that nc udes 4,000 un ts of hous ng, a new sports arena, open space, parks, recreat on, a mob ty hub, and a 200-key hote .

[2] Certain projects seeking ministerial approval may be required to complete the Checklist. For example, projects in a Community Plan Implementation Overlay Zone may be required to use the Checklist to qualify for ministerial level review. See Supplemental Development Regulations in the project's community plan to determine applicability.

CAP CONSISTENCY CHECKLIST QUESTIONS

Step 1: Land Use Consistency

The first step in determining CAP consistency for discretionary development projects is to assess the project's consistency with the growth projections used in the development of the CAP. This section allows the City to determine a project's consistency with the land use assumptions used in the CAP.

Step 1: Land Use Consistency		
Checklist Item (Check the appropriate box and provide explanation and supporting documentation for your answer)	Yes	No
A. Is the proposed project consistent with the existing General Plan and Community Plan land use and zoning designations?;[3] OR, B. If the proposed project is not consistent with the existing land use plan and zoning designations, and includes a land use plan and/or zoning designation amendment, would the proposed amendment result in an increased density within a Transit Priority Area (TPA)[4] and implement CAP Strategy 3 actions, as determined in Step 3 to the satisfaction of the Development Services Department?; OR, C. If the proposed project is not consistent with the existing land use plan and zoning designations, does the project include a land use plan and/or zoning designation amendment that would result in an equivalent or less GHG-intensive project when compared to the existing designations?	☒	☐

If ***"Yes,"*** proceed to Step 2 of the Checklist. For question B above, complete Step 3. For question C above, provide estimated project emissions under both existing and proposed designation(s) for comparison. Compare the maximum buildout of the existing designation and the maximum buildout of the proposed designation.

If ***"No,"*** in accordance with the City's Significance Determination Thresholds, the project's GHG impact is significant. The project must nonetheless incorporate each of the measures identified in Step 2 to mitigate cumulative GHG emissions impacts unless the decision maker finds that a measure is infeasible in accordance with CEQA Guidelines Section 15091. Proceed and complete Step 2 of the Checklist.

[3] This question may also be answered in the affirmative f the project is consistent with SANDAG Series 12 growth projections, which were used to determine the CAP projections, as determined by the Planning Department.

[4] This category applies to all projects that answered in the affirmative to question 3 on the previous page: Is the project or a portion of the project located in a transit priority area.

CLIMATE ACTION PLAN CONSISTENCY CHECKLIST CONT.

Step 2: CAP Strategies Consistency

The second step of the CAP consistency review is to review and evaluate a project's consistency with the applicable strategies and actions of the CAP. Step 2 only applies to development projects that involve permits that would require a certificate of occupancy from the Building Official or projects comprised of one and two family dwellings or townhouses as defined in the California Residential Code and their accessory structures.[5] All other development projects that would not require a certificate of occupancy from the Building Official shall implement Best Management Practices for construction activities as set forth in the Greenbook (for public projects).

Step 2: CAP Strategies Consistency			
Checklist Item (Check the appropriate box and provide explanation for your answer)	Yes	No	N/A
Strategy 1: Energy & Water Efficient Buildings			
1. *Cool/Green Roofs.* • Would the project include roofing materials with a minimum 3-year aged solar reflection and thermal emittance or solar reflection index equal to or greater than the values specified in the voluntary measures under California Green Building Standards Code (Attachment A)?; OR • Would the project roof construction have a thermal mass over the roof membrane, including areas of vegetated (green) roofs, weighing at least 25 pounds per square foot as specified in the voluntary measures under California Green Building Standards Code?; OR • Would the project include a combination of the above two options? Check "N/A" only if the project does not include a roof component.	☐	☐	☐

[5] Actions that are not subject to Step 2 would include, for example: 1) discretionary map actions that do not propose specific development, 2) permits allowing wireless communication facilities, 3) special events permits, 4) use permits or other permits that do not result in the expansion or enlargement of a building (e.g., decks, garages, etc.), and 5) non-building infrastructure projects such as roads and pipelines. Because such actions would not result in new occupancy buildings from which GHG emissions reductions could be achieved, the items contained in Step 2 would not be applicable.

2. *Plumbing fixtures and fittings* With respect to plumbing fixtures or fittings provided as part of the project, would those low-flow fixtures/appliances be consistent with each of the following: Residential buildings: • Kitchen faucets: maximum flow rate not to exceed 1.5 gallons per minute at 60 psi; • Standard dishwashers: 4.25 gallons per cycle; • Compact dishwashers: 3.5 gallons per cycle; and • Clothes washers: water factor of 6 gallons per cubic feet of drum capacity? Nonresidential buildings: • Plumbing fixtures and fittings that do not exceed the maximum flow rate specified in Table A5.303.2.3.1 (voluntary measures) of the California Green Building Standards Code (See Attachment A); and • Appliances and fixtures for commercial applications that meet the provisions of Section A5.303.3 (voluntary measures) of the California Green Building Standards Code (See Attachment A)? Check "N/A" only if the project does not include any plumbing fixtures or fittings.	☐	☐	☐

CLIMATE ACTION PLAN CONSISTENCY CHECKLIST CONT.

Strategy 3: Bicycling, Walking, Transit & Land Use

3. *Electric Vehicle Charging*

- Multiple-family projects of 17 dwelling units or less: Would 3% of the total parking spaces required, or a minimum of one space, whichever is greater, be provided with a listed cabinet, box or enclosure connected to a conduit linking the parking spaces with the electrical service, in a manner approved by the building and safety official, to allow for the future installation of electric vehicle supply equipment to provide electric vehicle charging stations at such time as it is needed for use by residents?
- Multiple-family projects of more than 17 dwelling units: Of the total required listed cabinets, boxes or enclosures, would 50% have the necessary electric vehicle supply equipment installed to provide active electric vehicle charging stations ready for use by residents?
- Non-residential projects: Of the total required listed cabinets, boxes or enclosures, would 50% have the necessary electric vehicle supply equipment installed to provide active electric vehicle charging stations ready for use?

Check "N/A" only if the project is a single-family project or would not require the provision of listed cabinets, boxes, or enclosures connected to a conduit linking the parking spaces with electrical service, e.g., projects requiring fewer than 10 parking spaces.

☒ ☐ ☐

Strategy 3: Bicycling, Walking, Transit & Land Use
(Complete this section if project includes non-residential or mixed uses)

4. *Bicycle Parking Spaces*

Would the project provide more short- and long-term bicycle parking spaces than required in the City's Municipal Code (Chapter 14, Article 2, Division 5)?[6]

Check "N/A" only if the project is a residential project.

☒ ☐ ☐

[6] Non-portable bicycle corrals within 600 feet of project frontage can be counted towards the project's bicycle parking requirements.

5. *Shower facilities*

If the project includes nonresidential development that would accommodate over 10 tenant occupants (employees), would the project include changing/shower facilities in accordance with the voluntary measures under the California Green Building Standards Code as shown in the table below?

Number of Tenant Occupants (Employees)	Shower/Changing Facilities Required	Two-Tier (12" X 15" X 72") Personal Effects Lockers Required
0-10	0	0
11-50	1 shower stall	2
51-100	1 shower stall	3
101-200	1 shower stall	4
Over 200	1 shower stall plus 1 additional shower stall for each 200 additional tenant-occupants	1 two-tier locker plus 1 two-tier locker for each 50 additional tenant-occupants

Check "N/A" only if the project is a residential project, or if it does not include nonresidential development that would accommodate over 10 tenant occupants (employees).

☒ ☐ ☐

CLIMATE ACTION PLAN CONSISTENCY CHECKLIST CONT.

6. *Designated Parking Spaces*

If the project includes a nonresidential use in a TPA, would the project provide designated parking for a combination of low-emitting, fuel-efficient, and carpool/vanpool vehicles in accordance with the following table?

Number of Required Parking Spaces	Number of Designated Parking Spaces
0-9	0
10-25	2
26-50	4
51-75	6
76-100	9
101-150	11
151-200	18
201 and over	At least 10% of total

This measure does not cover electric vehicles. See Question 4 for electric vehicle parking requirements.

Note: Vehicles bearing Clean Air Vehicle stickers from expired HOV lane programs may be considered eligible for designated parking spaces. The required designated parking spaces are to be provided within the overall minimum parking requirement, not in addition to it.

Check "N/A" only if the project is a residential project, or if it does not include nonresidential use in a TPA.

☐ ☐ ☐

7. *Transportation Demand Management Program*

If the project would accommodate over 50 tenant-occupants (employees), would it include a transportation demand management program that would be applicable to existing tenants and future tenants that includes:

At least one of the following components:

- Parking cash out program
- Parking management plan that includes charging employees market-rate for single-occupancy vehicle parking and providing reserved, discounted, or free spaces for registered carpools or vanpools
- Unbundled parking whereby parking spaces would be leased or sold separately from the rental or purchase fees for the development for the life of the development

And at least three of the following components:

- Commitment to maintaining an employer network in the SANDAG iCommute program and promoting its RideMatcher service to tenants/employees
- On-site carsharing vehicle(s) or bikesharing
- Flexible or alternative work hours
- Telework program
- Transit, carpool, and vanpool subsidies
- Pre-tax deduction for transit or vanpool fares and bicycle commute costs
- Access to services that reduce the need to drive, such as cafes, commercial stores, banks, post offices, restaurants, gyms, or childcare, either onsite or within 1,320 feet (1/4 mile) of the structure/use?

Check "N/A" only if the project is a residential project or if it would not accommodate over 50 tenant-occupants (employees).

☐ ☐ ☐

CLIMATE ACTION PLAN CONSISTENCY CHECKLIST CONT.

Step 3: Project CAP Conformance Evaluation (if applicable)

The third step of the CAP consistency review only applies if Step 1 is answered in the affirmative under option B. The purpose of this step is to determine whether a project that is located in a TPA but that includes a land use plan and/or zoning designation amendment is nevertheless consistent with the assumptions in the CAP because it would implement CAP Strategy 3 actions. In general, a project that would result in a reduction in density inside a TPA would not be consistent with Strategy 3.The following questions must each be answered in the affirmative and fully explained.

1. **Would the proposed project implement the General Plan's City of Villages strategy in an identified Transit Priority Area (TPA) that will result in an increase in the capacity for transit-supportive residential and/or employment densities?**
   Considerations for this question:
   - Does the proposed land use and zoning designation associated with the project provide capacity for transit-supportive residential densities within the TPA?
   - Is the project site suitable to accommodate mixed-use village development, as defined in the General Plan, within the TPA?
   - Does the land use and zoning associated with the project increase the capacity for transit-supportive employment intensities within the TPA?

2. **Would the proposed project implement the General Plan's Mobility Element in Transit Priority Areas to increase the use of transit?**
   Considerations for this question:
   - Does the proposed project support/incorporate identified transit routes and stops/stations?
   - Does the project include transit priority measures?

3. **Would the proposed project implement pedestrian improvements in Transit Priority Areas to increase walking opportunities?**
   Considerations for this question:
   - Does the proposed project circulation system provide multiple and direct pedestrian connections and accessibility to local activity centers (such as transit stations, schools, shopping centers, and libraries)?
   - Does the proposed project urban design include features for walkability to promote a transit supportive environment?

4. **Would the proposed project implement the City of San Diego's Bicycle Master Plan to increase bicycling opportunities?**
   Considerations for this question:
   - Does the proposed project circulation system include bicycle improvements consistent with the Bicycle Master Plan?
   - Does the overall project circulation system provide a balanced, multimodal, "complete streets" approach to accommodate mobility needs of all users?

5. **Would the proposed project incorporate implementation mechanisms that support Transit Oriented Development?**
   Considerations for this question:
   - Does the proposed project include new or expanded urban public spaces such as plazas, pocket parks, or urban greens in the TPA?
   - Does the land use and zoning associated with the proposed project increase the potential for jobs within the TPA?
   - Do the zoning/implementing regulations associated with the proposed project support the efficient use of parking through mechanisms such as: shared parking, parking districts, unbundled parking, reduced parking, paid or time-limited parking, etc.?

6. **Would the proposed project implement the Urban Forest Management Plan to increase urban tree canopy coverage?**
   Considerations for this question:
   - Does the proposed project provide at least three different species for the primary, secondary and accent trees in order to accommodate varying parkway widths?
   - Does the proposed project include policies or strategies for preserving existing trees?
   - Does the proposed project incorporate tree planting that will contribute to the City's 20% urban canopy tree coverage goal?

CLIMATE ACTION PLAN CONSISTENCY CHECKLIST ATTACHMENT A

This attachment provides performance standards for applicable Climate Action Pan (CAP) Consistency Checklist measures.

Table 1 **Roof Design Values for Question 1: Cool/Green Roofs supporting Strategy 1: Energy & Water Efficient Buildings of the Climate Action Plan**

Land Use Type	Roof Slope	Minimum 3-Year Aged Solar Reflectance	Thermal Emittance	Solar Reflective Index
Low-Rise Residential	≤2:12	0.55	0.75	64
	>2:12	0.20	0.75	16
High-Rise Residential Buildings, Hotels and Motels	≤2:12	0.55	0.75	64
	>2:12	0.20	0.75	16
Non-Residential	≤2:12	0.55	0.75	64
	>2:12	0.20	0.75	16

Source: Adapted from the California Green Building Standards Code (CALGreen) Tier 1 residential and non-residential voluntary measures shown in Tables A4.106.5.1 and A5.106.11.2.2, respectively. Roof installation and verification shall occur in accordance with the CALGreen Code.

CALGreen does not include recommended values for low-rise residential buildings with roof slopes of ≤2:12 for San Diego's climate zones (7 and 10). Therefore, the values for climate zone 15 that covers Imperial County are adapted here.

Solar Reflectance Index (SRI) equal to or greater than the values specified in this table may be used as an alternative to compliance with the aged solar reflectance values and thermal emittance.

CLIMATE ACTION PLAN CONSISTENCY CHECKLIST CONT.

Table 2 **Fixture Flow Rates for Non-Residential Buildings related to Question 2: Plumbing Fixtures and Fittings supporting Strategy 1: Energy & Water Efficient Buildings of the Climate Action Plan**

Fixture Type	Maximum Flow Rate
Showerheads	1.8 gpm @ 80 psi
Lavatory Faucets	0.35 gpm @60 psi
Kitchen Faucets	1.6 gpm @ 60 psi
Wash Fountains	1.6 [rim space(in.)/20 gpm @ 60 psi]
Metering Faucets	0.18 gallons/cycle
Metering Faucets for Wash Fountains	0.18 [rim space(in.)/20 gpm @ 60 psi]
Gravity Tank-type Water Closets	1.12 gallons/flush
Flushometer Tank Water Closets	1.12 gallons/flush
Flushometer Valve Water Closets	1.12 gallons/flush
Electromechanical Hydraulic Water Closets	1.12 gallons/flush
Urinals	0.5 gallons/flush

Source: Adapted from the California Green Building Standards Code (CALGreen) Tier 1 non-residential voluntary measures shown in Tables A5.303.2.3.1 and A5.106.11.2.2, respectively. See the California Plumbing Code for definitions of each fixture type.

Where complying faucets are unavailable, aerators rated at 0.35 gpm or other means may be used to achieve reduction.

Acronyms:
gpm = gallons per minute
psi = pounds per square inch (unit of pressure)
in. = inch

Table 3 **Standards for Appliances and Fixtures for Commercial Application related to Question 2: Plumbing Fixtures and Fittings supporting Strategy 1: Energy & Water Efficient Buildings of the Climate Action Plan**

Appliance/Fixture Type	Standard	
Clothes Washers	Maximum Water Factor (WF) that will reduce the use of water by 10 percent below the California Energy Commissions' WF standards for commercial clothes washers located in Title 20 of the *California Code of Regulations*.	
Conveyor-type Dishwashers	0.70 maximum gallons per rack (2.6 L) (High-Temperature)	0.62 maximum gallons per rack (4.4 L) (Chemical)
Door-type Dishwashers	0.95 maximum gallons per rack (3.6 L) (High-Temperature)	1.16 maximum gallons per rack (2.6 L) (Chemical)
Undercounter-type Dishwashers	0.90 maximum gallons per rack (3.4 L) (High-Temperature)	0.98 maximum gallons per rack (3.7 L) (Chemical)
Combination Ovens	Consume no more than 10 gallons per hour (38 L/h) in the full operational mode.	
Commercial Pre-rinse Spray Valves (manufactured on or after January 1, 2006)	Function at equal to or less than 1.6 gallons per minute (0.10 L/s) at 60 psi (414 kPa) and • Be capable of cleaning 60 plates in an average time of not more than 30 seconds per plate. • Be equipped with an integral automatic shutoff. • Operate at static pressure of at least 30 psi (207 kPa) when designed for a flow rate of 1.3 gallons per minute (0.08 L/s) or less.	

Source: Adapted from the California Green Building Standards Code (CALGreen) Tier 1 non-residential voluntary measures shown in Section A5.303.3. See the California Plumbing Code for definitions of each appliance/fixture type.

Acronyms:
L = liter
L/h = liters per hour
L/s = liters per second
psi = pounds per square inch (unit of pressure)
kPa = kilopascal (unit of pressure)

MIDWAY RISING

A MIDWAY FOR ALL

City of San Diego Department of Real Estate and Airport Management
1200 Third Avenue, Suite 17000
San Diego, CA 92101

January 18, 2022

Re: Supplemental Information Request

<u>Arena:</u>

1. **Number of seats:**

A new, state-of-the-art arena with world class architecture, an elevated guest experience, and seating for 15,000 to 16,000 people – that's what San Diego deserves and that's what Midway Rising is committed to delivering. Our new arena will maximize revenue for the city through premium seating, corporate sponsorships, naming rights and more, while offering year-round events including concerts, family shows, touring acts and sports that appeal to all of San Diego.

The new arena will replace the neglected and outdated Pechanga Arena, which has been allowed to fall into disrepair by the current operators. Our team plans to keep the current arena operational as the new one is completed. Additionally, our team anticipates that a design competition will be held for the new arena so that the best option for the community is implemented.

We estimate that the new arena would host approximately 150 annual events with an estimated annual attendance of 850,000 people, and become the new, attractive home of the San Diego Gulls, Sockers and Seals. The proposed arena will be a flexible and multipurpose venue, capable of accommodating a variety of events while also providing future expansion opportunities with the NBA, WNBA and NHL and large-scale events like the NCAA's Sweet Sixteen. While our proposal doesn't count on major league sports to be successful, building a brand-new arena that can't compete for future expansion opportunities would be short-sighted.

Our team has worked on similarly sized arenas that integrate these flexible capabilities. Retractable seating will allow for larger floor space and convertibility between shows and events. Additional locker rooms and sports lighting will be ready to accommodate both NBA and NHL. Premium seats, loges, and suites will be incorporated into the arena design to maximize a range of seat offerings.

The new arena will also be developed to offer activities and entertainment options 365 days a year. Options to be explored include thrill type attractions such as a sky walk on the exterior of the arena as well as serving as a venue for major corporate catered events.

2. **Arena size:**

The arena is estimated to be approximately 500,000 to 600,000 SF. In front of the proposed arena will be a new 3.9-acre outdoor entertainment plaza, also known as "The Zocalo." The Zocalo is a central feature of the proposed development, surrounded by approximately 250,000 SF of restaurants, retail, and commercial space.

Additionally, the exterior of the arena will feature viewing screens to show events from outside the arena, in the Zocalo and public spaces, so that the entertainment is accessible to all San Diegans, not just to those who are able to afford tickets. The Zocalo is a multi-purpose event space designed to maximize cultural and community events on non-arena event nights. Our team's community partner, Casa Familiar, a non-profit with a deep track record of inclusive, cross-border arts programming, would top our list of groups to oversee the arts and cultural programming for the space.

3. Arena operator:

Legends will be the arena's operator and unlike other operators who are locked into one narrow event promotion network, Legends works with all major content promoters allowing us to schedule more booking dates and more shows to the arena. More events will mean more jobs for San Diegans, more revenue for the City and a more dynamic and vibrant venue for the entire region.

Beyond the numbers, a new Arena's full potential is more exciting than just the events we can – and will – bring to San Diego. We're committed to building the arena under a union Project Labor Agreement to create high-quality jobs as well apprenticeships and pre-apprenticeship training programs for San Diegans too often locked out of high-paying construction careers. We've entered into a labor harmony agreement with 7 unions covering all aspects of arena operations. This will ensure best in class service for our guests and good union jobs for workers.

Our community benefits framework, developed in consultation with the Center on Policy Initiatives, calls for enforceable local hiring targets so the benefits of arena construction stay local to San Diego and help residents of all backgrounds, including workers in high-unemployment zip codes, communities of color, veterans re-entering the workforce and transitional homeless. Additionally, the inclusion of minority and women-owned businesses will be required to exceed the goals set by the City.

4. Would the Hospitality Education Center be located within the arena?

Creating good jobs and rewarding careers for local San Diegans is central to our project, which is why the Hospitality Education Center will be on-site within the new arena.

Our mission is to provide an interactive, hands-on learning environment that gets working San Diegans on a pathway to rewarding, well-paying careers in the hospitality industry, while making the arena experience the best it can be for guests and employees alike.

The Hospitality Education Center would be run in partnership with San Diego's hospitality workers' union, Unite Here, and will prioritize local hiring and job training for local San Diegans. The Center would serve the arena's needs for a trained, skilled workforce and serve the community's needs by expanding opportunity for career training and employment to all. Our hope is that seasonal workers at other facilities around the region could use the Hospitality Education Center as a clearinghouse to maximize their hours and ensure continued healthcare benefits for themselves and their families.

Legends successfully created the Los Angeles Hospitality Education Center (LAHEC) as part of the Hollywood Park Entertainment District master plan, which includes SoFi Stadium, and its training programs are already making real, positive impacts for hospitality workers. We're passionate about this critical component of Midway Rising and would love the opportunity to discuss it further with the City.

5. **Would the sports arena be operational during construction of project? If not, how long is it anticipated to be closed?**

Yes. By building a new, full-size arena resituated on the site's outer-edge, our proposal ensures that the current arena stays open for businesses without disruption during new arena construction.

Ideally, our team would take over operations of the existing venue during the interim period. In order to ensure that the existing arena remains operational until the new arena launches, our team will develop a detailed construction phasing plan.

Housing:

1. **Please clarify if the PSH is included in the proposed development scenario? If so, what support services would be provided.**

Yes, our current model assumes approximately 200 units restricted to PSH units, which includes individuals experiencing homelessness and transitional aged youth. Some of the services offered by our non-profit service providers include:

- Case Management with individual Service Plans
- Benefits Counseling and advocacy
- Mental Health Care
- Physical Health Care – primary care and dental
- Substance use services
- Employment and OJT placement/training
- Education assistance/benefits information
- Financial Counseling
- Childcare assistance/services
- Life Skills/soft skill
- Out -patient family therapy/counseling
- Domestic Violence support
- Food bank/meal support services

2. **Please provide one chart that shows the breakdown of all of the housing and affordability levels. Indicate the number of units that you propose to set aside for special populations such as seniors, veterans, homeless, etc.?**

Housing Type	Units	% of Affordable Units	Affordability Level (AMI)
Family	1,200	60%	30-60%
Senior	300	15%	30-60%
Veterans	300	15%	30-60%
Homeless	200	10%	30-50%
Total Affordable (50%)	**2,000**	**100%**	
Market Rate (50%)	**2,000**		
Total Project	**4,000**		

Midway Rising is designed to include 4,000 residential units with a goal of designating 50% of the total units (2,000 units) for very low and low income restricted units at 30% to 60% area median income, subject to land lease terms, land use, regulatory and entitlement approvals, infrastructure costs, gap financing availability, financial feasibility, legal validity of the increased height limit initiative and successful resolution of any litigation filed against the project approvals. In no event will the number of units for very low and low income housing be less than 30% of the project's total residential units. Within the 30% to 60% AMI range, the project will include allocations for families, seniors, veterans, and supportive homeless housing for a 50% AMI average for the project's affordable units.

Family: Affordable housing for families with children is among the most urgent need in San Diego right now and is a key focus of Midway Rising. Nearly 60% of our affordable units are planned for families.

Within the affordable units targeted for the family population, there will be units set aside specifically for certain special needs populations. These special needs populations will include individuals with developmental disabilities as well as families with a developmentally disabled family member. Chelsea has a strong track record of success working with the San Diego Regional Centers and the Southern California Housing Collaborative to develop units for the local developmentally disabled population. We also are planning for veterans and active military families to live in the family component.

While the age classification for seniors is 55 years or older, the tax credit financing for seniors requires tenants to be 62 years or older. For this reason, 55-year-old to 61-year-old individuals and their families would live in the family units. This is another reason why the portion of family units will outweigh the portion of senior units.

Seniors: Our project team is planning to target seniors with 15% of the affordable units. Chelsea's strong relationship with Serving Seniors and their knowledge of the San Diego Market, indicate there is exceeding demand for creating a specific set aside of units for this population. Serving Seniors' needs assessment report issued in September of 2021, identified that one out of every four unsheltered San

Diego County residents in 2020 was 55 or older and more than 40% of those surveyed are experiencing homelessness for the first time in their lives. We're committed to making a real difference for San Diego seniors with hundreds of dedicated affordable units paired with strong support services on-site.

Veterans: Our project team is estimating 15% of the units will target veterans, a vital part of San Diego's community. Approximately 86,000 veterans call San Diego home – and many qualify for affordable housing. Our non-profit partners, Veterans Village, will provide targeted services for these residents. Units will be specifically set aside for the lowest affordability levels and will target veterans that qualify for specific veteran programs, such as VASH vouchers or VHHP. Support services for veterans will be available on-site and through Veterans Village.

Homeless: As local San Diegans, we know homelessness is a crisis and we intend Midway Rising to be part of the solution. Our plans allocate approximately 10% of affordable units towards individuals experiencing homelessness. Transitional Age Youth (TYA) or young adults ages 18-24 who are experiencing homelessness and are unable to rely on familial support, make up about 12% of the unsheltered homeless population in San Diego County, according to SD Youth Services. There are several factors according to the Congressional Research Service that increase a youth's risk of becoming homeless which include family conflict, sexual orientation and transition out of foster care. This proposal will include units specifically set aside for Transitional Age Youth population, including LGBTQ youth and their family members, and young San Diegans at risk of becoming homeless.

3. **Since there is more than one housing developer within the team, would one of them take the overall lead responsibility for management, maintenance and act as point of contact for any issues that arise?**

Our team is just that – a team – and all our partners will be intimately involved in every step of the process. Chelsea, in particular, has a significant amount of local experience to draw on when it comes to securing affordable housing approvals, fighting for San Diego's fair share of affordable housing dollars from the state and federal government, and building successful community coalitions to support responsible development. To ensure smooth operations and consistent communication, Midway Rising's day-to-day contact with the city would be Zephyr.

General:

1. **What is the team's largest challenge with this development project?**

We believe the biggest challenge facing the Midway District is the outcome of the height initiative. Our team is prepared to advise and assist in any way to create a successful resolution of the height limit, including legal, legislative, financial and electoral solutions. We will work in partnership with the City with the mutual goal of enhancing the Midway community.

Our team's experience over the last 30 years - including legislative and electoral projects at the local, state and federal levels - gives us confidence that we will be able to overcome what we see as a temporary setback and deliver a successful project. Our team includes San Diego's top legal land use attorneys, election campaign professionals and communications strategists – we're ready to take this project to the people and earn their support whether it's on a soap box at community meetings or at the ballot box with voters.

Financial:

[redacted]

[redacted]

[redacted]

[redacted]

Estimated Timelines:

1. **Total Project Timeline: Please provide more information on the phasing and the overall completion date.**
2. **Timeline to obtain financing:**
   - **construction financing for commercial/retail/parks/arena**
   - **construction financing for housing**
   - **entitlements for overall development**
3. **Timeline to construct:**
   - **housing**
   - **commercial/retail**
   - **Arena**
   - **hotel**
   - **parks**
   - **gondola**

Our team has significant experience and financial capability to successfully develop the project. The individual companies that make up Midway Rising have experience in partnering with each other on similar types of developments. As an example, AECOM and Legends recently worked together to build the $5 billion Sofi Stadium in Los Angeles which is the new home to the LA Rams and LA Chargers. Based on the success of that project, the firms are currently partnering on a new $2 billion arena next door that will be a multifaceted, world class arena and home to the LA Clippers. Additionally, the principals of both Zephyr and Chelsea have experience partnering with each other on a series of successful housing redevelopment projects over the past 15 years.

AECOM is a publicly traded company with a balance sheet of nearly $12 billion. Additionally, Legends is a joint venture derived from the Steinbrenner family of the New York Yankees and the Jones family of the Dallas Cowboys. Recently Sixth Street Partners, a $60 billion investment company, took a majority investment position in Legends to expand the company for long-term growth. See Exhibit A for further information on Legends' and AECOM's experience.

Our expectation is to leverage the full breadth of experience and balance sheet of the collective partners of Midway Rising to finance the redevelopment. Once we have developed the framework for a development agreement, development program and infrastructure scope, we will be able to finalize a project-specific capitalization plan.

Once the Community Plan EIR is updated and there is a successful resolution to the height limit initiative, we will complete the financing plan and begin comprehensive site due diligence, field investigation, and design drawings for the full development. Our team estimates that completing full construction drawings and receiving site development permits will take approximately 18 months thereafter, during which time the Pechanga Arena is anticipated to be fully operational. Upon construction commencement, onsite master infrastructure for the entire site is estimated to take 24 months and the project is planned to be constructed over multiple phases as described on the following page.

MIDWAY RISING

A MIDWAY FOR ALL

Midway Rising

Construction Timing Summary (Subject to Change)

Description	Duration (Months)	Estimated Start	Estimated Completion	2022 Year 1	2023 Year 2	2024 Year 3	2025 Year 4	2026 Year 5	2027 Year 6	2028 Year 7	2029 Year 8	2030 Year 9	2031 Year 10
OVERALL PROJECT DURATION		3Q 2022	1Q 2031	Start									Complete
Site Development Permits	18	4Q 2022	2Q 2023	Start	Complete								
Master Infrastructure & Site Grading	24	2Q 2023	2Q 2025		Start		Complete						
Phase 1	24	4Q 2024	4Q 2026			Start		Complete					
Arena													
Retail/Entertainment District													
Hotel													
Affordable Housing A (~500 units)													
Market-Rate Housing A (~300 units)													
Parking Structure A (~2,000 parking spaces)													
Phase 2	24	4Q 2025	4Q 2027				Start		Complete				
Affordable Housing B (~500 units)													
Market-Rate Housing B (~300 units)													
Parking Structure B (~2,000 parking spaces)													
Phase 3	24	4Q 2026	4Q 2028					Start		Complete			
Market-Rate Housing C (~800 units)													
Phase 4	24	4Q 2027	4Q 2029						Start		Complete		
Market-Rate Housing D (~800 units)													
Phase 5	24	4Q 2028	4Q 2030							Start		Complete	
Market-Rate Housing E (~800 units)													

CHELSEA INVESTMENT CORPORATION

ZEPHYR

AECOM

SAFDIE RABINES ARCHITECTS

MIDWAY RISING

A MIDWAY FOR ALL

Hotel:

1. **Hotel location: adjacent to arena**
2. **Number of keys: 200**
3. **What is the anticipated product type of the hotel?**

Our team has had preliminary discussions with Seaworld to brand the 200-key hotel and we are optimistic that we could solve labor-related issues that previously prevented Seaworld from developing a hotel in the past. A Seaworld hotel would maximize room nights, TOT revenue and add unmistakable San Diego-specific character to the project. Alternatively, we are ready to conduct a national search for the best hotel brand that fits this project, something our team has extensive experience in from other entertainment districts we've helped create.

Tenants/Commercial Space:

1. **Target tenants for commercial/retail (besides Kobey's swap meet and Phil's BBQ)?**

Our team will send a follow-up response to this question.

2. **Who would maintain/manage the commercial spaces throughout the lease term?**

A third-party property management company would manage the commercial spaces throughout the lease term.

3. **Any plans to include live/work/incubator space for creatives?**

Midway Rising's pedestrian-friendly, transit-oriented community will bring the kind of amenities and lifestyle to all San Diegans – regardless of income, occupation or background.

Amenities including computer labs, community kitchens, site-wide WiFi, workshare spaces and electric vehicle charging stations are becoming necessities for everyone, not just the creative or professional class, and Midway Rising will include these features for both affordable housing and market rate units.

Through our proposal's comprehensive community benefits framework, we are anticipating on-site childcare services subsidized for those in need, a health clinic to meet residents' needs, subsidized transit and affordable or free internet access for all.

That's in addition to the over twenty acres of park space promoting outdoor working environments and the kind of pedestrian-friendly community all San Diegans should have access to. These are basic needs – not luxuries – and we're committed to ensuring all our residents and workers can access them.

Additionally, the project will feature a new mobility hub along Sports Arena Blvd, which will connect residents to MTS and Bus Rapid Transit – the kind of transit-oriented planning that really supports working families' day to day and will help attract the workforce of tomorrow for San Diego's emerging new economy. The Mobility Hub will include a centralized bike and car sharing facility as well as a common area workspace.

Parks/Public Areas:

1. Who would maintain/manage the public park areas through the lease term?

A third-party property management company would manage the 20 acres of park space included in Midway Rising throughout the lease term. We are currently in discussions with arborist and landscape union representatives to ensure well-maintained, drought-tolerant, geographically appropriate landscaping is implemented to make the site beautiful, green and welcoming for all.

Public Art/Cultural:

1. Can you provide more information regarding the public art displays and any cultural amenities?

For us, Midway Rising's public gathering and arts spaces are priorities, not afterthoughts. After all, most San Diegans will experience the new Midway District as visitors, diners, shoppers, not residents or ticketed arena guests. Our project's public spaces will be designed to be welcoming and create a unique sense of place that only the Midway District provides.

A central part of our plan is a Zocalo-style public square, inspired by the town squares of great Latin American cities. The Zocalo will feature year-round public programming, including local musicians, a farmers' market, and regional artists. The plaza will also be designed to include curated public art rooted in San Diego's spirit and history.

Public art of all kinds, including light-based installations to keep the community vibrant and welcoming in the evenings, will be installed throughout the project. We envision partnering with local arts organizations and engaging public feedback through the Commission for Arts and Culture to make Midway Rising as beautiful and memorable as can be.

Labor:

1. N/A – addressed in submittal.

Community Engagement:

1. How will you address community engagement?

To our knowledge, we're the only team that submitted a comprehensive community benefits framework along with our proposal and the only group with an enforceable labor harmony agreement with the seven labor unions that would represent workers in Midway Rising's arena and hotel operations.

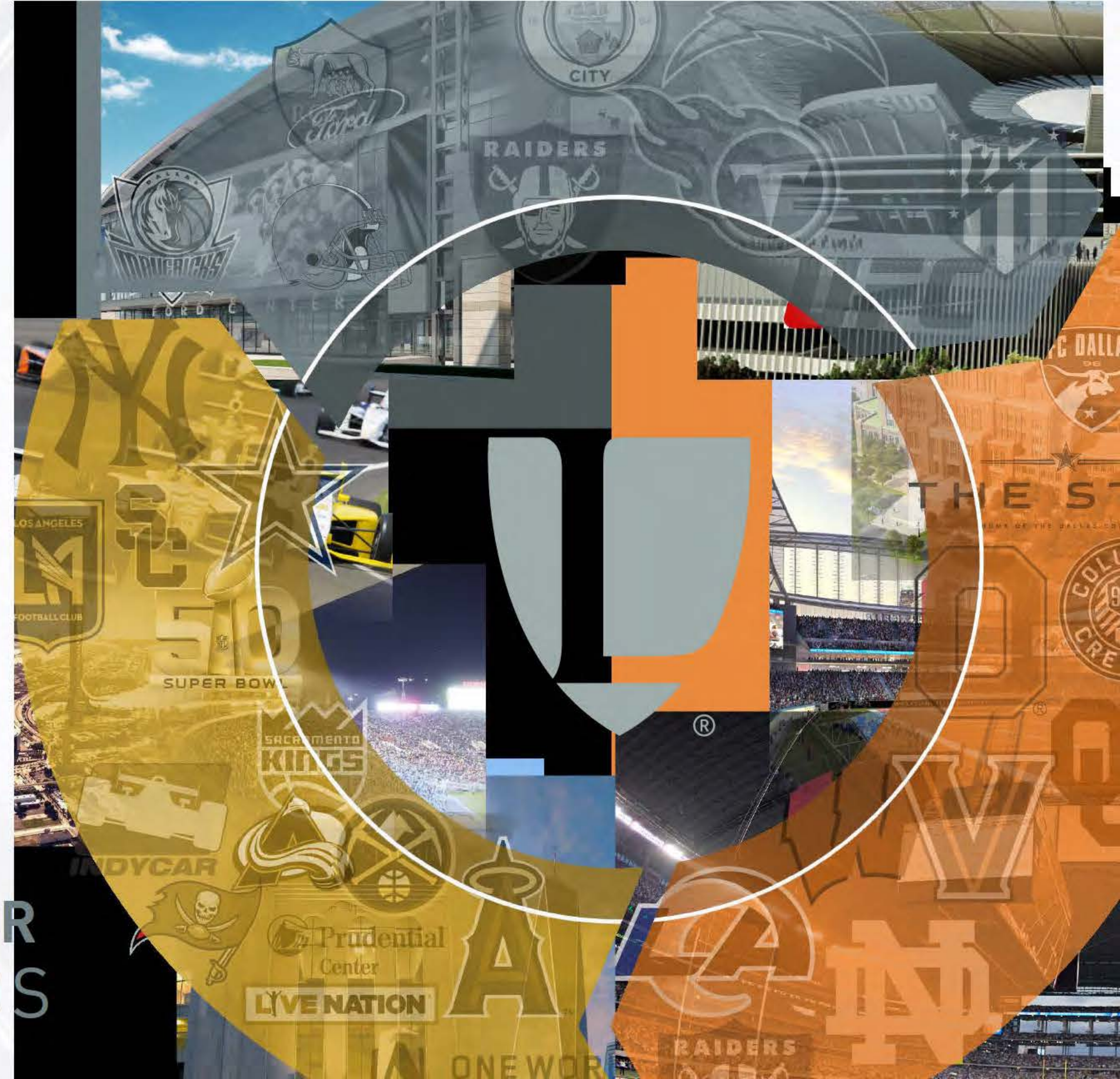
We know community concerns have to be transparent in new developments and our framework includes a commitment to high-road employment practices, public spaces for the entire community to enjoy, significant economic investment in the community's workforce and residents, and ultimately a voice in the management of the property by the residents themselves.

These commitments will be great assets as we work closely with local planning groups and stakeholders to make Midway Rising an enduring asset to the community.

Together, our team's partners have over a century of experience in mitigating and resolving community concerns regarding development – and that experience is local to San Diego, not elsewhere. Our team's local roots – including Safdie Rabines, Zephyr, Chelsea and Legends – will put Midway Rising in a strong position to earn strong support from local San Diegans and get this project done right.

Exhibit A –Legends and AECOM Experience

Please see the following pages for additional information on Legends' and AECOM experience.



DELIVERING SOLUTIONS FOR
LEGENDARY BRANDS

WHO WE ARE

LEGENDS®

WE ARE TRUSTED, RELIABLE, LEADERS.

A PREMIUM EXPERIENCES COMPANY, CONFIDENT IN OUR EXPERTISE AND HUMBLED BY THE ICONIC BRANDS WE SERVE.

DELIVERING HOLISTIC SOLUTIONS FOR LEGENDARY BRANDS.

LIVE NATION

THE LEGENDS SOLUTION - 360° ADVANTAGE

OUR DNA

TRUE PARTNERSHIP // BEST IN CLASS // BRAND STEWARDS

LEGENDS EXECUTIVE TEAM

SHERVIN MIRHASHEMI
President & CEO

MIKE TOMON
Chief Operating Officer

SCOTT ARONSKY
Chief Financial Officer

BILL RHODA
President, Global Planning

MIKE ONDREJKO
President, Global Sales

CHRIS HIBBS
President, Global Partnerships

DAN SMITH
President, Hospitality F&B / Merchandise

DENISE TAYLOR
President, Global Technology Solutions

ANDREW HAMPEL
President, Legends International

PAULA PORTZ
COO, Legends Project Development

MIKE MORRIS
Chief Information Officer

JOHN RUZICH
Chief Administration Officer & Chief Legal Officer

CHAD ESTIS
Executive VP, Legends

GLOBAL REACH

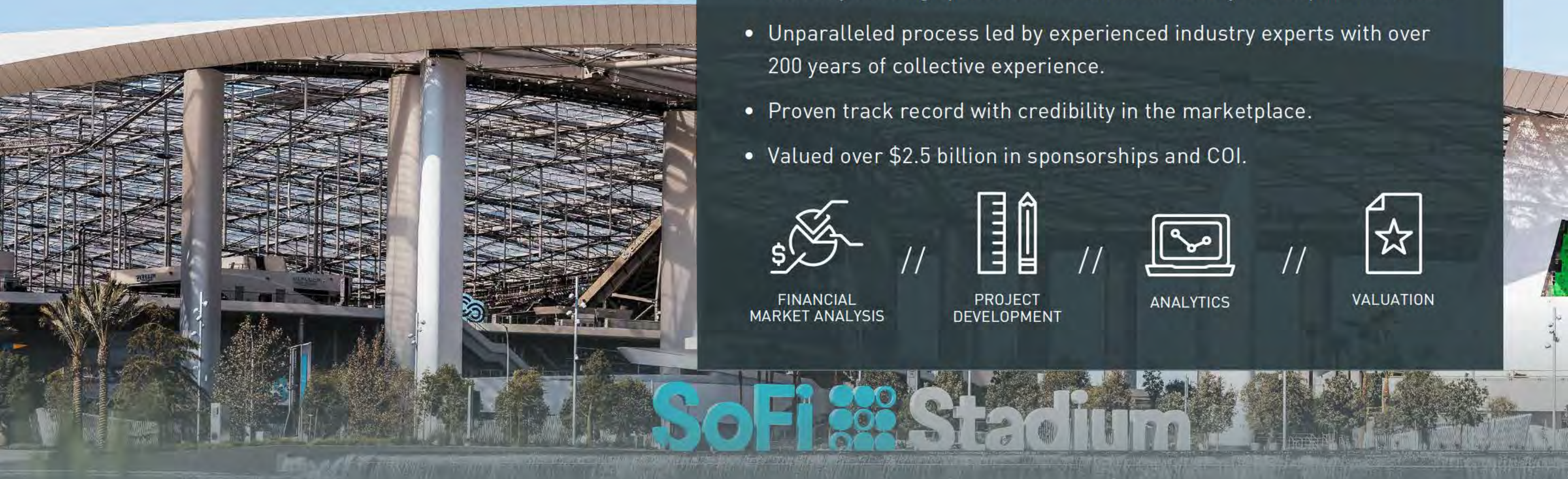
LEGENDS WORKS WITH SOME OF THE LARGEST BRANDS ACROSS THE GLOBE.

GLOBAL PLANNING

ABOUT GLOBAL PLANNING

- Acquired Conventions Sports and Leisure (CSL) in 2011.
- Industry-leading sports & entertainment facility development advisor.
- Unparalleled process led by experienced industry experts with over 200 years of collective experience.
- Proven track record with credibility in the marketplace.
- Valued over $2.5 billion in sponsorships and COI.

FINANCIAL MARKET ANALYSIS // PROJECT DEVELOPMENT // ANALYTICS // VALUATION



A GOAL WITHOUT
A PLAN IS JUST A WISH

CSL INTERNATIONAL

- Provide consulting services to the Sports, Entertainment and Attraction industries
- Industry-leading sports and entertainment facility business planning advisor
- Involved in over 2,000 engagements
- Provide in-depth information grounded in market realities
- Significant experience with sports venue revenue enhancement and financial implications assessment
- Experience with two-thirds of NHL/NBA arenas:

CSL INTERNATIONAL SERVICES

MARKET DEMAND

FINANCIAL FEASIBILITY

FACILITY PROGRAMMING

VALUATION SERVICES

FUNDING PLANS

ECONOMIC IMPACTS

COST ESTIMATING

NEGOTIATION ASSISTANCE

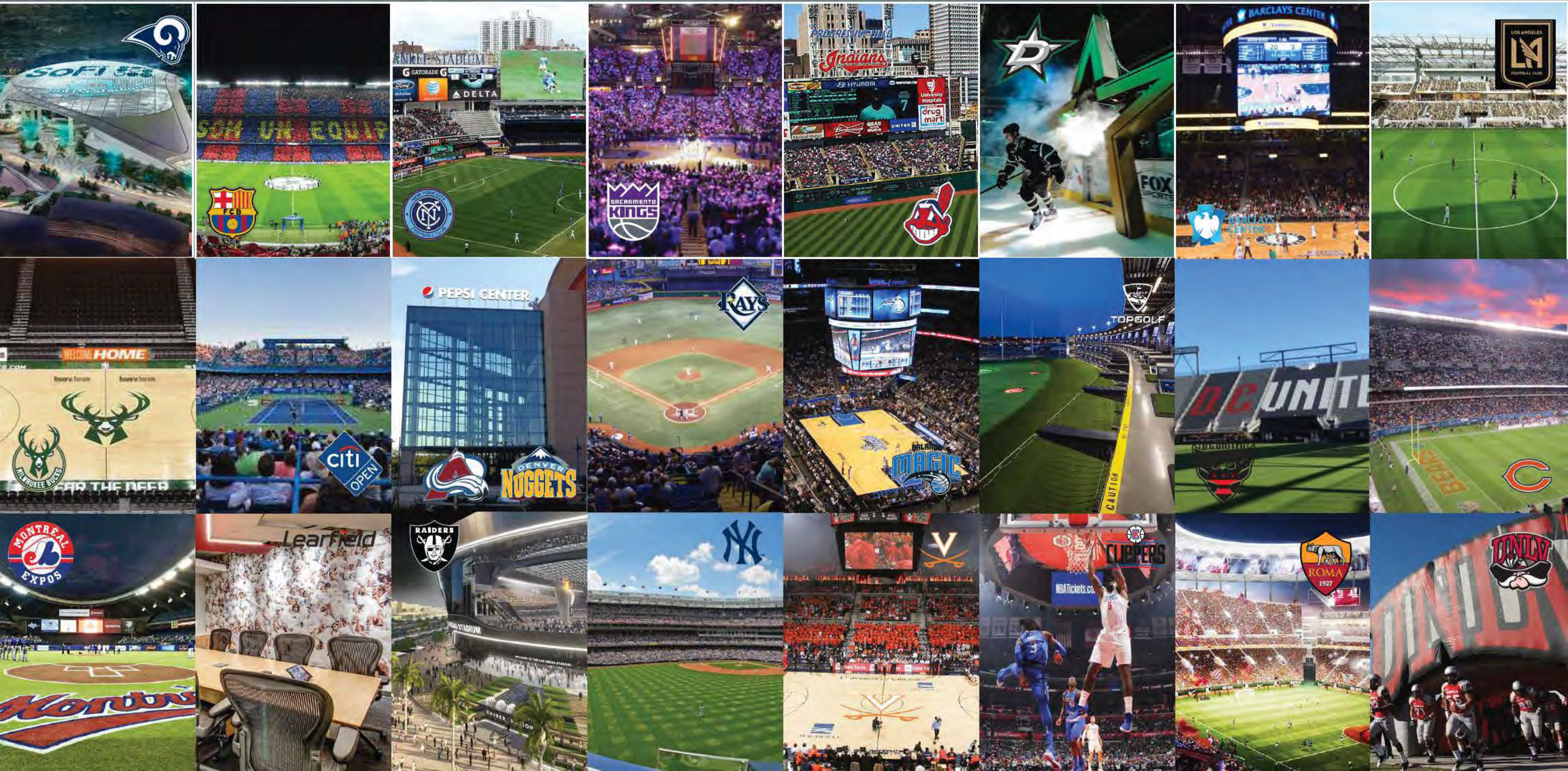
MARKETING STRATEGIES

OPERATIONAL REVIEWS

NEW ARENA EXPERIENCE

NHL/NBA ARENA RENOVATION EXPERIENCE

$4.5 BILLION IN VALUATION



ABOUT PROJECT DEVELOPMENT

PROGRAM MANAGER / OWNER'S REPRESENTATIVE SERVICES

- Expertise in delivering on time and under budget venues
- Variety of venue types including stadiums, arenas, convention centers, ballparks
- Reduces construction and financial risks for owners
- Ability to deliver a collaborative 360 approach through the life of the venue
- Focus on the construction aspects of the venue while maintaining revenue approach
- Positive relationship with leading architects and contractors

PROJECT MANAGEMENT PRINCIPLES

DELIVER THE PROJECT ON TIME AND ON BUDGET
(Core Legends Project Management Goal)

MAXIMIZE FAN EXPERIENCE AND LONG TERM REVENUE STREAMS
(Legends Differentiator)

OPTIMIZE OPERATIONAL EFFICIENCIES
(Legends Differentiator)

OWNER DIRECT PROCUREMENT
(Legends Differentiator)

MITIGATING CLIENTS RISKS

MAXIMIZING ROI & FAN EXPERIENCE

A 360 APPROACH TO OWNER'S REPRESENTATIVE/PROJECT MANAGEMENT SERVICES FOCUSES ON:

CENTERPIECE OF URBAN DEVELOPMENT

OPTIMAL FAN EXPERIENCE

GENERATE MAXIMUM REVENUE

REDUCE TIME AND COST OF DESIGN & CONSTRUCTION

REDUCE VENUE OPERATING & MAINTENANCE COSTS

MITIGATE CLIENT'S RISK

MAXIMIZE ROI

PREDICTABLE OUTCOME

FUTURE PROOFING

DIFFERENTIATORS

PEOPLE

- Multi-disciplined team with unrivaled public assembly venue planning expertise
- Over 300 years of collective experience on project team
- Commitment of senior-level firm personnel to project

PROJECTS

- Over 3,000 previous sports, convention & mixed use projects
- Responsible for the on-time/on-budget delivery of comparable project
- Executed commercial platform for two most recent NFL projects

PROCESS

- Effective Project controls systems
- Proven track record with credibility in the industry
- Ability to condense complex data into clear, concise and actionable information
- Focus on long term viability and immediate cost impacts
- LPD Evaluator supports the project

$30 BILLION

IN PROJECT DEVELOPMENT EXPERIENCE

PROJECT DEVELOPMENT ARENA EXPERIENCE

LA FOOTBALL CLUB

LOS ANGELES, CA

CASE STUDY

VISION:
In 2016, MLS expansion team LAFC engaged Legends to serve as turnkey provider in the planning, construction and operations of a new $350 million stadium and adjacent food hall, located in Exposition Park near the LA Coliseum. LAFC was built on long term community engagement and regeneration. Legends' role was as much to ensure 365 day use as to deliver the best stadium in the MLS.

PROJECT:
In conjunction with the market and financial feasibility study, Legends developed an economic and fiscal impact analysis to support an Environmental Impact Report necessary to gain stadium approval. Legends also served as the Project Manager during the stadium construction process. Services included but were not limited to:

- Hiring the stadium architect and construction manager.
- Managing the stadium construction budget, schedule and other tasks to ensure the successful completion of the stadium on time and within budget.

RESULTS:

- Secured the largest stadium naming rights deal in MLS history (Banc of California Stadium) and a sold-out sponsorship/partnerships program.
- Leading-edge broadcast and kit deal (YouTube) that has revolutionized how sports organizations view media rights deals.
- Selling all PSLs, season tickets and premium hospitality and achieved sell out at prices and volumes forecast.

SOFI STADIUM

INGLEWOOD, CA

CASE STUDY

VISION:
SoFi Stadium is an unprecedented and unparalleled sports and entertainment destination in Inglewood, CA, owned and operated by Los Angeles Rams Owner/Chairman E. Stanley Kroenke. The first indoor-outdoor stadium to be constructed, SoFi Stadium is the home of Los Angeles Chargers and Los Angeles Rams. Located on the site of the former Hollywood Park racetrack, the stadium is the centerpiece of a 298-acre mixed-use development featuring retail, commercial office space, a hotel, residential units, and outdoor park spaces.

PROJECT:
Legends partnered with Mr. Kroenke from the outset to create the masterplan for the entire district and prepared the full business case and market research on new $4 billion stadium. Legends is engaged to:

- Develop and manage the construction of the stadium.
- Sell all PSLs, suites and premium hospitality experiences on behalf of stadium owner and both teams.
- Sell all sponsorship and naming rights to the stadium.
- Create, deliver and sell cutting edge, technology-driven sports attraction.
- Deliver all food and beverage in the stadium.
- Engaged to deliver all retail and merchandise solutions within the stadium.

RESULTS:
SoFi Stadium opened in the fall of 2020, despite having limited fans due to local and state health guidelines surrounding the COVID-19 pandemic. Both the Global Partnerships and Global Sales teams each broke records and exceeded budget projections for sponsorships and premium inventory. The Hospitality team has developed an authentic LA that will be enjoyed once fans are allowed back, and the Global Merchandise team created The Equipment Room, SoFi Stadium's multi-purpose merchandise store which spans two floors and supports both the Rams and Chargers.

ILLUMINARIUM
ATLANTA, GA

CASE STUDY

VISION:
Illuminarium Experiences is a global entertainment company that creates, produces, markets, and manages immersive experiential entertainment spectacles. Exhibitions will be presented in custom-designed, immersive experiential venues we call "Illuminariums." What museums are to art, cinemas to movies, and concert halls to music, Illuminariums will be to experiential entertainment - a worldwide, megacity-focused brand.

PROJECT:
Each venue is approximately 25,000 square feet, with soaring ceiling heights. Illuminarium Experiences finds existing real estate and then custom designs the interiors, installing state of the art projection and sound systems.

THE RESULT:
Illuminariums become reprogrammable immersive theaters that surround visitors in a sensory space of 360x360 sight, sound, and scale unlike any other.

GLOBAL SALES

ABOUT GLOBAL SALES

- Full range of sales, marketing, CRM solutions, fundraising and sales training.
- Assists clients in maximizing revenues from donations, premium seating, seat licenses & ticket sales solutions, tours & special event sales.
- Executive team has an average of 20+ years' in the industry, with unmatched experience with premier sports, entertainment and consumer brands and venues.

PREMIUM SEATING, GA TICKETING & PSLs // EVENTS SALES & TOURS // EVENT HOSPITALITY // FUNDRAISING & DONATIONS

ACTION IS THE **FOUNDATIONAL** **KEY** TO ALL SUCCESS

PREMIUM SALES: HOW WE EXECUTE

PLANNING FOR SUCCESS

- Project Timeline
- Understand Opportunities & Challenges
- Project Demand & Revenue Estimates
- Interface with Architect
- Enhanced Revenue Opportunities
- Pricing & Packaging

PROPER EXECUTION & ADDITIONAL BANDWIDTH

- Staffing
- Create Marketing Materials
- Price General Seating Bowl
- Prioritize Leads
- Sales Phasing & Timing
- Launch Campaigns

GLOBAL PARTNERSHIPS

ABOUT GLOBAL PARTNERSHIPS

- Industry leaders with partnership sales experience, developed across working with and for teams, venues, leagues, broadcast partners, agencies and brands.
- Delivered over $3.5B in naming rights and founding partnerships, including the largest naming rights partner to date.
- Extensive global brand relationships and expertise in delivering integrated and endemic long-term partnerships.

VALUATION // GO-TO-MARKET NARRATIVE // SPONSORSHIP & NAMING RIGHTS SALES EXECUTION

WE ACCOMPLISH **MORE TOGETHER** THAN WE EVER DO APART

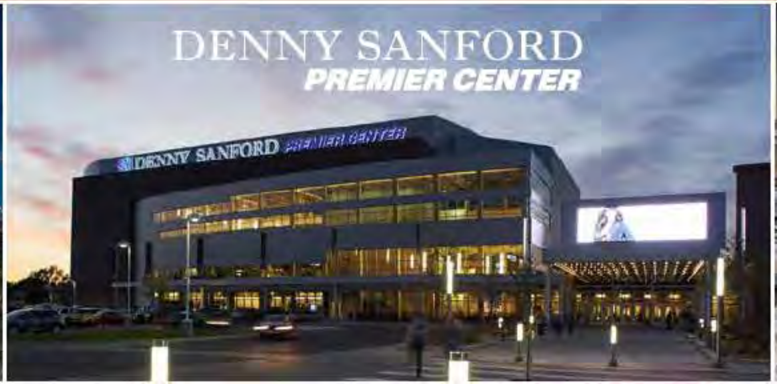
OUR PROCESS

COYOTES/ LEGENDS PARTNERSHIP INITIATED
ASSEMBLE THE TEAM
REFRESH THE VALUATION
DEVELOP GO-TO-MARKET STRATEGY
COLLABORATE WITH PROJECT DEVELOPMENT TEAM
DEVELOP BRAND STORY
PLATFORM & CONTENT CREATION
RESEARCH & IDENTIFY KEY PROSPECTS
OUTREACH & DEPLOYMENT CAMPAIGN
NEEDS ANALYSIS
FORMAL PITCH
DEAL POINT SUMMARY
AIR CONVERAGE
NEGOTIATE TERMS
CONTRACT PHASE
PARTNERSHIPS LAUNCH & ACTIVATION

OVER $3.5 BILLION

IN MAJOR NAMING RIGHTS AND LEGENDARY DEALS

*Represent venue that Legends or members of the Legends executive team (while working for another firm) represented for Naming Rights sales execution.



HOSPITALITY

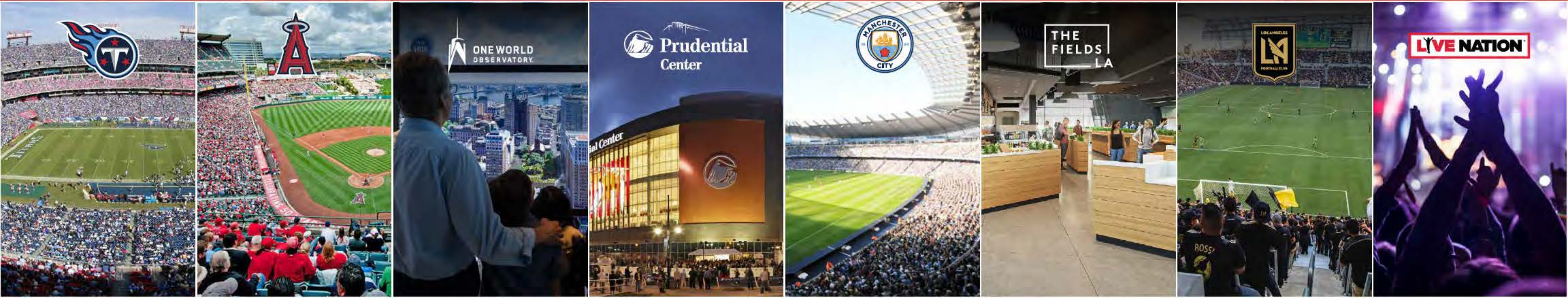
ABOUT HOSPITALITY

- Industry-leading sports and entertainment hospitality provider.
- More than 300 years of collective experience and unparalleled execution led by industry executives.
- Operational expertise in a variety of markets and venue types.
- Employ non-traditional approach to curate and operate food halls and restaurants.

SIGNATURE CONCEPTS // PREMIUM HOSPITALITY // FOOD HALLS

IT'S ALL ABOUT THE **EXPERIENCE**

FOOD & BEVERAGE PARTNERS



GLOBAL MERCHANDISE

ABOUT GLOBAL MERCHANDISE

- Offer an omni-channel global experience for visitors and fans to shop anywhere at any time.
- Strategic relationships with high quality and boutique vendors to establish increased purchasing power.
- Product selection: quality + value.
- Deliver hot market products on-demand, customization, and uniquely curated items per fan, venue and demographic.

BRICK AND MORTAR // POP UP EVENTS // E-COMMERCE

LIVE EVENTS & IN-VENUE // CUSTOM PRODUCTS

ONE-STOP SHOP TO **PROVIDE EVERYTHING** OUR CLIENTS AND FANS **NEED AND WANT**

MERCHANDISE PARTNERS


GLOBAL TECH SOLUTIONS

ABOUT GLOBAL TECH SOLUTIONS

Global Tech Solutions' (GTS) prime focus is identifying, unlocking and maximizing Technology Enabled Value (TEV). GTS focuses on what's important to the Clients and then expertly and appropriately applies technology to enable it. We awaken dormant value, drive new sources of value, and amplify value.

TECH AS-A SERVICE // TECH OWNER'S REPS // STRATEGY & ADVISORY // DATA & ANALYTICS // DIGITAL & EXPERIENTIAL SOLUTIONS

A **SOURCE OF COMPETITOR ADVANTAGE**
AND UNIQUE OFFER TO CLIENTS.

OUR TECH SOLUTIONS OVERVIEW

EXPERIENCE

- CIO, CTO, CDO
- Consulting
- Business Transformation
- Pre & Post M&A Work
- Strategy & Advisory for Start-Up firms including Series A-C Funding
- Financial Transformation
- New Venue/Stadium Design & Build
- Software Engineering
- Websites/Apps Development
- Social Media
- SMART Venues
- SMART Districts
- Ticketing Platform Builds
- B2B Marketplace Platforms
- Enterprise Solutions (including but not limited to collaboration)
- Leasing ERP
- HRIS
- Financial Consolidation
- Treasury/Tax Platforms
- Data Warehouse Solutions
- BI Tools/Platforms
- Digital Media Networks
- Broadcast Technologies
- Fan/Guest/Consumer Technologies (including but not limited to engagement portals)
- Wayfinding Solutions
- SMART Parking Solutions
- AR/VR Platforms
- Dynamic Pricing for Events
- Interactive Media Screens
- HD Wi-Fi Solutions

EVENT EXPERIENCE

- NFL
- NBA
- MLB
- NHL
- MLS
- NASCAR
- Concerts
- Super Bowl 50
- UFC
- Rugby World Cup
- Festivals
- Family Shows
- Grammy Awards
- Oscar Awards
- Coachella
- Stagecoach
- World Cup Games
- FIFA Events
- International Events
- Runway Shows
- TV Shows

INDUSTRY EXPERIENCE

- Sports & Entertainment
- Retail
- Commercial Real Estate
- Strategy & Management Consulting
- Advertising
- Film Studio
- Theme Parks
- Music
- Hospitality
- Managed Service Provider
- Events
- Automotive

FUNCTIONAL EXPERIENCE

- Vision and Strategy Design
- Development and Execution
- Change Management
- Communications and Engagement
- Program Office
- Program Management
- Project Management
- Process Design
- Re-Engineering
- Development and Implementation
- Executive Recruitment
- Operating Models
- Team Development

GLOBAL ATTRACTIONS

ABOUT GLOBAL ATTRACTIONS

- Legends operates 8+ attractions across the globe.
- Feasibility and project development capabilities enable Legends to create the optimal mix of experiences.
- Complex interaction between different stakeholders and broad variety of uses in building.
- Legends manages all operations across ticketing, special events, sponsorship food and beverage and retail.

SALES & SPONSORSHIPS // MERCHANDISE // HOSPITALITY // BUSINESS PLANNING // PROJECT MANAGEMENT

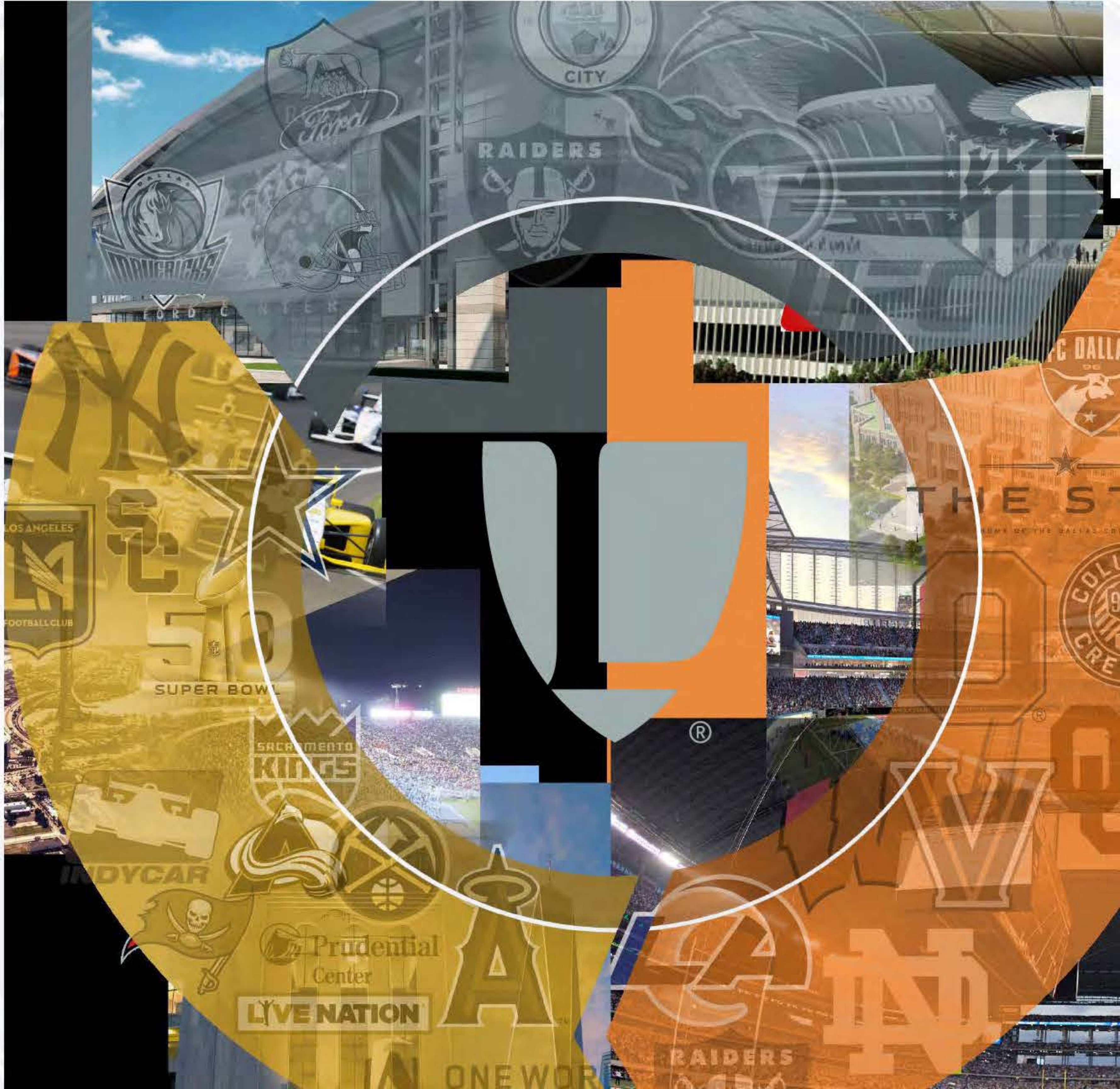
A FRESH **PERSPECTIVE** CAN CHANGE **EVERYTHING**

ATTRACTIONS PARTNERS

HOURLY RATES

[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

THANK YOU


CITY
RAIDERS
LOS ANGELES
FOOTBALL CLUB
SUPER BOWL
SACRAMENTO
KINGS
INDYCAR
Prudential
Center
LIVE NATION
RAIDERS

SPORTS

PROJECT PORTFOLIO

AECOM HUNT

Hunt: A name that's been trusted for generations.

In our 76-year history, we've taken great pride in turning our clients' dreams into reality by focusing on their specific needs and consistently exceeding their expectations.

aecomhunt.com

Proud History

Hunt Construction Group, Inc. (dba AECOM Hunt) was founded in 1944 in Indianapolis by Paul Hunt, Arber Huber and Harry Nichols as a privately-held organization. It was known as Huber, Hunt & Nichols at that time. The cornerstone of its founding began during World War II with industrial/manufacturing facilities. Huber and Nichols left the company shortly after its founding and Paul Hunt carried on as sole owner. Through the years, the company's guiding principles were passed down through three generations of Hunts.

In July 2014, Hunt merged with AECOM, a fully integrated infrastructure and support services firm. Today, AECOM Hunt benefits from being a part of a truly innovative organization that consists of more than 56,000 employees — including architects, engineers, designers, planners, scientists and management and construction services professionals — serving clients in more than 150 countries around the world.

As part of the AECOM family, AECOM Hunt has clearly deepened its resources, broadened its expertise, and enhanced the quality of work for which they have always been known.

Nationally Ranked

As a subsidiary of AECOM, we are ranked 3rd among National Contractors by *Engineering News-Record*, and we are well positioned to take on tomorrow's challenges.

Client-Focused Services

We perform a variety of services tailored to the specific needs of each client. Whether it's determining the appropriate contracting method or providing detailed conceptual services, our qualified field personnel and management staff accommodate our clients' needs without compromising budget or timely completion.

Our services range from full construction management and design-build to estimating and consulting services. We work with clients to select the right project delivery mechanisms and support services for their projects and building programs.

- Construction Management
- General Contracting
- Design-Build
- Program Management
- Preconstruction Consulting
- Construction Consulting
- Risk Management Services

Est. in 1944

850 Employees Nationally

#3 ENR Rank National Contractors

#3 ENR Rank *Construction Manager at Risk*

$7.8B+ Building Construction Revenue

Large Bonding Capacity

AECOM HUNT

17	15	14	18	9	57
NBA ARENAS	NHL ARENAS	NFL STADIUMS	MLB STADIUMS	OPERABLE ROOFS	COLLEGIATE FACILITIES

AECOM HUNT

Premier Sports Builder

Engineering News-Record has consistently ranked AECOM Hunt a top Sports Builder. We have built dozens of sports venues during our long history. In fact, we have built 90 different stadiums and arenas since 1980 alone, including 14 NFL and 18 MLB stadium projects. Our long history of sports construction includes many industry firsts. Completed in 1975, the Mercedes-Benz Superdome is the largest domed stadium in the world. Over four decades later, we are building innovative, futuristic stadiums such as Mercedes-Benz Stadium, the new home of the Atlanta Falcons, which has the only oculus-shaped retractable roof in the world.

As trends in stadium design have reflected the need for a more interactive experience for fans, expanded premium seating, better accommodations for players, a higher level of family entertainment and increased technology, we have been there every step of the way. Sports projects are unique buildings with unique challenges, and our innovative and creative team makes sure a singular vision is executed to create buildings that are truly one of a kind.

Never missed an opening day... NOT ONE.

AECOM HUNT SPORTS CONSTRUCTION

177 TEAMS SERVED | **83 MILLION** SF | **$21 BILLION** CONSTRUCTION VALUE

MSG Sphere at the Venetian

AECOM HUNT

Las Vegas, NV

Located on an 18-acre site on Sands Avenue between Manhattan Street and Koval Lane, MSG Sphere at The Venetian will feature an iconic spherical shape, with a fully programmable LED exterior. This first-of-its-kind venue will be 360-feet tall and 516-feet wide and will connect to Las Vegas Sands' Venetian and Palazzo complex via an approximately 1,000-foot long pedestrian bridge.

Inside, MSG Sphere at The Venetian will feature cutting-edge technologies that enable the creation of powerful, multi-sensory environments that transport audiences. More than 160,000 square feet of display surface (equal to three football fields) will wrap up, over and behind the stage and audience, delivering a totally immersive visual experience.

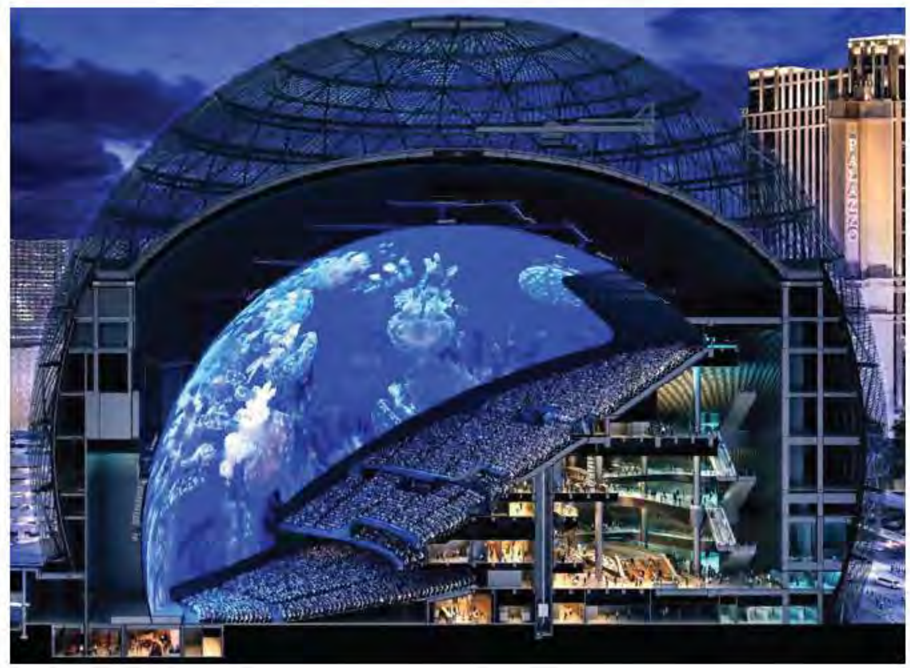
Owner
Madison Square Garden Corporation

Delivery Method
CMR-GMP

Anticipated Completion
March 2022

Construction Value
Confidential

Architect
Populous



University of Texas at Austin Moody Center
Austin, TX

A new 505,240 SF, state-of-the-art, multi-purpose event center capable of hosting world class events and performances. It has been will include approximately 14,000 fixed seats. Future home of the University of Texas men's and women's basketball teams.

Owner
University of Texas at Austin

Delivery Method
CMR-GMP

Anticipated Completion
March 2022

Construction Value
$247,000,000

Architect
Gensler

UBS Arena
Elmont, NY

AECOM HUNT

Features a uniquely tailored MWBE program committing to the state's nation-leading goal of 30 percent MWBE contracts and six percent disabled veterans

A 767,810 SF NHL arena and entertainment venue adjacent to the famed Belmont Park Racetrack. This arena will also draw major concert events, as well as boxing, professional wrestling, basketball tournaments, and rodeos, and will be the entertainment destination for Long Island and the greater New York area. The new state-of-the-art venue will feature 17,113 seats for hockey and 18,853 seats for concerts. The arena features customizable suites on two different levels, as well as premium clubs and theme restaurants and bars. Future home of the NHL's New York Islanders.

Owner
Sterling Project Development Group

Delivery Method
CMR-GMP

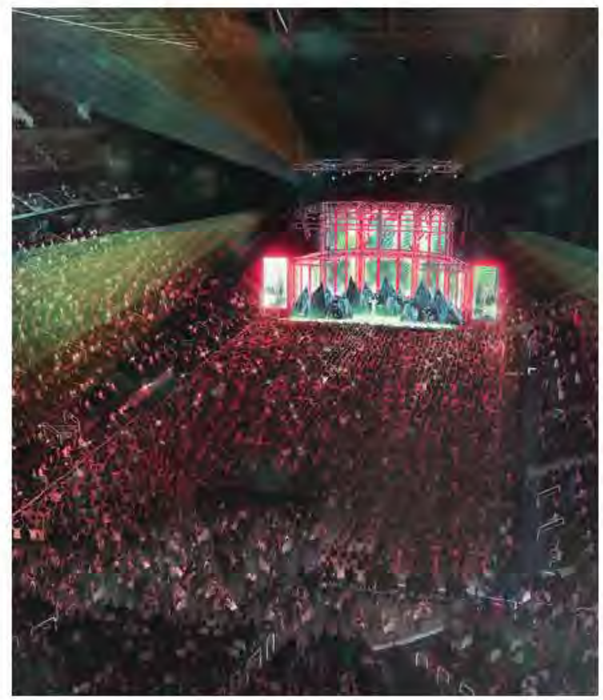
Anticipated Completion
September 2021

Construction Value
Confidential

Architect
Populous

LEED
Pursuing Certification

> The creation of this world-class entertainment destination will bring visitors from near and far, as we continue to transform the region and strengthen our economic momentum on Long Island.
>
> Governor Andrew M. Cuomo
> State of New York



SoFi Stadium
Inglewood, CA

AECOM HUNT

Owner
Kroenke Sports and Entertainment

Delivery Method
CMR-GMP

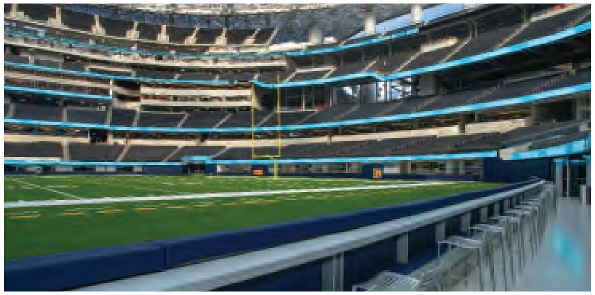
Anticipated Completion
July 2020

Construction Value
Confidential

Architect
HKS, Inc.

California's Largest Indoor-Outdoor Entertainment Space

A 3,100,000 SF football stadium and multi-purpose complex. The stadium includes 275 suites, 70,250 seats, 20,000 club seats and loge boxes; and a 50 ft. tall, 120 yard, oculus ribbon board. Additionally, the complex features a 6,000 seat, 220,000 SF multi-purpose indoor performance venue designed to accommodate major public events, including concerts, award shows, conventions, conferences, and miscellaneous similar engagements. Future home of the NFL's Los Angeles Rams and Los Angeles Chargers.



Enmarket Arena
Savannah, GA

AECOM HUNT

A 9,000-seat, 215,000 SF arena. The new arena includes an ice floor, club restaurant, club seating; and approximately 14 suites to enjoy concerts, trade shows, professional wrestling, basketball tournaments and ice shows.

Owner
City of Savannah

Delivery Method
CMR-GMP

Anticipated Completion
February 2022

Construction Value
$140,000,000

Architect
Perkins + Will

Los Angeles Memorial Coliseum Renovation

AECOM HUNT

Los Angeles, CA

Owner
University of Southern California

Delivery Method
CMR-GMP

Completion
August 2019

Construction Value
$230,000,000

Architect
DLR Group

The Coliseum will host the opening and closing ceremonies as well as track and field events during the 2028 Olympics.

A 231,340 SF historic renovation and expansion of a city landmark. The project included a new south tower of suites, clubs, and concessions along with overall infrastructure upgrades. Upgrades included replacement of mechanical and electrical systems, food service equipment, seating, water proofing, roofing, interior finishes and state-of-the-art audio, video, and Wi-Fi. Current home of the University of Southern California Trojan football team.

State Farm Arena Renovation
Atlanta, GA

AECOM HUNT

Boasts the most LED boards of any NBA arena

A 400,000 SF renovation that included two levels of new suites, new upper-deck seating and party space featuring Topgolf simulators. Additionally, substantial structural work allowed the creation of Atlanta Social, a unique premium space for public gathering. Large video boards were added in each corner, along with a massive center-hung board above the court. Three new premium clubs were built, as well as new restaurants, new concession stands and a barber shop. Open perches along the renovated 360-degree concourses provide ample spots for standing and socializing with a view of the game.

The renovation allowed the arena to continue to host home NBA games for the Atlanta Hawks and other events of local, regional, national and international importance, such as arena football, concerts, amateur sports events, and other entertainment and community events.

Owner
Atlanta Hawks

Delivery Method
CMR-GMP

Completion
October 2018

Construction Value
$155,000,000

Architect
HOK Group

LEED
Silver

“

It's a magnificent transformation.

Tony Ressler
Atlanta Hawks Principal Owner

”

University of Arkansas Donald W. Reynolds Razorback Stadium Addition and Renovation

AECOM HUNT

Fayetteville, AR

Owner
University of Arkansas

Construction Value
$130,000,000

Delivery Method
CMR-GMP

Architect
Populous

Completion
October 2018

Repeat Client

Addition and renovation to the north end zone including new locker, training rooms, suites, concessions and scoreboard structure. Renovations include remodels throughout the facility with new finishes.

Raymond James Stadium 2018 Renovations
Tampa, FL

AECOM HUNT

Fast-Track Project

Renovations of the entire concourse area including existing five concession stands,restroom upgrades, upgrades to sound system, AV systems, installation of video walls, electrical upgrades, cheerleader locker room expansion, and Hall of Fame revisions.

Owner
Tampa Bay Buccaneers

Delivery Method
General Contractor
Lump Sum Bid

Completion
September 2018

Construction Value
$20,679,166

Architect
Wagner Murray Architects

State Farm Stadium Club Level Remodel
Glendale, AZ

AECOM HUNT

Repeat Client

Renovation of the State Farm Stadium club level lounges, bars, corridors and restrooms. Installed new security structures at the perimeter of the stadium and installed site/landscape improvements.

Owner
Arizona Cardinals Football Club LLC

Delivery Method
CMR-GMP

Completion
August 2018

Construction Value
Confidential

Architect
Bar Napkin Productions, LLC

Arizona State University Sun Devil Stadium Improvements

Tempe, AZ

AECOM HUNT

Renovations and Improvements to Sun Devil Stadium, including a new 90,000 SF student athletic facility. The project consists of a new seating bowl at the main concourse level, concessions, restrooms, expansion of the sidelines, infrastructure replacement, new main concourse level, new club level, new upper concourse and new upper bowl club seating area.

Owner
Arizona State University - Tempe

Delivery Method
CMR-GMP

Completion
August 2018

Construction Value
$187,000,000

Architect
HNTB Headquarters

LEED
Gold

"The Hunt-Sundt (construction) team has done a great job working with us and making sure all this stuff happens. I'm really confident in their ability to deliver when they say they're going to deliver."

Mr. Isaac Manning
ASU Athletics Owners Rep., Trinity Works

Hard Rock Stadium Renovations & Roof Addition
Miami, FL

AECOM HUNT

Added Roof System, All New Seats and Multiple Fan Experiences

Renovations to the six-level, 800,000 SF Hard Rock Stadium. The project includes an open-air canopy and roof structure to provide shade, 65,326 new seats for the entire facility, renovated concourses and concession areas, new suites, new high-definition video boards in each corner of the stadium and open-air suites. Home of the NFL's Miami Dolphins and the University of Miami Hurricanes.

Owner
South Florida Stadium LLC

Construction Value
Confidential

Delivery Method
CMR-GMP

Architect
HOK/360 Architecture

Completion
December 2017

Key Features

- State-of-the-art open-air canopy which provides shade and protection from the elements for 92% of fans while also allowing for ample sunlight for a natural grass field.
- Four HD video boards, improved audio system, all new suites and Corner and Sideline Clubs.
- Rare form of turf that is genetically modified to grow on plastic, which allows for more durable roots.

“

Amazing work done in a very short period of time by a lot of dedicated people.

Tom Garfinkel, President & CEO of the Miami Dolphins and Hard Rock Stadium ”

Little Caesars Arena
Detroit, MI

AECOM HUNT

Unique "Gondola" Seating Suspended from the Rafters

New 885,000 SF, 20,000-seat multi-purpose arena for hockey, concerts and other events. The venue will include suites, concessions, lounges, state-of-the-art locker rooms and parking structure. Future home of the NHL's Detroit Red Wings and the NBA's Detroit Pistons. Also includes a 146,000 SF office building, a 77,000 office building, 482,000 SF parking garage and 17.5 acres of sitework and site redevelopment.

Owner
Olympia Development of Michigan, LLC

Delivery Method
CMR-GMP

Completion
September 2017

Construction Value
Confidential

Architect
HOK/360 Architecture

Key Features

- "Skin" on the outside of the arena bowl that can display video and graphics
- Improved seating options that create unique, memorable experiences including "gondola" seating. These seats are suspended over the event level and hang from the rafters
- Dynamic LED sports lighting and special effects, enhanced video, and state-of-the-art sound capabilities

"What an exciting feeling it is to watch it come from a hole in the ground into something that is just spectacular."

Tom Wilson, President & CEO
Olympia Entertainment

Mercedes-Benz Stadium
Atlanta, GA

AECOM HUNT

Only Retractable Roof in the World that Operates Similarly to a Camera Lens

A new 72,000-seat multi-purpose stadium. The 2,100,000 SF venue is one of the most complex stadiums ever imagined. Unique features include the unprecedented eight-panel retractable roof, first ever 360-degree halo video board, mega column LED display and Window to the City plaza. Future home of the NFL's Atlanta Falcons and MLS's Atlanta United Football Club.

Key Features

- Retractable roof is comprised of eight 1,600-ton panels that each cantilever 200'.
- Entire roof structure is supported by 19 cast-in-place concrete mega columns, 74 drilled piers and 410 auger cast piles for the mega caps.
- 360-degree HD "halo" video board will be the largest in the world at 58' tall and 1,100' in diameter.
- Obtained more total LEED points than any other sports facility in the world with 88.

Owner
Atlanta Falcons

Delivery Method
CMR-GMP

Completion
July 2017

Construction Value
Confidential

Architect
HOK/360 Architecture

LEED
Platinum

> We are committed to providing our fans and event guests with an unparalleled experience in the new facility.
>
> Arthur Blank
> Owner, Atlanta Falcons and Atlanta United FC

USTA Arthur Ashe Stadium Retractable Roof

Flushing, NY

AECOM HUNT

Owner
USTA National Tennis Center Incorporated

Delivery Method
Design-Build

Completion
August 2016

Construction Value
Confidential

Architect
Rossetti

Largest Retractable Roof Opening on a Tennis Stadium in the World

Addition of an octagonal 236,600 SF fabric roof on Arthur Ashe Tennis Stadium. The roof has a 250' x 250' retractable opening, uses 6,500 tons of steel, and consists of PTFE fabric stretched over the structural steel frame. The project includes a new 5,000 SF chiller building and 4,000 SF electrical substation building.

Retractable Roof Stats:

- 6,500 tons of steel
- 24 exterior columns
- 1,700 structural beams
- 115,000 three-pound bolts
- 200,000 SF of PTFE fabric
- 62,500 SF of open-roof space

> This is going to be a U.S. Open unlike any other - a movable roof on Arthur Ashe Stadium, a new Grandstand with 8,000 of the best seats to watch tennis in the world and an entire grounds transformation.
>
> Gordon Smith
> Chief Operating Officer, USTA

T-Mobile Arena
Las Vegas, NV

AECOM HUNT

Owner
Las Vegas Arena Company, LLC.

Delivery Method
CMR-GMP

Completion
June 2016

Construction Value
$269,210,618

Architect
Populous

LEED
Gold

Exterior See-Through LED Video Wall is the Largest in Vegas (9,000 SF)

A 650,000 SF multi-purpose arena. The 20,000-seat venue hosts 150 events annually, including professional sports, concerts, boxing, mixed martial arts, award shows and other major events. The two-acre outdoor plaza is located just off the Las Vegas Strip and is used for pre-event functions and special events. The arena has unrivaled premium seating options and a wide variety of concessions on each level. The most prominent feature is a 9,000 SF trapezoid-shaped see-through LED video wall on the exterior of the building. Home of the NHL's Vegas Golden Knights.

Key Features

- World-class Las Vegas-style design
- Premium balconies on all VIP and public levels with views to the plaza, park and Strip
- Multiple locker facilities, premium dressing rooms, green room and multipurpose spaces to accommodate a variety of sports and entertainment events

AT&T Center Renovations
San Antonio, TX

AECOM HUNT

Work Completed in 126 Days

Major renovation completed during 4.5 months off-season, including new seats, scoreboard, sound system, concourses, suites, VIP concessions, restaurants and dining, home team locker rooms and training areas, VIP entries and two additions. Home of the NBA's San Antonio Spurs, WNBA's Silver Stars and the AHL's San Antonio Rampage.

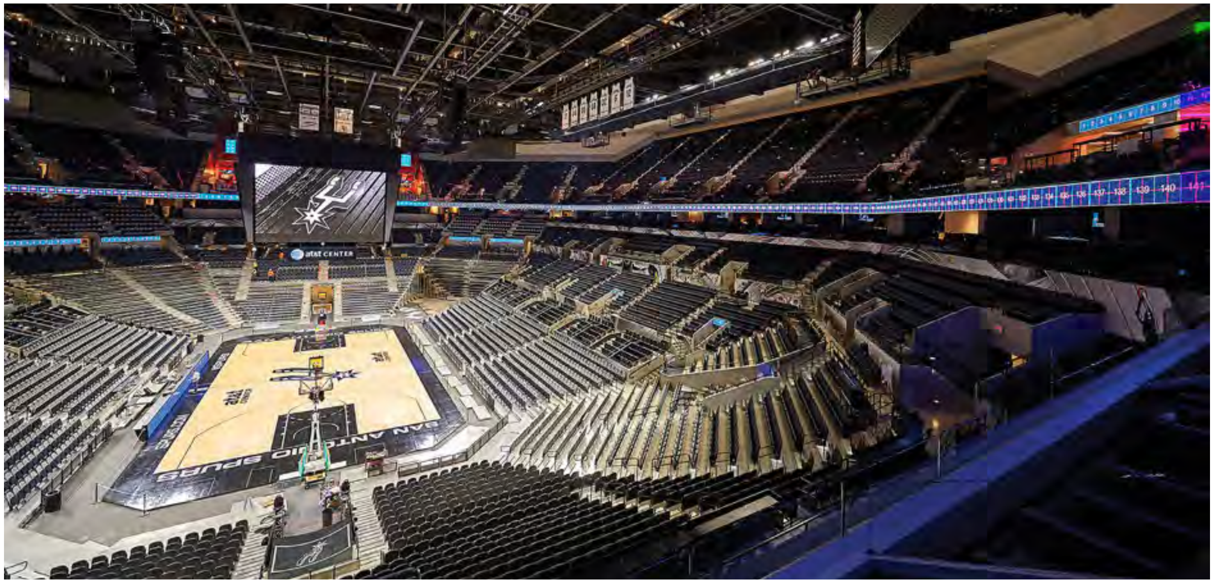
Owner
Spurs Sports & Entertainment

Delivery Method
CMR - GMP

Completion
October 2015

Construction Value
$79,650,574

Architect
HOK/360 Architecture

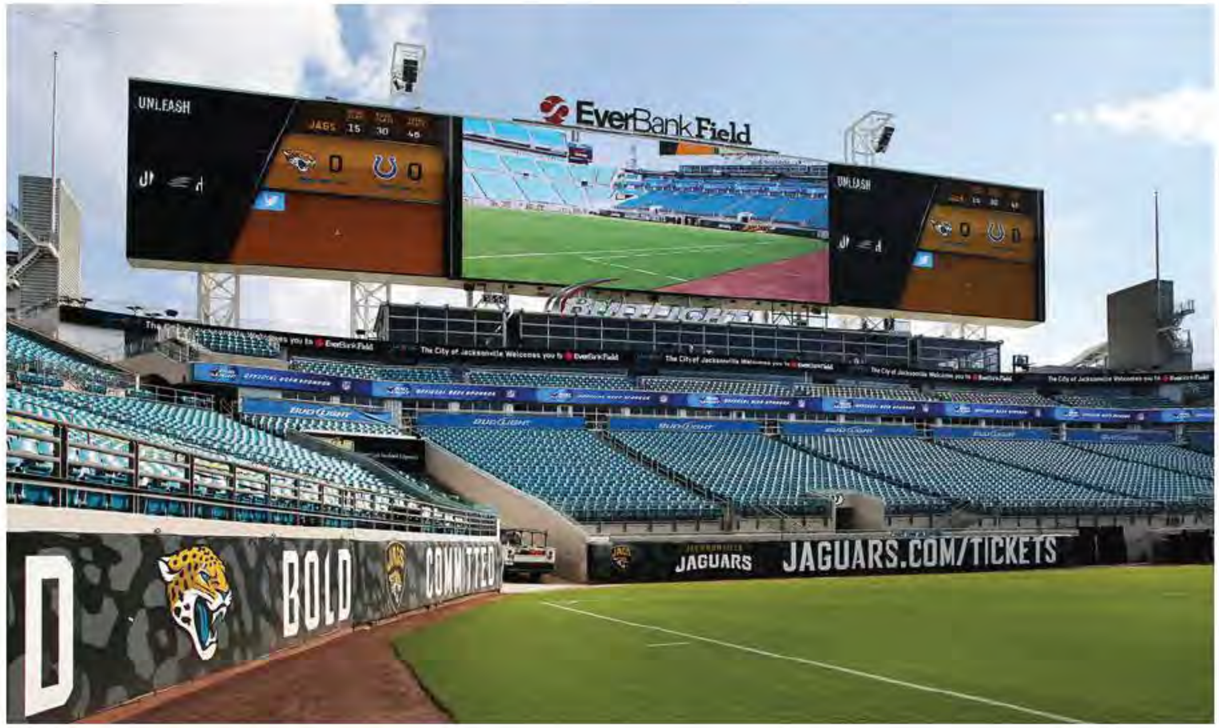


"The renovations have been helpful in a lot of ways. The locker room is really nice. The training, strength and rehab areas are really special."

Gregg Popovic
Head Coach, San Antonio Spurs

TIAA Bank Field Improvements
Jacksonville, FL

AECOM HUNT



World's Largest Video Board

Stadium renovations including upgrading all video boards, a state-of-the-art control room and a new north end zone platform consisting of an elevated deck with restrooms, spa pools, food service space and portable amenities. The deck has the flexibility to be changed to seating in order to accommodate an event such as the Super Bowl. Home of the NFL's Jacksonville Jaguars.

Owner
Jacksonville Jaguars, LLC

Construction Value
$58,336,820

Delivery Method
CMR-GMP

Architect
Populous

Completion
July 2014

Key Features
- 55,000 SF of video boards.
- Two 60' x 362' HD video displays contain a total of 35.5 million LEDs
- Two-level party deck that includes two pools and 16 cabanas.

Southwest University Park

AECOM HUNT

El Paso, TX

Fastest AAA ballpark ever constructed

A new AAA ballpark with 7,000 fixed seats, 25 luxury suites, 250-500 club seats, restaurant/bar, concession facilities, team facilities, team store, press facilities, scoreboard, video board, and office space. Includes demolition of previous structure by implosion. Home of the El Paso Chihuahuas, AAA affiliate of MLB's San Diego Padres.

Owner
City of El Paso

Delivery Method
CMR-GMP

Completion
April 2014

Construction Value
$64,566,560

Architect
Populous

LEED
Gold

Sloan Park
Mesa, AZ

AECOM HUNT

Chicago Cubs Spring Training Facility

A 142-acre spring training complex which includes a 15,000-seat, 69,107 SF stadium, 65,074 SF clubhouse, 45,631 SF left field building, 30,996 SF batting tunnel, 4,700 SF retail building and 13,127 SF maintenance building. The complex also includes two and a half major league practice fields, four minor league practice fields, a parking lot and development complex. Spring training home of MLB's Chicago Cubs.

Owner
City of Mesa

Construction Value
$99,020,828

Delivery Method
CMR-GMP

Architect
Populous

Completion
January 2014

"It was a pleasure working with Hunt and we will always be grateful for the quality of work and dedication in making our venue special for the fans."

Christopher J. Brady
City Manager, City of Mesa Arizona

Dodger Stadium Renovations
Los Angeles, CA

AECOM HUNT

Extremely Condensed Five-Month Schedule

Renovations to the existing stadium including the clubhouse, batting tunnels and infrastructure upgrades. Home of MLB's Los Angeles Dodgers.

Key Features

- New team clubhouse, expanded and enhanced training/conditioning areas, and new indoor batting cages.
- New video control and production facility.
- Retail space consisting of two large and two smaller team stores.
- New concessions on the upper and loge levels.

Owner
Los Angeles Dodgers, LLC

Delivery Method
CMR-GMP

Completion
March 2013

Construction Value
Confidential

Architect
DAIQ Architects

> Thank you. You heard us and you responded. The magnitude of what was accomplished here is nothing short of amazing. Truly, truly amazing.

Ms. Janet Marie Smith, Senior VP, Planning & Development, Los Angeles Dodgers

Barclays Center
Brooklyn, NY

AECOM HUNT

Owner
Atlantic Yards Development Company

Delivery Method
Design-Build
Integrated Project Delivery

Completion
September 2012

Construction Value
Confidential

Architect
AECOM

LEED
Silver

Design-Build with AECOM

A 670,000 SF, 18,000-seat, 105 suite multi-purpose arena featuring upscale lounges, concessions, state-of-the-art locker rooms, and more. The Center boasts the first weathered steel façade of its kind on a sports venue. The facility will host NBA and NHL games, concerts, and family entertainment. Home of the NBA's Brooklyn Nets and the NHL's New York Islanders.

Key Features
- Event level, below grade shipping & receiving dock serviced by a 360 degree rotating turn-table and two truck elevators for maneuvering vehicles in a tight area
- Unique exterior façade comprised of weathered steel panels that were pre-rusted to provide protection from moisture
- Oculus with a one-of-a-kind curved 3,000-foot LED board
- Extremely tight, busy site

> "Hunt has an outstanding construction team that has built many of the best sporting venues in the country. We're excited to have teamed with Hunt for the Barclays Center."
>
> Bruce Ratner, Chairman and CEO
> Forest City Ratner Companies

Marlins Park
Miami, FL

AECOM HUNT

Owner
Miami Marlins L.P.

Construction Value
Confidential

Delivery Method
CMR-GMP

Architect
Populous

Completion
March 2012

LEED
Gold

First LEED Certified Retractable Roof Stadium (Gold)

A 937,000 SF, 37,000-seat, three-panel retractable roof baseball stadium featuring 42 luxury suites, eight party suites, home run porch, state-of-the-art concession and restroom amenities, a reflection of Miami's diverse culture, Western Plaza for year-round use, Taste of Miami food area, half-acre retractable window wall, street-level team store, and high definition scoreboard. Home of MLB's Miami Marlins.

Key Features

- Operable roof has 44 transporters that can each support over one million pounds.
- Enormous size of each roof panel meant the assembly of the steel could only happen at the construction site.
- Innovative shoring technique was developed to assemble each truss while increasing the safety of the process.

"I would say to a client that if you're interested in an on time, on budget project, and you're interested in a company who will be able to deliver, then you had better hire Hunt."

Mr. David Samson
President, Miami Marlins

Amway Center
Orlando, FL

AECOM HUNT

Owner
Orlando Magic

Delivery Method
CMR-GMP

Completion
September 2010

Construction Value
Confidential

Architect
Populous

LEED
Gold

First LEED Certified NBA Arena

An 800,000 SF, seven-level, 18,500-seat (maximum 20,000 for NCAA), 56 suite multi-purpose arena featuring luxury lounges, upscale locker rooms, practice court, concessions and corporate offices. The Center is the heart of the "City Beautiful" entertainment and sporting industry, showcasing world renowned events. Home of the NBA's Orlando Magic.

Award-Winning Arena
- Sunshine State Safety Recognition Award, USF Safety Florida (OSHA Consultation Authority)
- Downtown Orlando Partnership Golden Brick Awards: Award of Excellence, Community Open House, Ribbon Cutting Event, Geico Garage, Courtside Clubs, Offices
- ABC Central Florida Excellence in Construction Eagle Award Entertainment Facilities – Over $100M
- Sports Industry Annual Awards – Facility of the Year

> Hunt's team acted as true professionals. Their broad background and sports expertise gave us comfort that Amway Center would be delivered on time and with the highest of quality.
>
> Charlie Freeman, Executive Vice President Business Development, Orlando Magic

University of Louisville Cardinal Stadium Expansion

Louisville, KY

Owner
University of Louisville

Construction Value
Confidential

Delivery Method
CMR-GMP

Architect
Luckett & Farley

Completion Date
August 2010

Repeat Client

The addition of 10,500 stadium seats to the new upper deck seating bowl, 1,730 sheltered loge seats, 33 new suites and a new south terrace area directly beyond the current south end zone. Home of the University of Louisville Cardinals.

Key Features

- Increased capacity from 42,000 to 55,000; all are chair back seats with arm rests, the only on-campus stadium in the nation with all chair back seating.
- 33 new luxury suites, each with 18 seats, increasing the total number of suites within the stadium to 63.
- Construction of the addition proceeded while the existing facility remained open.

> The bottom line is that Hunt Construction is a first line company that demonstrated broad expertise and skill while managing a critical major project for the University of Louisville. We look forward to working with them on other projects in the future.
>
> Mr. Kenneth C. Scull
> Manager, Cardinal Stadium

PPG Paints Arena
Pittsburgh, PA

AECOM HUNT

First LEED Certified NHL Arena

A 720,000 SF, seven level, 18,500-seat multi-purpose hockey arena featuring 68 suites, four party suites and 2,000 club seats and 236 loge box seats. The venue includes concessions, lounges, upscale locker rooms and hosts hockey, arena football, concerts and family entertainment. Home of the NHL's Pittsburgh Penguins and the AFL's Pittsburgh Power.

Key Features
- Project was completed on time, and a portion of the building was turned over 22 days early
- Two levels of concourses to ease congestion
- Two upscale clubs on main concourse at center ice
- Lexus club on suite level and an upscale club on the upper concourse
- 795 HD IPTVs
- 236 loge box seats

Owner
Sports & Exhibition Authority of Pittsburgh and Allegheny County

Delivery Method
CMR-GMP

Completion
July 2010

Construction Value
$243,368,850

Architect
Populous

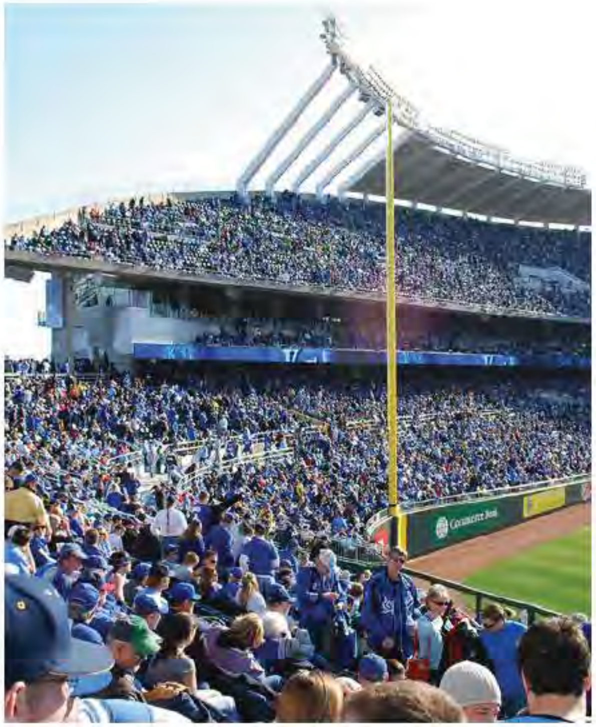
LEED
Gold

"The commitment to excellence and work ethic that your team demonstrated throughout the project will be carried on by our team for years to come."

Travis Williams, Senior Vice President Business Affairs/General Counsel, Pittsburgh Penguins

Kauffman Stadium Expansion & Renovation
Kansas City, MO

AECOM HUNT



Expedited Schedule from 30 to 18 Months

Owner
Kansas City Royals

Delivery Method
CMR-GMP

Completion
July 2009

Construction Value
$233,965,951

Architect
Populous

A renovation and expansion to the 1,200,000 SF, 37,920-seat stadium, including a Hall of Fame building, restaurant, three-story administration building, Diamond Club, plaza level concessions, restrooms, expanded concourses and several other new amenities and renovations. Home of MLB's Kansas City Royals.

Key Features
- Renovations to the crown scoreboard, suites, concourses, restrooms and concessions.
- New outfield experience, administration building, broadcast booths, press room and dining areas.
- Outfield expansion created a 360-degree concourse around stadium that was not previously possible.

> Due to Hunt's hands-on managerial style and excellent communication with the team, disruption to the team during an entire season was imperceptible.

John Loyd, Owners Representative
Kauffman Stadium

Citi Field
Flushing, NY

AECOM HUNT

Awarded New York Construction's Best Sports/Recreation Project

A new 1,200,000 SF, 42,000-seat open-air baseball stadium featuring five levels, 54 luxury suites, four restaurants and a total capacity of 41,800 including standing room. Home of MLB's New York Mets.

Key Features
- Contoured seating configuration brings fans closer to the field on all levels.
- Structural steel frame with cast-in-place concrete shear walls and slab on deck.
- Wider concourses designed for easier access while providing a 360-degree view of the field.

Owner
New York Mets

Delivery Method
CMR-GMP

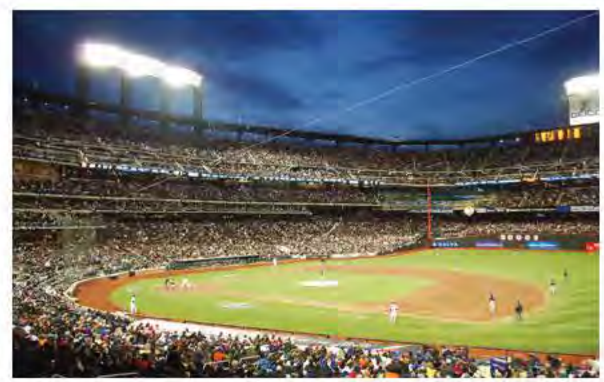
Completion
April 2009

Construction Value
$660,000,000

Architect
Populous

"Hunt has brought unparalleled expertise, passion, and collaboration in working together to bring the longtime dream of a new ballpark for the Mets and their fans to reality."

Jeffrey S. Wilpon, Sr. Exec. VP & COO,
New York Mets National League Baseball Club



University of Illinois Memorial Stadium Renovation & Addition

AECOM HUNT

Champaign, IL

Received AISC National Merit Award

The addition of a 170,000 SF press box, 7,000-seat north grandstand and renovation of the concourses on both the east and west sides. Home of the University of Illinois Fighting Illini.

Owner
The Board of Trustees of the University of Illinois

Delivery Method
CM-Agent

Completion
September 2008

Construction Value
$90,000,000

Architect
HNTB

Lucas Oil Stadium
Indianapolis, IN

AECOM HUNT

Largest Retractable Roof Stadium (Sideline-to-Sideline)

A 1,800,000 SF retractable roof stadium consisting of 63,000 seats including 7,100 club seats and 150 suites, eight of which are at field level. Also features Lucas Oil Plaza, Quarterback Club, concessions, restrooms, locker rooms and loading docks. Home of the NFL's Indianapolis Colts, NCAA basketball championships, major conventions and other events.

Key Features

- Operable window comprises six panels that are each 88' tall and 244' wide.
- First-of-its-kind super frame structural roof system that creates a 176,400 SF opening.
- Roof opens in about 9 minutes.

Owner
Indiana Stadium and Convention Building Authority

Delivery Method
CM-Agent

Completion
August 2008

Construction Value
Confidential

Architect
HKS, Inc.

> Hunt is the kind of construction management team that has not an A group, a B group and C group, they have three or four A teams and we have one of the A teams working on this building.
>
> Mr. John Klipsch, Executive Director, Indiana Stadium and Convention Building Authority

Nationals Park
Washington, DC

AECOM HUNT

First LEED Certified Professional Stadium

A 1,176,151 SF, 41,000-seat, open-air, state-of-the-art baseball stadium featuring 90 luxury suites, six levels, a five-level parking structure, a six-level parking structure and surface parking lot. Home of MLB's Washington Nationals.

Owner
DC Sports Entertainment Commission

Delivery Method
Design-Build

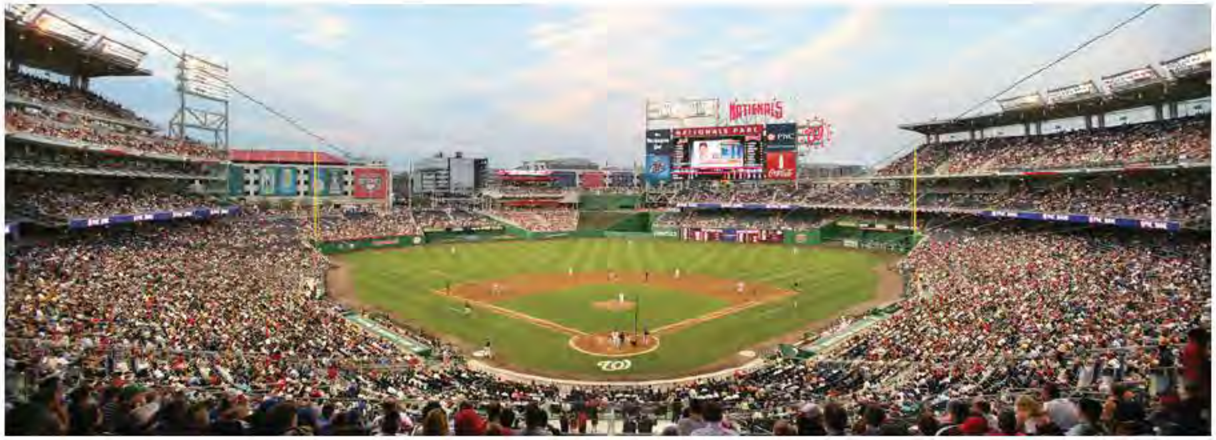
Completion
April 2008

Construction Value
$442,555,316

Architect
Populous

LEED
Silver

Key Features
- 6,300 SF green roof on an outfield concession area helps absorb rainwater and reduce runoff.
- Intricate groundwater and stormwater filtration systems.
- More than 80% of the construction waste was diverted from landfills.



Hard Rock Stadium Expansion
Miami, FL

AECOM HUNT

Repeat Client

A 360,000 SF renovation and expansion to existing stadium that consisted of eight additional escalators, four elevators, additional concessions and retail spaces, as well as two mezzanines added to two levels. Expansion was for the BCS Championship and the Super Bowl. Home of the NFL's Miami Dolphins and the University of Miami Hurricanes.

Owner
South Florida Stadium Corp.

Delivery Method
CM-Agent
Owner's Representative

Completion
August 2007

Construction Value
$189,675,733

Architect
Populous

Key Features

- Selective demolition of both interior and exterior elements.
- Club and upper suite levels have a 40,000 SF glass curtain wall system.
- Main concourse level boasts shade louvers.

State Farm Stadium
Glendale, AZ

AECOM HUNT

First Retractable Field in North America

A 1,700,000 SF, 63,500-seat (expandable to 72,800 seats for special events), multi-purpose facility with 88 luxury suites and six levels including a service floor, retractable roof and roll-out "natural turf" playing field. Home of the NFL's Arizona Cardinals.

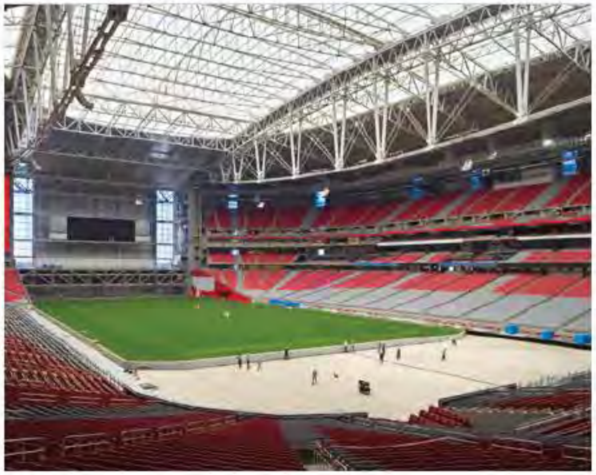
Owner
Arizona Sports and Tourism Authority

Delivery Method
Design-Build

Completion
August 2006

Construction Value
$419,397,220

Architect
Eisenman Architects / Populous



> We consider Hunt's integrity, values, and work ethic to be top echelon. We are proud of our 20-year business history together.

Michael Watts
President, Sunstate Equipment Co.

Key Features

- Heaviest roof lift in North America (5,400 tons)
- 13 million-pound field travels 740' at 15' per minute.
- Two-panel retractable roof is the first that moves at an incline and each panel weighs over one million pounds.
- Named one of the world's ten most impressive sports structures by BusinessWeek.

Busch Stadium
St. Louis, MO

AECOM HUNT

Design-Build Stadium

A 1,500,000 SF open-air baseball facility, including 46,844 seats, 106 suites, party rooms, concessions and restrooms. Additional scope of work included the demolition of old Busch Stadium to make way for the new stadium. Home of MLB's St. Louis Cardinals.

Owner
St. Louis Cardinals

Construction Value
$286,932,800

Delivery Method
Design-Build

Architect
Populous

Completion
July 2006

Key Features
- Shared footprint with existing stadium meant simultaneous demolition and construction on the two stadiums.
- Precast concrete seating units and panels aided construction efficiency.

“

I don't believe that any other contractor could deliver this project as well as Hunt within our time and monetary constraints.

John Loyd, Owners Representative
St. Louis Cardinals

”

Spectrum Center
Charlotte, NC

AECOM HUNT

Owner
City of Charlotte

Delivery Method
CMR-GMP

Completion
October 2005

Construction Value
Confidential

Architect
AECOM

Early Involvement Resulted in Significant Cost Savings

An 800,000 SF multi-purpose arena with approximately 18,500 seats, 64 luxury suites, 58 loge boxes and 2,800 club/courtside seats, concessions, lounges, locker rooms and more. The arena hosts basketball, concerts and family entertainment. Home of the NBA's Charlotte Hornets, WNBA's Charlotte Sting and the ECHL's Charlotte Checkers.

AECOM Hunt Saved the Owner Time & Money By:

- Suggesting the use of alternate materials
- Re-sequencing work
- Simplifying the design while retaining its intended effect
- Value engineering

"On behalf of the Bobcats and the NBA, I want to congratulate, thank and cheer all those involved in giving this community a remarkable venue and new source of pride."

David J. Stern, Commissioner
National Basketball Association

Citizens Bank Park
Philadelphia, PA

AECOM HUNT

Delivered On Time and Under Budget

A 1,190,000 SF, 43,000 seat open-air baseball stadium featuring 75 suites, five party suites and a parking lot. Home of MLB's Philadelphia Phillies.

Owner
Philadelphia Phillies

Delivery Method
CMR-GMP

Completion
April 2005

Construction Value
Confidential

Architect
Ewing Cole Cherry Brott / Populous

Key Features
- Four unique entrances into the park designed to compliment the overall look and feel of Philadelphia.
- Field sits 23' below street level which creates bowl-style seating.
- Thin, brick-clad wall system that reduced cost and sped up the construction process.

> Thanks for your tremendous effort. It means a great deal to be able to settle in and prepare for an exciting season in a spectacular new ballpark.
>
> David P. Montgomery, General Partner and President, Citizens Bank Park

Talking Stick Resort Arena Renovations Phase II

AECOM HUNT

Phoenix, AZ

Owner
Phoenix Arena Development Limited Partnership

Delivery Method
CMR-GMP

Completion
May 2004

Construction Value
$27,741,270

Architect
E & I Architects

Repeat Client

A 60,000 SF addition, tenant improvement and the construction of glass curtain wall façades to three sides of the existing arena. The space includes a pedestrian court, entertainment venues, retail, restaurants and concourses. Home of the NBA's Phoenix Suns, WNBA's Phoenix Mercury and AFL's Arizona Rattlers.

Key Features

- The arena remained in full operation for the duration of the project with one of the busiest event schedules in the nation
- Glass pavilion with ticket counters
- Walkway with a projection-surface canopy

"Hunt's commitment to teamwork was critical to the success of this project. I highly recommend them."

Paige R. Peterson, President and General Manager, Talking Stick Resort Arena

Purdue University Ross-Ade Stadium
West Lafayette, IN

AECOM HUNT

Repeat Client

The renovation of the existing seating bowl consisting of 282,500 SF, removal and replacement of the existing press box, suite addition totaling 97,000 SF and addition and renovation of the main concourse totaling 170,000 SF. Home of the Purdue University Boilermakers.

Owner
Purdue University

Delivery Method
CMR-GMP
Owner's Representative

Completion
December 2003

Construction Value
$69,341,248

Architect
HNTB

> We have found Hunt to be thorough and professional in carrying out their responsibilities. They have maintained effective interfaces with multiple constituencies, i.e., University construction personnel, athletic department staff, etc. Given the complexity of our project and the tight deadline, it is good to have them with us!

Morgan J. Burke
Athletics Director, Purdue University

Great American Ball Park and Garage

Cincinnati, OH

AECOM HUNT

Delivered On Time and On Budget

A 1,260,436 SF baseball stadium with 42,053 seats, 3,000 club seats and 61 suites (58 luxury suites and three party suites) on six levels. Includes a 403,800 SF, two-story, 820-space parking garage. Home of MLB's Cincinnati Reds.

Key Features

- Partial demolition of existing ballpark to allow for construction of new facility, while the existing ballpark remained in operation.
- Construction occurred near the Ohio River and necessitated construction of an operable flood wall within the lower level construction.
- Includes a Hall of Fame Museum and 110,000 SF underground parking garage.

Owner
Hamilton County Ohio

Delivery Method
CM-Agent

Completion
April 2003

Construction Value
$280,000,000

Architect
Populous

"Hunt's ability to properly plan and communicate with all of many the shareholders was superb and contributed a great deal to the success of the project."

John L. Allen, Chief Operating Officer
Cincinnati Reds

AT&T Center
San Antonio, TX

AECOM HUNT

Owner
San Antonio Spurs

Construction Value
$140,050,000

Delivery Method
CMR-GMP

Architect
AECOM

Completion
October 2002

Repeat Client

A 750,000 SF, 18,500-seat multi-purpose arena featuring 60 suites and on-grade parking spaces for 7,500 cars. Home of the NBA's San Antonio Spurs, WNBA's Silver Stars and the AHL's San Antonio Rampage.

Key Features

- Main roof consists of ten trusses, each weighing approximately 190 tons
- Roof trusses were assembled and rolled from extension of building to expedite schedule
- Approximately 47,000 cubic yards of concrete, 1,200 drilled piers, structured cement slab
- Site located approximately 4 miles east of downtown San Antonio

> Despite a very tight timeline, we opened on time, within our budget and have an arena that the Spurs, our fans and entire city is very proud of.

Rick Pych, Executive Vice President, Finance & Corporate Development, San Antonio Spurs

Ford Field
Detroit, MI

AECOM HUNT

First NFL Stadium Built Around an Existing Building with a Fixed Roof

A 1,350,000 SF, 21st-Century football stadium featuring 65,000 seats and 133 suites. Home of the NFL's Detroit Lions.

Owner
Detroit Lions

Construction Value
$254,000,000

Delivery Method
CMR-GMP

Architect
SmithGroup, Inc.

Completion
August 2002

Key Features
- Cast-in-place concrete superstructure.
- Precast brick façade.
- Giant, high-strength structural steel roof with a 640' clear span.
- Large glass wall revealing the Detroit skyline.

> It has been a pleasure for us to again work with such a professionally qualified staff and we hope to have many more future opportunities to work with Hunt.

Thomas C. Richard, AIA
President & CEO, M&H Sports

Heinz Field
Pittsburgh, PA

AECOM HUNT

11,000 Tons of Steel in Super Structure

A 1,500,000 SF, 65,000-seat open-air football stadium featuring 127 luxury suites and the Fan Experience Great Hall that memorializes the Steelers History and "Six Super Bowl Championships." Home of the NFL's Pittsburgh Steelers and the University of Pittsburgh Panthers.

Owner
Pittsburgh Steelers

Delivery Method
CMR-GMP

Completion
August 2001

Construction Value
Confidential

Architect
Populous

"Hunt was very responsive to all of our requests, particularly in estimating various components so that decisions could be made. We are very satisfied with their provided services."

Arthur J. Rooney, II
VP and General Counsel, Pittsburgh Steelers

American Family Field

Milwaukee, WI

A 1,200,000 SF, fan-shaped, retractable roof baseball stadium featuring 43,000 seats, 72 skyboxes and 3,000 club level seats. Home of MLB's Milwaukee Brewers.

Fan-Shaped Retractable Roof

Owner
Southeast Wisconsin Professional Baseball District

Delivery Method
CMR-GMP

Completion
April 2001

Construction Value
$307,000,000

Architect
HKS, Inc.

Comerica Park

Detroit, MI

A 1,200,000 SF, 40,000-seat open-air baseball stadium that features 108 suites, carousel, Ferris wheel, a 1,000-car parking garage and surrounding site development. Home of MLB's Detroit Tigers.

Part of Larger Stadium District Development Project

Owner
Detroit Wayne County Stadium Authority

Delivery Method
CMR-GMP

Completion
April 2000

Construction Value
$254,500,000

Architect
SmithGroup, Inc.

Oracle Park

San Francisco, CA

A 1,100,000 SF, 41,957-seat open-air baseball stadium featuring 67 suites, 5,800 club seats, restaurants, 60,000 SF pavilion building for offices and team retail shop. Home of MLB's San Francisco Giants.

Site Immediately Adjacent to the Bay

Owner
San Francisco Giants

Delivery Method
CMR-GMP

Completion
April 2000

Construction Value
Confidential

Architect
Populous

T-Mobile Park
Seattle, WA

Eight-Acre Retractable Roof

A 1,200,000 SF, 47,000-seat retractable roof baseball stadium featuring 67 suites. Home of MLB's Seattle Mariners.

Owner
Washington State Public Facilities District

Delivery Method
CMR-GMP

Completion
July 1999

Construction Value
$350,000,000

Architect
NBBJ

Key Features
- Roof panels and mechanization were built directly above an active railroad corridor.
- The three panels stack beyond right field and can open in 8-10 minutes.
- Retractable roof was the first to be constructed in Seismic Zone 3.

Bankers Life Fieldhouse

Indianapolis, IN

AECOM HUNT

First Retro-Style Facility in the NBA

A 760,000 SF, 19,000-seat, five-level, basketball arena featuring 70 suites, restaurants, a team store, box office, 100+ concessions, a four-sided video scoreboard suspended above center court, full-size practice court and a complete broadcasting studio. Home of the NBA's Indiana Pacers and the WNBA's Indiana Fever.

Award-Winning Arena

- Olive Build Indiana Award
- A Monumental Affair, Excellence Award
- MICCS Outstanding Project Award
- Indiana Concrete Association, Outstanding Concrete Construction Award
- Excellence in Design & Development, Construction Merit Award

Owner
City of Indianapolis

Delivery Method
CM-Agent

Completion
October 1999

Construction Value
$183,000,000

Architect
AECOM

"Hunt's ability to keep such a complicated project running smoothly while integrating thousands of activities through the Capital Improvement Board process is truly remarkable."

Stephen Goldsmith
Former Mayor, City of Indianapolis

BB&T Center
Sunrise, FL

AECOM HUNT

Fast-Track Schedule

An 872,000 SF, 19,495-seat primary hockey arena featuring 82 suites on a 135-acre site with a 7,500-car surface parking lot and 215-car VIP garage. It also includes 20,000 square feet of office space to accommodate the Florida Panther's hockey team, plus four Teams Stores. There are six food courts, 82 private suites spread throughout two concourses, two sky box suites and 2,500 club seats. Home of the NHL's Florida Panthers.

Owner
Arena Development Company, LTD

Delivery Method
CMR-GMP

Completion
October 1998

Construction Value
$136,000,000

Architect
AECOM

"Hunt's extensive sports facility experience with is apparent and they offer a very professional approach to the construction management process."

Walter Upton, Director of Construction, Arena Development Company

Chase Field

Phoenix, AZ

AECOM HUNT

First Retractable Roof Stadium with Natural Grass and Air Conditioning

A 49,977-seat, 1,300,000 SF retractable roof baseball stadium featuring 69 suites, six party suites, six 60' x 70' operable panels and a natural grass playing field. Home of MLB's Arizona Diamondbacks.

Owner
Maricopa County

Delivery Method
CM-Agent

Completion
April 1998

Construction Value
$270,000,000

Architect
AECOM

> Remember when you make your selection, it's the people who will build these projects, and I would certainly want Hunt on my team.

Jerry Colangelo, Former Chairman & CEO, Arizona Diamondbacks

FirstEnergy Stadium

Cleveland, OH

A 1,650,000 SF, 72,000-seat, open-air football stadium featuring 8,600 club seats, 135 luxury suites and two 28,000 SF club lounges. Home of the NFL's Cleveland Browns. Formerly known as Cleveland Browns Stadium.

Tight Urban Site

Owner
City of Cleveland

Construction Value
$263,000,000

Delivery Method
CM-Agent

Architect
Populous

Completion
July 1999

Raymond James Stadium

Tampa, FL

A 66,321-seat open-air football stadium featuring 164 luxury suites, 12,000 club seats and space for an additional 60 suites. Home of the NFL's Tampa Bay Buccaneers.

Named Project of the Year in 1999

Owner
Tampa Sports Authority

Construction Value
$168,000,000

Delivery Method
CMR-GMP

Architect
Populous

Completion
September 1998

TIAA Bank Field

Jacksonville, FL

A 700,000 SF, open-air football stadium featuring 73,000 to 83,000 seats and 94 suites. Work included the demolition of the existing Gator Bowl structure and playing field with the exception of the structural framework supporting the West Upper Concourse and Upper Level seating bowl. Home of the NFL's Jacksonville Jaguars.

Repeat Client

Owner
Jacksonville Jaguars, LLC

Construction Value
$125,000,000

Delivery Method
CMR-GMP

Architect
Populous

Completion
August 1995

Amalie Arena
Tampa, FL

AECOM HUNT

Fast-Track Schedule

A 650,000 SF, 20,500-seat multi-purpose arena featuring 72 suites. Home of the NHL's Tampa Bay Lightning and the AFL's Tampa Storm.

Value Engineering Shortened Schedule by Two Months

- Potential realized during preconstruction
- Centered around erecting the steel roof trusses from the outside of the building
- Minor design modifications
- Trusses hydraulically jacked horizontally after being set on the end of the building
- Expedited ice floor construction to immediately follow the erection of the precast seat decks, rather than after the erection of the roof steel

Owner
Beacon Sports Properties, LLC

Delivery Method
CMR-GMP

Completion
December 1996

Construction Value
$86,000,000

Architect
AECOM

"Hunt is highly qualified to perform sports facility construction management services."

Thomas F. Benzel
General Manager, Amalie Arena

Mercedes-Benz Superdome

New Orleans, LA

AECOM HUNT

Largest Steel Dome in the World

A 72,000-seat domed stadium featuring 137 suites, convention area and 5,000 parking spaces. Home of the NFL's New Orleans Saints and host to several NFL, NCAA and other big events.

Owner
Louisiana Stadium & Exposition District

Delivery Method
Lump Sum Bid
General Contractor

Completion
August 1975

Construction Value
$96,000,000

Architect
Curtis & Davis Architects / Edward B. Sukversteub & Associates

USTA Grandstand Stadium & South Campus

Flushing, NY

A new 8,125-seat tennis stadium which serves as the US Open's third main court. The new Grandstand includes concessions, commissary, player areas, a press box, and LED event lighting. The South Campus portion of the project consists of the redevelopment of seven acres and includes ten new tournament courts with a total capacity of 10,000 seats.

Features a Sunken Court

Owner
USTA National Tennis Center Incorporated

Delivery Method
CMR-GMP

Completion
March 2017

Construction Value
Confidential

Architect
Rossetti

LEED
Pursuing

USTA Louis Armstrong Stadium

Flushing, NY

A 278,558 SF retractable roof tennis stadium consisting of one court and 14,000 seats. Also features a commissary, administrative areas, loading dock, public restrooms, hospitality/retail space, MEP and AVT support systems and a naturally ventilated bowl. Amenities include sports lighting, audio/visual boards and scoreboards.

New Retractable Roof Stadium will be Largest No. 2 Grand Slam Facility

Owner
USTA National Tennis Center Incorporated

Delivery Method
CMR-GMP

Completion
October 2018

Construction Value
Confidential

Architect
Matthew L. Rossetti, Architect, P.C.

Ballpark of the Palm Beaches

West Palm Beach, FL

A 145-acre spring training complex which includes a 8,500 seat main stadium, two 61,000 SF clubhouses, sitework and playing fields. Spring training home of MLB's Washington Nationals and Houston Astros.

Fast-Track Project

Owner
HW Spring Training Complex, LLC

Delivery Method
CMR-GMP

Completion
May 2017

Construction Value
$107,766,566

Architect
HKS, Inc.

LEED
Pursuing

St. Vincent Center - Indiana Pacers Training Facility

Indianapolis, IN

A new five-story, 160,000 SF practice facility for the Indiana Pacers. Includes basketball practice courts, locker rooms, training facilities, Operations office space, parking garage, a St. Vincent medical and therapy facility and underground connector tunnel to the Bankers Life Fieldhouse.

Owner
Capital Improvement Board of Indianapolis, Family Basketball, LLC

Delivery Method
Construction Manager at Risk, Guaranteed Maximum Price

Completion
June 2017

Construction Value
Confidential

Architect
Ratio Architects

Indianapolis Motor Speedway

Indianapolis, IN

Renovations and improvements to the 235,000-seat, historical speedway including parking, restrooms, concessions, office space, seating, grandstands, paddocks, terraces, clubs, suites, a brand new prominent entry Gate 1 and the removal and the replacement of the penthouse canopy. Home of the famous Indianapolis 500 and Brickyard 400.

Owner
Indianapolis Motor Speedway

Delivery Method
Construction Manager at Risk, Guaranteed Maximum Price, Construction Management

Completion
May 2016

Construction Value
Confidential

Architect
Browning Day Mullins Dierdorf Architects

Arizona Cardinals Training Facility Expansion & Dining Hall Renovation

Tempe, AZ

A 13,000 SF expansion and renovation of the existing facility to include a new hydrotherapy center, kitchen, dining, locker rooms, weight training areas and a 2,000 SF dining hall.

Owner
Arizona Cardinals Football Club LLC

Delivery Method
CM-Cost Plus, Negotiated Procurement

Completion
August 2016

Construction Value
$7,754,868

Architect
Worksbureau

Nassau Veterans Memorial Coliseum

Uniondale, NY

A 409,000 SF renovation to the existing arena. Exterior upgrades include a new façade and expanded entrances. Interior modifications include a new seating configuration and updated concourses. Upon completion of the renovations, the venue will host concerts, Brooklyn Nets preseason games, boxing, minor league sports, six New York Islanders games and many other public events.

M/WBE Goals Surpassed

Owner
Forest City Ratner Companies

Delivery Method
CMR-GMP

Completion
March 2017

Construction Value
Confidential

Architect
Shop Architects

Indiana Farmers Coliseum Renovation

Indianapolis, IN

A 172,495 SF renovation of the existing building, which includes 8,200 seats, two concourses, an ice rink rebuild and an addition of a new ice sheet and arena for public skating. Project also includes a separate second arena called the "Youth Arena". This building is an ice rink for public skating and smaller events. Home of IUPUI Jaguars Men's Basketball team and ECHL's Indy Fuel.

Completed Four Months Early

Owner
Indiana State Fair Commission

Delivery Method
CM-Agent

Completion
April 2014

Construction Value
$61,454,253

Architect
Populous

Ford Center

Evansville, IN

A 280,000 SF, 11,000-seat, 17 premium suite, four mini suite multi-purpose arena featuring an event level, main concourses, suite level, balcony, upper/deck/press level and club lounge and concessions. The facility hosts basketball, hockey, concerts and family entertainment. Home of the University of Evansville Purple Aces.

$2.2 Million Under Budget and LEED Silver Certified

Owner
Evansville Redevelopment Commission

Delivery Method
CM-Agent

Completion
September 2011

Construction Value
$88,400,000

Architect
Populous

LEED
Silver

Toyota Center
Houston, TX

A 790,000 SF, 18,000 seat arena featuring 79 regular suites, 14 courtside suites and 12 party suites. Home of the NBA's Houston Rockets, the AHL's Houston Aeros and the WNBA's Houston Comets.

One of the Largest Arena Lower Bowls

Owner
Harris County - Houston Sports Authority

Delivery Method
CMR-GMP

Completion
September 2003

Construction Value
Confidential

Architect
Morris Architects

KeyBank Center
Buffalo, NY

A 20,000-seat, 665,000 SF, multi-purpose arena featuring 80 suites. Home of the NHL's Buffalo Sabres.

Delivered On Time and Under Budget

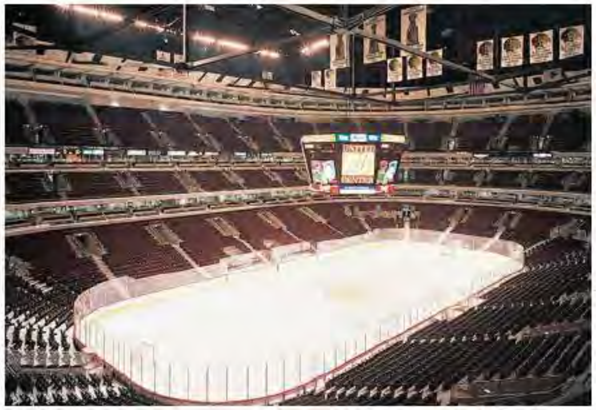
Owner
Crossroads Arena, LLC - Buffalo Sabres

Delivery Method
CMR-GMP

Completion
October 1996

Construction Value
$77,615,376

Architect
AECOM



United Center
Chicago, IL

A 1,000,000 SF, 20,000-seat multi-purpose arena featuring 214 luxury suites, stadium club and banquet facility. Home of the NBA's Chicago Bulls and the NHL's Chicago Blackhawks.

Delivered On Time and On Budget

Owner
Metro Chicago Sports Stadium

Delivery Method
CMR-GMP

Completion
August 1994

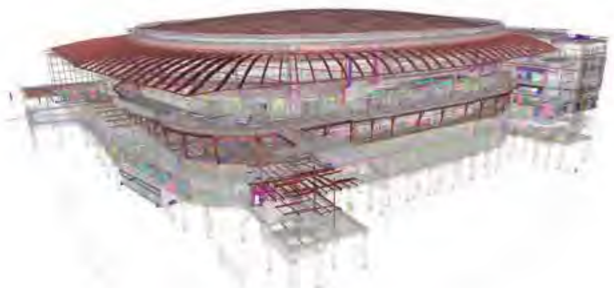
Construction Value
$175,000,000

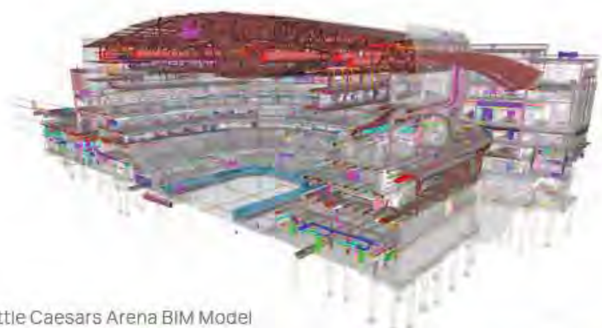
Architect
Populous

Innovative Technology

AECOM HUNT's commitment to providing our customers with excellence is further exemplified with the use of our innovative tools and technology. Available to all our clients is our laser scanning, drone, 360-photography, virtual reality and 3D printing technology. Our team has the ability to self-perform all of these services, and each helps stakeholders and operations people envision their projects beyond flat computer screens and paper drawings.

AECOM HUNT





Little Caesars Arena BIM Model

Schedule and Budget Control with Building Information Modeling (BIM)

At AECOM Hunt, we are continuing our industry-leading tradition of innovation with Building Information Modeling/ Virtual Design and Construction (BIM/VDC). Our commitment to the utilization of BIM brings cost-effective construction to every client we serve. As the industry continues to change, we are ensuring our team is on the cutting edge of this revolutionary tool that is continuing to transform how projects are planned, built and maintained.

BIM is an invaluable cost and time saving tool.

It allows the project team to view every aspect of the job, from preconstruction to turnover, through the use of advanced 3D modeling, clash detection and scheduling. Every phase of the job is built in the virtual model prior to the physical installation. This allows the client to get a real world feel for how each component of the project will look and operate.

Methodologies that Work

With BIM, our team cost-effectively builds the project twice — one virtually and the second actually. Utilizing VDC, we share the continually updated 3D, 4D and 5D model with all members of the design/construction team. We have shown that implementing these 3D, 4D and 5D tools early in the construction process ensures that projects will be completed on-time and as envisioned. With the added capability of delivering a 6D virtual model, this dedication continues long after the contract is complete.

Our implementation of pioneering FM software has provided a data-embedded 6D as-built. As part of commissioning, we train an FM member how to service equipment through the building life-cycle.


BARCLAYS CENTER
FLAT BUSH
ONLY
AECOM HUNT

About AECOM
AECOM (NYSE: ACM) is the world's trusted infrastructure consulting firm, delivering professional services throughout the project lifecycle – from planning, design and engineering to program and construction management. On projects spanning transportation, buildings, water, new energy and the environment, our public- and private-sector clients trust us to solve their most complex challenges. Our teams are driven by a common purpose to deliver a better world through our unrivaled technical expertise and innovation, a culture of equity, diversity and inclusion, and a commitment to environmental, social and governance priorities. AECOM is a Fortune 500 firm and its Professional Services business had revenue of $13.2 billion in fiscal year 2020. See how we are delivering sustainable legacies for generations to come at aecom.com and @AECOM.

AECOM HUNT

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Indianapolis, IN 46241
P 317 227 7800

aecomhunt.com

Amazon Fresh

Topgolf

Fit Athletic

Lazy Acres

Alamo Draft House

Gelson's

Swingers

Pinstripes

TARGET
ANCHORS
/ EATERTAINMENT

MIDWAY
RISING
A MIDWAY FOR ALL

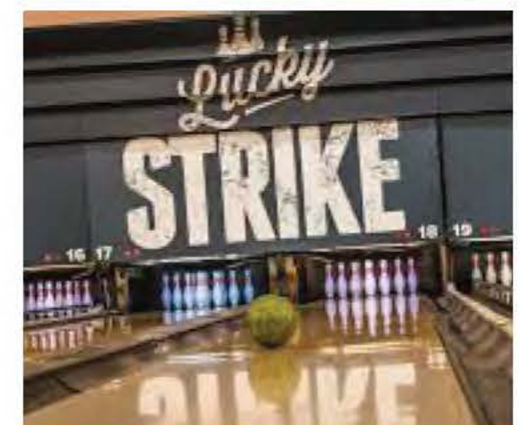
URBAN STRATEGIES GROUP
FLOCKE & AVOYER COMMERCIAL REAL ESTATE

Illuminarium

The Rec Room


Mother's

Whole Foods

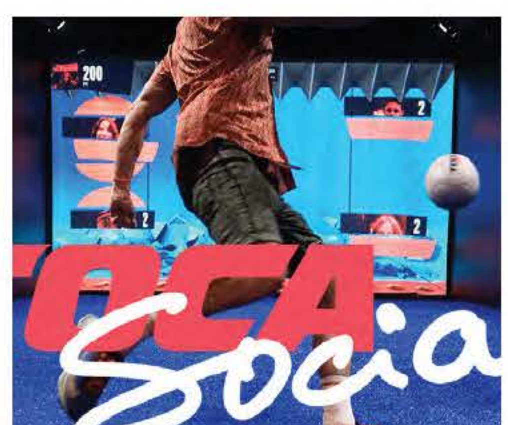


Lucky Strike


SPIN

Lifetime

Equinox


TOCA Lounge

Two Bit Circus

Puttery

Drive Shack

TARGET RESTAURANTS


Little Sister


MB Post

Joey DTLA


Rare Society


Lola 55

Marugame Udon


Dija Mara

Gravity Heights


Cucina Enoteca


Great Maple


Tajima Ramen


CATCH

Cesarina


Campfire

MIDWAY RISING
A MIDWAY FOR ALL

URBAN STRATEGIES GROUP
FLOCKE & AVOYER COMMERCIAL REAL ESTATE

La Grande Orange


Regents Pizza


Madison


Kettner Exchange


Water Grill


The Capital Grille

Apple

Tesla

Nike

Microsoft

Vuori

Catch Surf

Rip Curl

Marine Layer

TARGET LIFESTYLE RETAILERS

MIDWAY RISING

A MIDWAY FOR ALL

URBAN STRATEGIES GROUP
FLOCKE & AVOYER COMMERCIAL REAL ESTATE

Restoration Hardware

Williams-Sonoma

Aviator Nation

Nixon

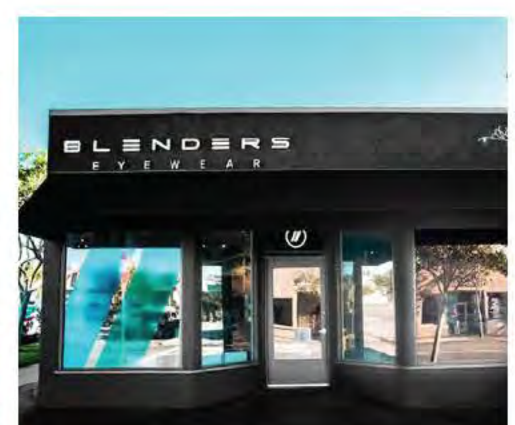
Reef

Alo Yoga

Lululemon

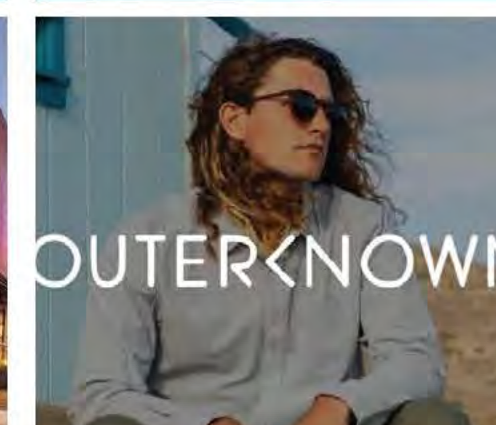
Patagonia

Allbirds



Blenders

Yeti



Outerknown

Citydog!

Pressed Juicery

Lash Lounge

Orangetheory Fitness

Yoga Box

Parlor Doughnuts

Bird Rock Coffee


Blue Bottle Coffee

TARGET TENANTS

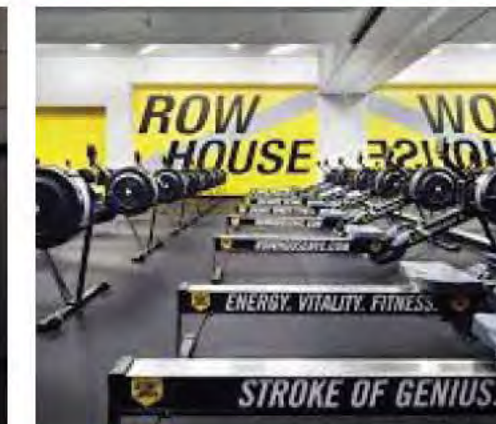
MIDWAY RISING

A MIDWAY FOR ALL

URBAN STRATEGIES GROUP

FLOCKE & AVOYER COMMERCIAL REAL ESTATE

Sev Laser



Row House

Crumbl Cookies


Mister Brown's Barber


Elevate

Salon Republic

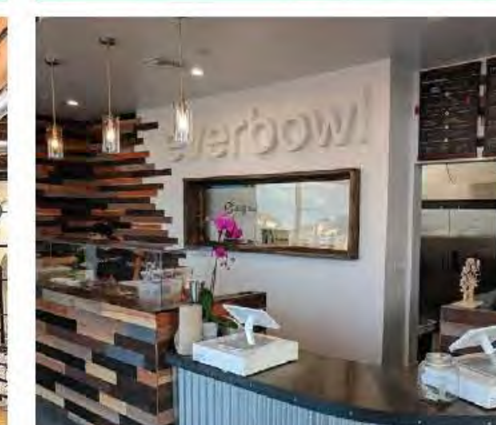
Bobboi

One Medical


The Boxing Club

Athleta


Better Buzz



Everbowl

TARGET TENANT LIST

MIDWAY RISING — A MIDWAY FOR ALL

URBAN STRATEGIES GROUP — FLOCKE & AVOYER COMMERCIAL REAL ESTATE

CATEGORIES

- Anchor RR
- Fast Casual RR
- Coffee / Juice / Dessert
- Food Hall / Kiosks
- Eatertainment
- Grocery
- Fitness
- Health & Wellness
- Retail
- Daily Needs

Anchor Restaurants

- Akira Back
- Arca
- Bandera
- Bestia
- Black Tap
- Blackhouse Hospitality
- Blue Water Grill
- Bottega Louie
- Buona Forchetta
- The Bungalow
- The Butcher's Daughter
- Capital Grill
- Cesarina
- Cohn Restaurant Group
- Consortium Holdings
- Del Frisco's Grille
- Din Tai Fung
- Dumpling Inn
- Eataly
- Eureka!
- Flint
- Gjelina
- Gravity Heights
- The Henry
- Il Dandy
- Javier Placencia
- Javier's
- JOEY Restaurants
- LGO Hospitality
- Little Sister
- Majordomo
- Maple & Ash
- Mina Restaurant Group
- Morimoto
- Ocean Prime
- Puffer Malarkey Collective
- R & D Kitchen
- RMD Group
- Social Syndicate
- Steak 48
- Tasty Noodle House
- Toca Madera
- Trust Restaurant Group
- Urban Kitchen Group
- Yard House

Fast Casual Restaurants

- Big Front Door
- Blaze Pizza/Pizza Press
- Board & Brew
- Bonchon
- Bottlecraft
- Cava Grill
- ChiKo
- Dave's Hot Chicken
- Father's Office
- Fish Shop
- Hidden Fish
- Himitsu
- Hummus Republic
- KoJa Kitchen
- Little Big Burger
- Loqui
- Luna Grill
- Marugame Udon
- Momofuku
- Moto Deli
- Mr. Moto Pizza
- Pizza Port
- Rubicon Deli
- Sajj
- Shake Shack
- Silverlake Ramen
- SimSim
- Snooze
- Sugar & Scribe
- Sweetfin
- Sweetgreen
- Tasty Noodle House
- Urban Plates
- Urbane Cafe
- Wayfarer Bread

Coffee / Juice / Desserts

- Acai House
- Beaming
- Better Buzz
- Bird Rock Coffee
- Blue Star Donuts
- Bluestone Lane
- Boba Guys
- Coffee & Milk
- Dark Horse Coffee
- Donut Bar
- Duck Donuts
- Everbowl
- Gelato Paradiso
- Halo Top
- Hammond's
- Holy Matcha
- Insomnia Cookies
- Intelligencia
- Joe & the Juice
- Juice Crafters
- La Colombe
- Lofty Coffee
- Mango Mango
- McConnell's
- Milk Bar
- Nekter
- Peet's Coffee
- Philz Coffee
- Pressed Juicery
- Randy's Donuts
- Salt & Straw
- Sidecar Donuts
- Somisomi
- Spill the Beans
- Starbucks
- Sugarfina
- The Baked Bear
- Urban Remedy
- Vitality Bowl

Food Hall / Kiosks

- Ambrogio 15
- Angelo Sosa
- Angie Weber
- Arsalun Tafazoli
- Arturo Kassel
- Brad Wise
- Brian Malarkey
- Cali Bahn Mi
- Carl Schroeder
- Crack Taco Shop
- Cross Street Chicken
- David Cohn
- Davin Waite
- Eggies
- Eggslut
- Gen Korean BBQ
- Homestate
- Isola Pizza
- Jason Knibb
- Javier Placencia
- Ken Sushi
- Lobster West
- Marufuku Ramen
- Matt Spencer
- Merritte Powell
- Poke 1/2
- Poke 123
- Richard Blais
- RMD
- Shake Shack
- Steve Brown
- Sushi Ota
- Sweetfin Poke
- Tacos El Cabron
- Tahini
- Taqueria Revolucion
- Tracy Borkham
- Travis Swikard
- Trey Foshee
- Wicked Lobster

MIDWAY RISING
A MIDWAY FOR ALL

URBAN STRATEGIES GROUP
FLOCKE & AVOYER COMMERCIAL REAL ESTATE

Eatertainment

- Alamo Drafthouse
- AMC
- Blizzard Games
- Bowlero
- Cinepolis
- Escape Room
- Esports Stadium
- Flatstick Pub
- Harkins
- HyperX Esports
- iPic
- Lucky Strike Social
- Museum of Beer
- Pinstripes
- Puttery
- Regal
- SPIN
- Studio Movie Grill
- The LOT
- The Rec Room
- TOCA Soccer Lounge
- Topgolf Lounge
- Two Bit Circus
- Urge Common House

Grocery

- Amazon Fresh
- Gelson's
- Mother's
- Lazy Acres
- Aldi
- Whole Foods

Fitness

- Barry's Bootcamp
- Blink Fitness
- Body Rok
- Corepower
- Cycle OM
- Equinox
- F45
- Flywheel Sports
- Grotto Climbing
- LA Fitness
- Life Time
- Moda Yoga
- OrangeTheory
- Pilates Republic
- Pure Barre
- RowHouse
- Rumble
- Rush Cycle
- SoulCycle
- Spark Cycle
- Stretch Lab
- TruFusion
- Vital Climbing Gym
- Yoga Box

Health & Wellness

- Amazing Lash Studio
- Baxter Finley
- Beauty by Dolly
- Bishop's Barbershop
- Bright Now! Dental
- Carbon Health
- Chill N Out
- Chiropractique
- Drybar
- Happy Head Massage
- Laseraway
- Lash Lounge
- Nexus Physical Therapy
- One Medical
- PacDental
- Perfect Face
- Perlman Clinic
- Salon Republic
- Skinny Beach Med Spa
- Sola Salon
- Sugared & Bronzed
- The Dry Bar
- The Joint Chiropractor
- Tippy Toes Nails & Spa
- UCSD Urgent Care

Retail

- Allbirds
- Alo Yoga
- Amazon To Go
- Anthropologie
- Apple
- Athleta
- Backcountry
- Bang & Olufsen
- Blender's
- Blick Art
- Bonobos
- Catch Surf
- Free People
- G-Star
- H&M
- Kit & Ace
- Lululemon
- Lush Cosmetics
- Madewell
- Marine Layer
- Microsoft
- Nike
- Outerknown
- Patagonia
- Rad Power Bikes
- REI
- Restoration Hardware
- Roadrunner
- Roark
- Scotch & Soda
- Sephora
- Shinola
- Sur la Table
- Sweaty Betty
- Tesla
- Uniqlo
- Untuckit
- Urban Outfitters
- Vineyard Vines
- Vuori
- Warby Parker
- Williams-Sonoma
- Yeti
- Zara

Daily Needs

- ABC Vet
- Banfield
- Bank of America
- Bright Horizons
- Chase Bank
- Citibank
- Citydog! Club
- Dogtopia
- Early Learner's Academy
- Fidelity
- Fleur De Lis Preschool
- H&R Block
- HSBC
- Little Sprouts
- Navy Federal
- Postal Annex
- SDCCU
- Union Bank
- UPS
- USPS
- VCA Pet Hospital

MIDWAY RISING

A MIDWAY FOR ALL

City of San Diego Department of Real Estate and Airport Management
1200 Third Avenue, Suite 17000
San Diego, CA 92101

February 18, 2022

Re: Updated Responses from Meeting on Monday, February 7th

Housing:

Midway Rising is designed to include 4,250 residential units with a goal of designating 50% of the total units (2,000 units) for extremely low, very low, and low-income restricted units at less than 30% to 80% area median income. Additionally, our housing plan will provide 250 workforce and "missing middle" housing for 81-120% AMI. Our project will include allocations for families, seniors, veterans, and supportive homeless housing with an average AMI of under 45% for the project's affordable units. Our current plan assumes approximately 200 units restricted to PSH units, which includes individuals experiencing homelessness and transitional aged youth, and approximately 300 units restricted for veterans. Financing the Permanent Supportive Housing ("PSH") and veteran housing will require a portion of those units to be allocated for extremely low-income housing at less than 30% AMI.

San Diego Sports Arena - Proposed Housing Summary

Housing Type	Unit Count	% of Total Units	Affordability Level (AMI)[1]
Affordable Units			
Family	1,200	28%	30 - 80% AMI
Senior	300	7%	30 - 80% AMI
Veterans	300	7%	< 30 - 60% AMI
Homeless[2]	200	5%	< 30 - 60% AMI
Total Affordable Units (Per Surplus Land Act)[3]	**2,000**	**47%**	**< 30 - 80% AMI[1] (Average ~40% AMI)**
Total Moderate Units	**250**	**6%**	**81 - 120% AMI**
Total Market-Rate Units	**2,000**	**47%**	
Total Housing Units	**4,250**	**100%**	

[1]60% to 80% AMI affordability provided subject to HCD confirmation that these units qualify as "lower-income" under the Surplus Land Act

[2]Homeless housing provided includes Transitional Age Youth (TYA) or young adults ages 18-24 who are experiencing homelessness and are unable to rely on familial support, including LGBTQ youth and their family members, and young San Diegans at risk of becoming homeless.

[3]Per the Surplus Land Act, "affordable housing" is defined as housing available at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, to **lower-income housholds**, or affordable rents, as defined in Section 50053 of the Health and Safety Code, to **lower-income households** as defined in Section 50079.5 of the Health and Safety Code.

Our project team is estimating 8% of the total units will target veterans, a vital part of San Diego's community. Approximately 86,000 veterans call San Diego home – and many qualify for affordable housing. Our non-profit partners, Veterans Village, will provide targeted services for these residents. Units will be specifically set aside for the lowest affordability levels and will target veterans that qualify for specific veteran programs, such as VASH vouchers or VHHP. Support services for veterans will be available on-site and through Veterans Village.

Additionally, our plan allocates approximately 5% of affordable units towards individuals experiencing homelessness at extremely low-income levels. Transitional Age Youth (TYA) or young adults ages 18-24 who are experiencing homelessness and are unable to rely on familial support, make up about 12% of the unsheltered homeless population in San Diego County, according to SD Youth Services. Our proposal will include units specifically set aside for Transitional Age Youth population, including LGBTQ youth and their family members, and young San Diegans at risk of becoming homeless.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Labor:

As discussed within our NOA submittal, the Midway Rising team has executed a Labor Harmony Agreement with the seven labor unions that would represent workers in Midway Rising's arena and hotel operations. Our team is currently negotiating an amendment to the agreement, which will include additional labor services to be incorporated. Additionally, we are anticipating executing an MOU with San Diego building trades to develop a Project Labor Agreement for the project.

MIDWAY RISING

A MIDWAY FOR ALL

The Most Affordable Housing Units

With 2,000 units of affordable housing proposed, Midway Rising delivers more affordable units than any other proposal – by far.

The Most Actual Affordability

Unlike the competition, all of Midway Rising's affordable units target lower income San Diegans at 30%-60% AMI, as prioritized by the Surplus Lands Act.

The Most Arena Construction Experience

Ranked #1 in America in sports construction, our team has completed 90 stadiums and arenas since 1980, including SoFi stadium in Inglewood and Brooklyn's Barclays Center.

The Most Community Commitment

Only Midway Rising has a comprehensive community benefits framework, Labor Harmony on operations and a union commitment on construction.

The Most Local Team

With Midway Rising, San Diego's future isn't in the hands of out-of-town executives you'll never meet. We're local to San Diego through and through and have worked together successfuly on billions in development over the last decade here and around the nation.

CHELSEA INVESTMENT CORPORATION — CHELSEA | LEGENDS | SAFDIE RABINES ARCHITECTS | ZEPHYR | AECOM

Midwayrising.info | team@midwayrising.info | Brad Termini - 858.348.7672

MIDWAY RISING

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San Diego Sports Arena - Proposed Housing Comparison	Midway Rising	Discover Midway	HomeTownSD	Midway Village+	Neighborhood Next
Project Team	Chelsea Investment Group	Brookfield Properties	Monarch Group	Toll Brothers Housing	The ConAm Group
	Legends	ASM Global	Essex	Revitate	Malick Infill
	Zephyr	Affirmed Housing	JMI Sports	Bridge Housing	Community Housing Works
	AECOM	National CORE	Eden Housing		Wakeland
Housing					
Total Proposed Units	**4,250 Units**	**3,277 Units**	**3,250 Units**	**2,406 Units**	**5,400 Units**
Lower Income Units (< 30%-80% AMI)	2,000 Units (< 30% - 60% AMI)[1]	1,046 Units (Below 60% AMI)	1,625 Units (Below 80% AMI)	700 Units (30%-80% AMI)	1,350 Units (Below 80% AMI)
Moderate Units (81%-120% AMI)	250 Units (81% - 120% AMI)	None	406 Units (80%-120% AMI)	506 Units (80%-120% AMI)	None
Average Affordability Level	**~40% AMI**	**TBD**	**TBD**	**TBD**	**TBD**
Total Affordable Units (Per Surplus Land Act)[2]	**2,000 Units**	**1,046 Units**	**1,625 Units**	**700 Units**	**1,350 Units**
% of Affordable Units	**50% of Total**	**32% of Total**	**50% of Total**	**29% of Total**	**25% of Total**

[1]Midway Rising will allocate < 30% AMI units for families, seniors, veterans, and supportive homeless housing. Additionally, Midway Rising would include units from 60% to 80% of AMI if such units are deemed to be Lower Income Units by HCD for purposes of the Surplus Land Act.

[2]Per the Surplus Land Act, "affordable housing" is defined as housing available at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, to **lower-income housholds**, or affordable rents, as defined in Section 50053 of the Health and Safety Code, to **lower-income households** as defined in Section 50079.5 of the Health and Safety Code.

MIDWAY RISING

A MIDWAY FOR ALL

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[2]Homeless housing provided includes Transitional Age Youth (TYA) or young adults ages 18-24 who are experiencing homelessness and are unable to rely on familial support, including LGBTQ youth and their family members, and young San Diegans at risk of becoming homeless.

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Midway Rising is designed to include 4,250 residential units with a goal of designating 50% of the total units (2,000 units) for extremely low, very low, and low-income restricted units at less than 30% to 80% area median income. Additionally, our housing plan will provide 250 workforce and “missing middle” housing for 81-120% AMI. Our project will include allocations for families, seniors, veterans, and supportive homeless housing with an average AMI of under 45% for the project’s affordable units. Our current plan assumes approximately 200 units restricted to PSH units, which includes individuals experiencing homelessness and transitional aged youth, and approximately 300 units restricted for veterans. Financing the Permanent Supportive Housing (“PSH”) and veteran housing will require a portion of those units to be allocated for extremely low-income housing at less than 30% AMI.

Midway Rising	Acutely Low Income 0-15%	Extremely Low Income 16-30%	Very Low Income 31-50%	Lower Income 51-80%	Total No of Units below 80%	Average % of Affordability Below 80% AMI	Moderate Income 81-120%	Market Rate	Total No of All Units	Average % of Affordability of Total Mix
Number of Units:		*300*	*1,500*	*200*	***2,000***	***40%***	*250*	***2,000***	***4,250***	***47%***
Average AMI Affordability		*25% AMI*	*40% AMI*	*60% AMI*						
% of Total Affordable Units		*15%*	*75%*	*10%*	***100%***					

**See narrative for more information on affordable housing summary*

MIDWAY RISING

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MIDWAY NOA

Request for Information

CHELSEA | ZEPHYR | AECOM | SAFDIE RABINES ARCHITECTS

July 1, 2022


SAFDIE RABINES ARCHITECTS

MIDWAY RISING

A MIDWAY FOR ALL

TABLE OF CONTENTS

* Please note that confidential development pro forma and financial information has been redacted

1 MASTER DEVELOPMENT OVERVIEW

MASTER DEVELOPMENT OVERVIEW

MIDWAY RISING

Midway Rising is a comprehensive master plan that includes a new 16,000-seat multi-purpose arena, 250,000 square feet of retail, a 200-key hotel, various community park space, and 4,250 residential units. Within the total residential component, 2,000 will be restricted for very low and low income users with area median incomes ("AMI") capped between 30% and 60% AMI, and 250 will be restricted for moderate income users with 80-120% AMI.

In regards to timing, our team is assuming that a proposal to redevelop the property will be selected in September 2022 and pending a successful outcome of the Measure E vote in November 2022, we would commence an exclusive negotiating period of up to two years with the City of San Diego to move forward with our proposed project. If Measure E is appealed and the height limit is rezoned back to a maximum of 30 feet, our team is prepared to work with the City to make the project compliant.

During exclusive negotiations with the City, our team is estimating a 24-month period to entitle the project, perform site testing, design the master infrastructure followed by a 12-month period to pursue a site development permit to commence grading and construction on the site.

Upon receiving a site development permit, onsite and offsite master infrastructure as well as the shared parking garage will be built out over a 24-month period by the master developer. Master development site and infrastructure work includes:

- Onsite and offsite infrastructure
- Grading the site to get pads ready for vertical construction
- Public improvements required by the Midway-Pacific Community Plan
- Parking garages for the arena, retail and entertainment area

The master developer cost basis includes NOA pursuit expenses, due diligence costs, predevelopment costs, infrastructure costs, and parking garage costs [redacted] The infrastructure and parking garage costs are based on estimates outlined in this response and were provided by AECOM, a member of the Midway Rising team.

MASTER DEVELOPMENT OVERVIEW

Midway Rising assumes the development site will be conveyed from the City at market rate lease terms to be determined by a licensed MAI appraiser subject to consideration of the final project program and development conditions agreed upon by the City and the Midway Rising team. Our development proforma does not include any ground lease payment to the City but our team plans to discuss the concept further with the City during the exclusive negotiating period.

Infrastructure and site costs on the master developer balance sheet are offset by revenues associated with pad sales to the hotel, retail, affordable, moderate, and market-rate components, sale of the parking garage, and Infill Infrastructure Grant awards, which are further described in our financing summary outlined herein.

Our team's proforma estimates that the pad sales will be able to reimburse the master development infrastructure costs as phases of each program components are developed over time. To determine residual land values that will be paid to the master developer for the graded pads, the master development proforma includes the sources and uses, budgets, returns, and stabilized revenues of the hotel, retail, and residential components.

Valuation and timing for the projected pad sales and infrastructure reimbursement by each program component is outlined herein. Additionally, revenues sources through the master development proforma will be able to support a contribution to offset the arena costs.

The affordable housing component will be separately financed from the master infrastructure and will be developed by Chelsea Investment Corporation ("CIC"). A summary of the various financing sources that CIC may pursue to fund the affordable housing developments are outlined in this response.

The master development proforma assumes that the graded pads are sold by the master developer, however, our team's intent is to develop the entire site, including the market-rate housing, the retail space, the affordable housing, and the arena. The master development proforma is intended to show risk-adjusted returns and overall feasibility of the proposal.

Midway Rising's proposed unit mix is based on preliminary information and research conducted by our team and is intended to match the needs of the community and be consistent with California law and HCD guidelines. The proposed unit mix can be adjusted to accommodate future input from the city and HCD. We look forward to further incorporating feedback from the community during exclusive negotiating process.

2

FINANCING SUMMARY

MASTER DEVELOPMENT FINANCING STRATEGY

Midway Rising will look to leverage existing state and federal financing programs to offset costs associated with the extraordinary onsite and offsite infrastructure and affordable housing.

The master development costs for the site infrastructure and associated expenses will be financed via construction debt, private equity investment, and publicly available sources of infrastructure financing. No public funds are being requested to finance the arena, hotel, retail and entertainment district, or the market-rate housing. Additionally, the Midway Rising proposal will not seek any funds from the City's general fund and CohnReznick, a nationally renowned capital funding expert, was engaged to provide financial solutions to benefit the master development.

[redacted]

In addition to construction debt, our team is assuming that the Midway Rising proposal will qualify for a grant under the Infill Infrastructure Grant ("IIG") program as the site would be considered a Qualifying Infill Area ("QIA"). The objective of the IIG program is to promote infill housing development by providing grants for Capital Improvement Projects ("CIPs") that are an integral part of broader QIAs.

Under the program, grants are available as gap funding for infrastructure improvements necessary for residential or mixed-use infill development areas. Eligible improvements for CIPs include the development of parks or open space, water, sewer or other utility service improvements, streets, roads, parking structures, transit linkages, traffic mitigation features, site preparation or demolition, sidewalks, and streetscape improvements.

[redacted]

Our team has also explored additional state and federal funding sources that are not included in our proforma but we plan to pursue in the future. The additional sources include Community Development Block Grants ("CDBG"), New Market Tax Credits ("NMTC"), and other federal programs under the Infrastructure Investment and Jobs Act ("IIJA").

The CDBG program provides annual grants on a formula basis to cities to states, and counties to develop viable urban communities by providing decent housing and a suitable living environment. The program's flexibility empowers municipalities to implement strategies tailored to the needs and priorities of the community which could take the form of infrastructure improvements for a master planned development. We believe Midway Rising could qualify for the program.

The NMTC program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit in exchange for making equity investments in specialized financial intermediaries called Community Development Entities ("CDEs"). The credit totals 39% of the original investment amount and is claimed over a period of seven years and our team will look into utilizing the NMTC program.

The IIJA is a $1.2 trillion investment in the nation's infrastructure intended to upgrade and expand public transit, improve safety, address the climate crisis, advance environmental justice, and invest in communities. Various elements of the Midway Rising proposal could qualify including public transit improvements, EV charging stations, affordable housing, bus stations, bicycle paths, pedestrian access, and complete streets.

Our team also explored the potential to create an Enhanced Infrastructure Financing District ("EIFD") that would encompass the entire 48-acre site. Each year, the Midway Rising EIFD would receive incremental property tax revenue and we have included our financial projections in our proforma intended to illustrate the estimated assessed value of the new project upon completion and the potential property tax increment revenue generation throughout the duration of the Midway Rising EIFD. [redacted]

FINANCING SUMMARY

AFFORDABLE HOUSING FINANCING STRATEGY

CIC is seeking various funding sources to develop the affordable housing component and a majority of the funding sources are programs that CIC has successfully utilized in the past. These programs are modified annually by the various government agencies that administer them, and CIC is an expert at adapting to the changing regulatory environment. Over the development phase of all 2,000 affordable units, CIC anticipates some of the current programs may be discontinued, with new funding sources taking their place. However, due to CIC's multi-decade market-leading track record, we have the expertise and relationships to successfully finance the proposed projects. Novogradac, a national professional services organization with expertise in affordable financing, provided a reasonableness opinion on the affordable housing developments financial assumptions. The affordable financing sources include:

Low-Income Housing Tax Credit Program (LIHTC) and State Tax Credits

The LIHTC program is an indirect federal subsidy used to finance the construction of low-income affordable rental housing. The basis for financing is either 4% or 9% tax credits with other funding sources layered in to achieve full financing. Both tax credit types can be claimed for up to 10 years. State tax credit awards will also be pursued when applicable.

Tax Exempt Bonds

Tax-exempt bonds are debt obligations issued by state or local government agencies for multifamily rental housing that allow the purchasers to deduct the interest income from their federal income taxes. An award of tax-exempt bonds from the state is typically coupled with a by-right allocation of 4% low-income housing tax credits.

Veterans Housing and Homelessness Prevention (VHHP)

The VHHP program provides low-interest, long-term, residual receipt loans for the acquisition and construction of affordable rental housing, supportive and transitional housing for veterans, with an emphasis on housing for those experiencing homelessness and those with extremely low income. The program is administered by the California Department of Housing and Community Development (HCD) in collaboration with the California Department of Veterans Affairs (CalVet) and the California Housing Finance Agency (CalHFA).

San Diego Housing Commission (SDHC) Residual Receipt Loans Program

The SDHC provides low-interest, long-term, residual receipt loans to affordable projects in the City of San Diego on a competitive basis.

Multifamily Housing Program (MHP)

The MHP Program provides low-interest, long-term, residual receipt loans for new construction and transitional rental housing for lower-income households. MHP supports large family, special needs, senior, supportive housing and at high-risk project types.

Project Based Vouchers (PBVS) & Veterans Affairs Supportive Housing Vouchers (VASH)

The SDHC PBV program is part of the Section 8 Housing Choice Voucher (HCV) program and allows Public Housing. PBVs, which provide rental assistance, are attached to the unit and not the resident. VASH Vouchers are available to affordable housing projects.

Affordable Housing Program General Fund (AHP)

The Federal Home Loan Bank's Affordable Housing Program (AHP) provides grants awarded on an annual basis through a competitive application process to Bank members working in partnership with housing developers and community organizations.

Affordable Housing Sustainable Communities (AHSC)

The AHSC Program will assist project areas by providing grants and/or low-interest, long-term, residual receipt loans, or any combination thereof, that will achieve GHG emissions reductions and benefit Disadvantaged Communities through increasing accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation resulting in fewer vehicle miles traveled. The AHSC funding allocation is a project level source, and to the extent the City is receiving additional AHSC funds, at its discretion, can cover infrastructure projects that support transportation outcomes that meet the goals of the program.

No Place Like Home (NPLH)

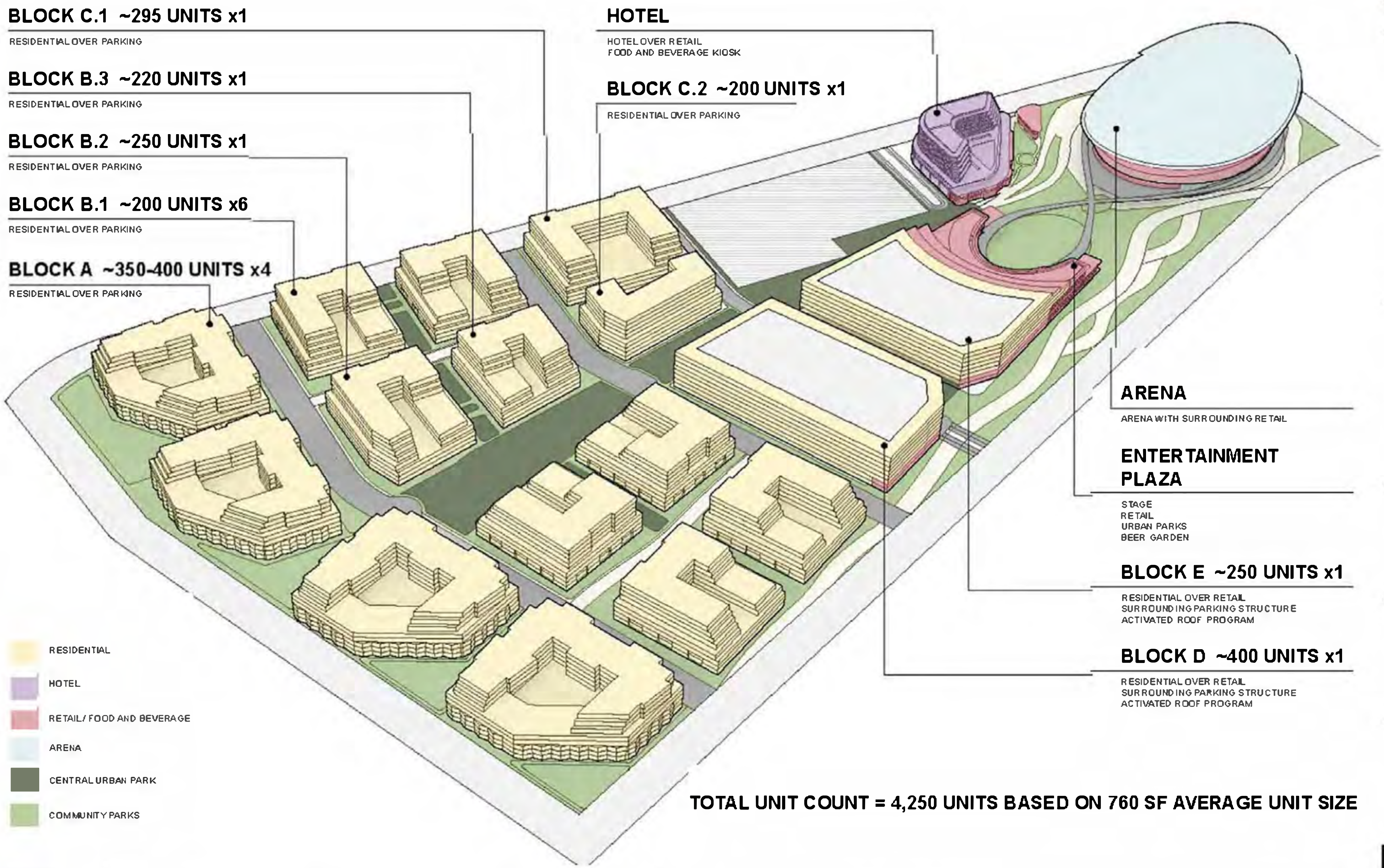
The state of California's NPLH program provides low-interest, long-term, residual receipt loans to eligible counties to acquire, design, and construct supportive housing for persons experiencing homelessness or with mental illness. The maximum per loan amount per project is $20 million.

Infill Infrastructure Grant Program (IIG) for a Qualifying Infill Project (QIP)

The objective of the IIG Program is to promote infill housing development by providing grants for Capital Improvement Projects (CIPs) that are an integral part of project specific Qualifying Infill Projects (QIPs). Eligible improvements for QIPs include the development of parks or open space, water, sewer or other utility service improvements, streets, roads, parking structures, transit linkages, traffic mitigation features, site preparation or demolition, sidewalks, and streetscape improvements.

3 PROGRAM & PHASING

DEVELOPMENT PROGRAM & PHASING

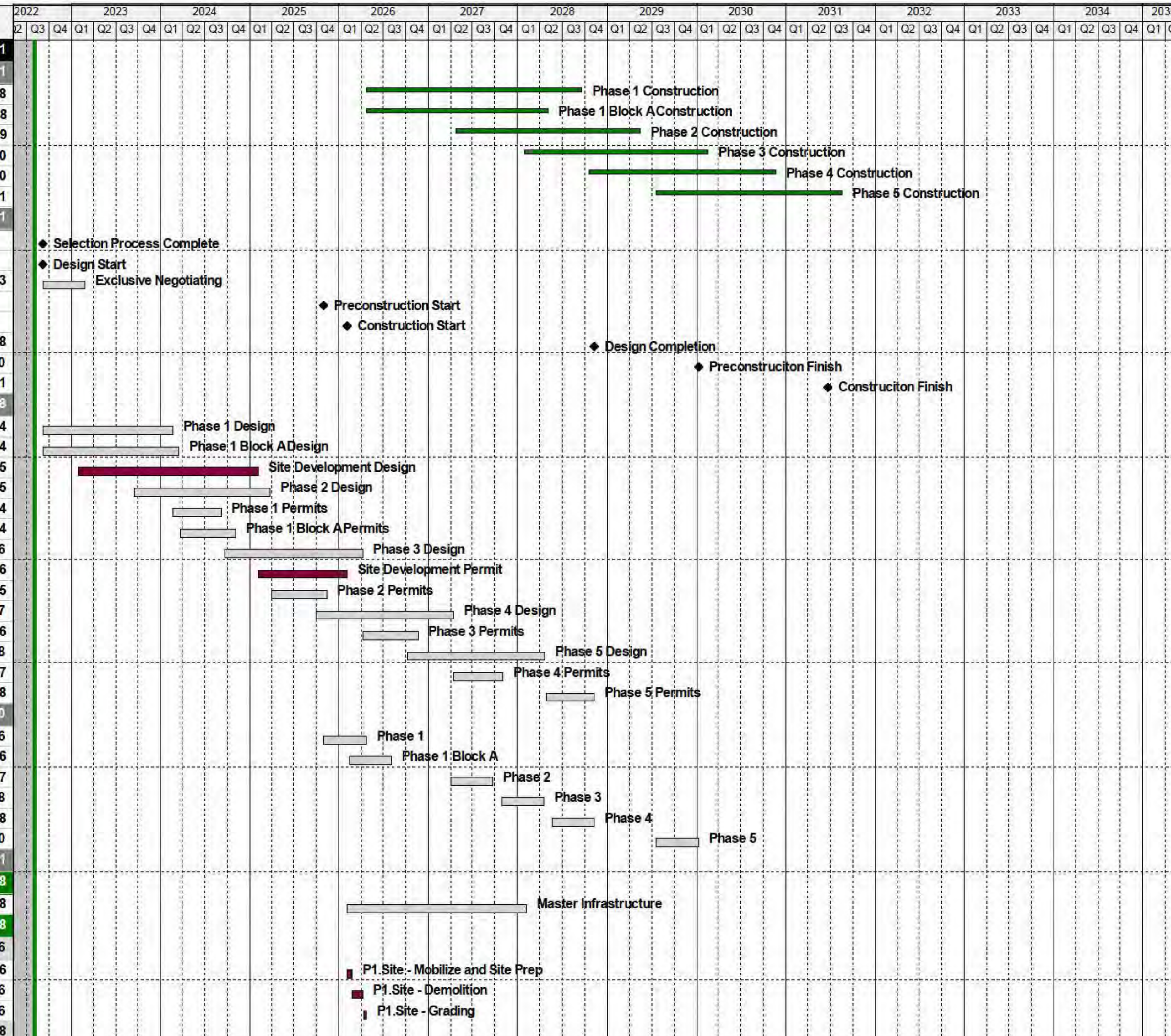


TOTAL UNIT COUNT = 4,250 UNITS BASED ON 760 SF AVERAGE UNIT SIZE

Phasing Summary		
Phase	**Type**	**Units**
Phase 1		
Arena		
Retail/Entertainment		
Parking Garage	E	
Moderate Multifamily	E	250
Market Rate Multifamily	D	400
Affordable Multifamily	C.1	295
Affordable Multifamily	C.2	200
Subtotal - Phase 1		**1,145**
Phase 2		
Hotel		
Market Rate Multifamily	B.1 (x 2)	400
Affordable Multifamily	B.2	220
Affordable Multifamily	B.3	200
Subtotal - Phase 2		**820**
Phase 3		
Market Rate Multifamily	B.1 (x 2)	400
Affordable Multifamily	B.1 (x 2)	395
Subtotal - Phase 3		**795**
Phase 4		
Market Rate Multifamily	A	400
Affordable Multifamily	A	320
Subtotal - Phase 4		**720**
Phase 5		
Market Rate Multifamily	A	400
Affordable Multifamily	A	370
Subtotal - Phase 5		**770**
Total		4,250

4 PROJECT SCHEDULE

Activity ID	Activity Name	OD	Start	Finish
MIDWAY RISING RFP SCHEDULE		2275	06-Sep-22	20-Aug-31
Summary		1353	23-Apr-26	20-Aug-31
A4650	Phase 1 Construction	615	23-Apr-26	21-Sep-28
A4655	Phase 1 Block AConstruction	517	23-Apr-26	04-May-28
A4660	Phase 2 Construction	527	22-Apr-27	17-May-29
A4670	Phase 3 Construction	522	31-Jan-28	18-Feb-30
A4680	Phase 4 Construction	530	19-Oct-28	19-Nov-30
A4690	Phase 5 Construction	530	20-Jul-29	20-Aug-31
Project Milestones		2235	06-Sep-22	24-Jun-31
A1000	Selection Process Complete	0	06-Sep-22*	
A1100	Design Start	0	06-Sep-22	
A1700	Exclusive Negotiating	120	06-Sep-22	24-Feb-23
A4580	Preconstruction Start	0	31-Oct-25	
A1020	Construction Start	0	05-Feb-26	
A1010	Design Completion	0		08-Nov-28
A4590	Preconstruciton Finish	0		11-Jan-30
A1500	Construciton Finish	0		24-Jun-31
Design & Permits		1570	06-Sep-22	08-Nov-28
A1070	Phase 1 Design	370	06-Sep-22	20-Feb-24
A1080	Phase 1 Block ADesign	390	06-Sep-22	19-Mar-24
A1050	Site Development Design	510	01-Feb-23*	03-Feb-25
A1620	Phase 2 Design	390	14-Sep-23	27-Mar-25
A1650	Phase 1 Permits	140	21-Feb-24	06-Sep-24
A1660	Phase 1 Block APermits	160	20-Mar-24	01-Nov-24
A4600	Phase 3 Design	390	23-Sep-24	06-Apr-26
A1060	Site Development Permit	255	04-Feb-25	04-Feb-26
A1670	Phase 2 Permits	160	28-Mar-25	11-Nov-25
A1630	Phase 4 Design	390	01-Oct-25	14-Apr-27
A4610	Phase 3 Permits	160	07-Apr-26	19-Nov-26
A1640	Phase 5 Design	390	09-Oct-26	21-Apr-28
A1680	Phase 4 Permits	140	15-Apr-27	01-Nov-27
A1690	Phase 5 Permits	140	24-Apr-28	08-Nov-28
Preconstruction		1063	31-Oct-25	11-Jan-30
A1090	Phase 1	120	31-Oct-25	23-Apr-26
A1580	Phase 1 Block A	120	12-Feb-26	03-Aug-26
A4620	Phase 2	120	01-Apr-27	21-Sep-27
A1590	Phase 3	120	28-Oct-27	19-Apr-28
A1600	Phase 4	120	22-May-28	09-Nov-28
A1610	Phase 5	120	20-Jul-29	11-Jan-30
Construction		1408	05-Feb-26	20-Aug-31
Master Infrastructure		510	05-Feb-26	08-Feb-28
A4700	Master Infrastructure	510	05-Feb-26	08-Feb-28
Phase 1		670	05-Feb-26	21-Sep-28
Site Infrastructure & Grading		55	05-Feb-26	22-Apr-26
A1095	P1.Site - Mobilize and Site Prep	15	05-Feb-26	25-Feb-26
A1445	P1.Site - Demolition	30	26-Feb-26	08-Apr-26
A1110	P1.Site - Grading	10	09-Apr-26	22-Apr-26
Arena - (Based on Arena that Meets Project Budget)		470	23-Apr-26	29-Feb-28



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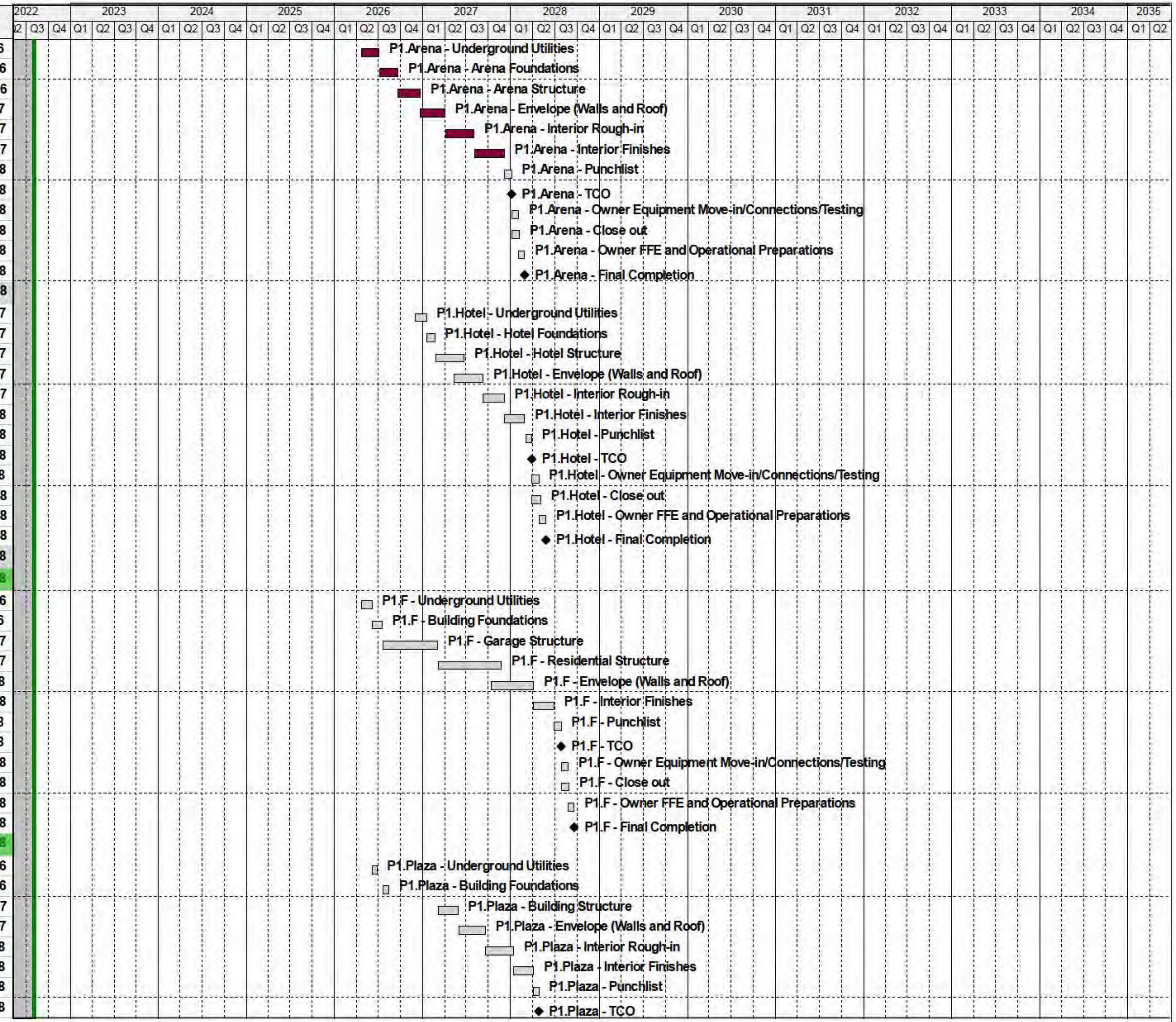
Midway Rising RFP Schedule

San Diego, CA

All Activities

Print Date: 01-Jul-22
Data Date: 05-Aug-22

Activity ID	Activity Name	OD	Start	Finish
A1120	P1.Arena - Underground Utilities	50	23-Apr-26	02-Jul-26
A1130	P1.Arena - Arena Foundations	55	06-Jul-26	21-Sep-26
A1140	P1.Arena - Arena Structure	65	22-Sep-26	23-Dec-26
A1150	P1.Arena - Envelope (Walls and Roof)	70	24-Dec-26	02-Apr-27
A1160	P1.Arena - Interior Rough-in	85	05-Apr-27	03-Aug-27
A1170	P1.Arena - Interior Finishes	85	04-Aug-27	03-Dec-27
A1190	P1.Arena - Punchlist	20	06-Dec-27	04-Jan-28
A1030	P1.Arena - TCO	0		04-Jan-28
A1180	P1.Arena - Owner Equipment Move-in/Connections/Testing	20	05-Jan-28	01-Feb-28
A1210	P1.Arena - Close out	25	05-Jan-28	08-Feb-28
A1200	P1.Arena - Owner FFE and Operational Preparations	20	02-Feb-28	29-Feb-28
A1040	P1.Arena - Final Completion	0		29-Feb-28
Hotel		375	03-Dec-26	23-May-28
A1340	P1.Hotel - Underground Utilities	30	03-Dec-26	15-Jan-27
A1350	P1.Hotel - Hotel Foundations	25	18-Jan-27	19-Feb-27
A1360	P1.Hotel - Hotel Structure	85	22-Feb-27	21-Jun-27
A1370	P1.Hotel - Envelope (Walls and Roof)	85	10-May-27	08-Sep-27
A1380	P1.Hotel - Interior Rough-in	60	09-Sep-27	03-Dec-27
A1390	P1.Hotel - Interior Finishes	60	06-Dec-27	29-Feb-28
A1420	P1.Hotel - Punchlist	20	01-Mar-28	28-Mar-28
A1400	P1.Hotel - TCO	0		28-Mar-28
A1410	P1.Hotel - Owner Equipment Move-in/Connections/Testing	20	29-Mar-28	25-Apr-28
A1430	P1.Hotel - Close out	25	29-Mar-28	02-May-28
A1440	P1.Hotel - Owner FFE and Operational Preparations	20	26-Apr-28	23-May-28
A1450	P1.Hotel - Final Completion	0		23-May-28
Block F - 560 Residential Units & Entertainment Plaza		615	23-Apr-26	21-Sep-28
Block F - 560 Residential Units		615	23-Apr-26	21-Sep-28
A1460	P1.F - Underground Utilities	30	23-Apr-26	04-Jun-26
A1470	P1.F - Building Foundations	30	05-Jun-26	17-Jul-26
A3680	P1.F - Garage Structure	160	20-Jul-26	05-Mar-27
A1480	P1.F - Residential Structure	185	08-Mar-27	24-Nov-27
A1490	P1.F - Envelope (Walls and Roof)	120	14-Oct-27	04-Apr-28
A1510	P1.F - Interior Finishes	60	05-Apr-28	28-Jun-28
A1540	P1.F - Punchlist	20	29-Jun-28	27-Jul-28
A1520	P1.F - TCO	0		27-Jul-28
A1530	P1.F - Owner Equipment Move-in/Connections/Testing	20	28-Jul-28	24-Aug-28
A1550	P1.F - Close out	25	28-Jul-28	31-Aug-28
A1560	P1.F - Owner FFE and Operational Preparations	20	25-Aug-28	21-Sep-28
A1570	P1.F - Final Completion	0		21-Sep-28
Entertainment Plaza		520	05-Jun-26	21-Jun-28
A1220	P1.Plaza - Underground Utilities	15	05-Jun-26	25-Jun-26
A1230	P1.Plaza - Building Foundations	20	20-Jul-26	14-Aug-26
A1240	P1.Plaza - Building Structure	60	08-Mar-27	28-May-27
A1250	P1.Plaza - Envelope (Walls and Roof)	75	01-Jun-27	15-Sep-27
A1260	P1.Plaza - Interior Rough-in	80	16-Sep-27	11-Jan-28
A1270	P1.Plaza - Interior Finishes	60	12-Jan-28	04-Apr-28
A1300	P1.Plaza - Punchlist	15	05-Apr-28	25-Apr-28
A1280	P1.Plaza - TCO	0		25-Apr-28



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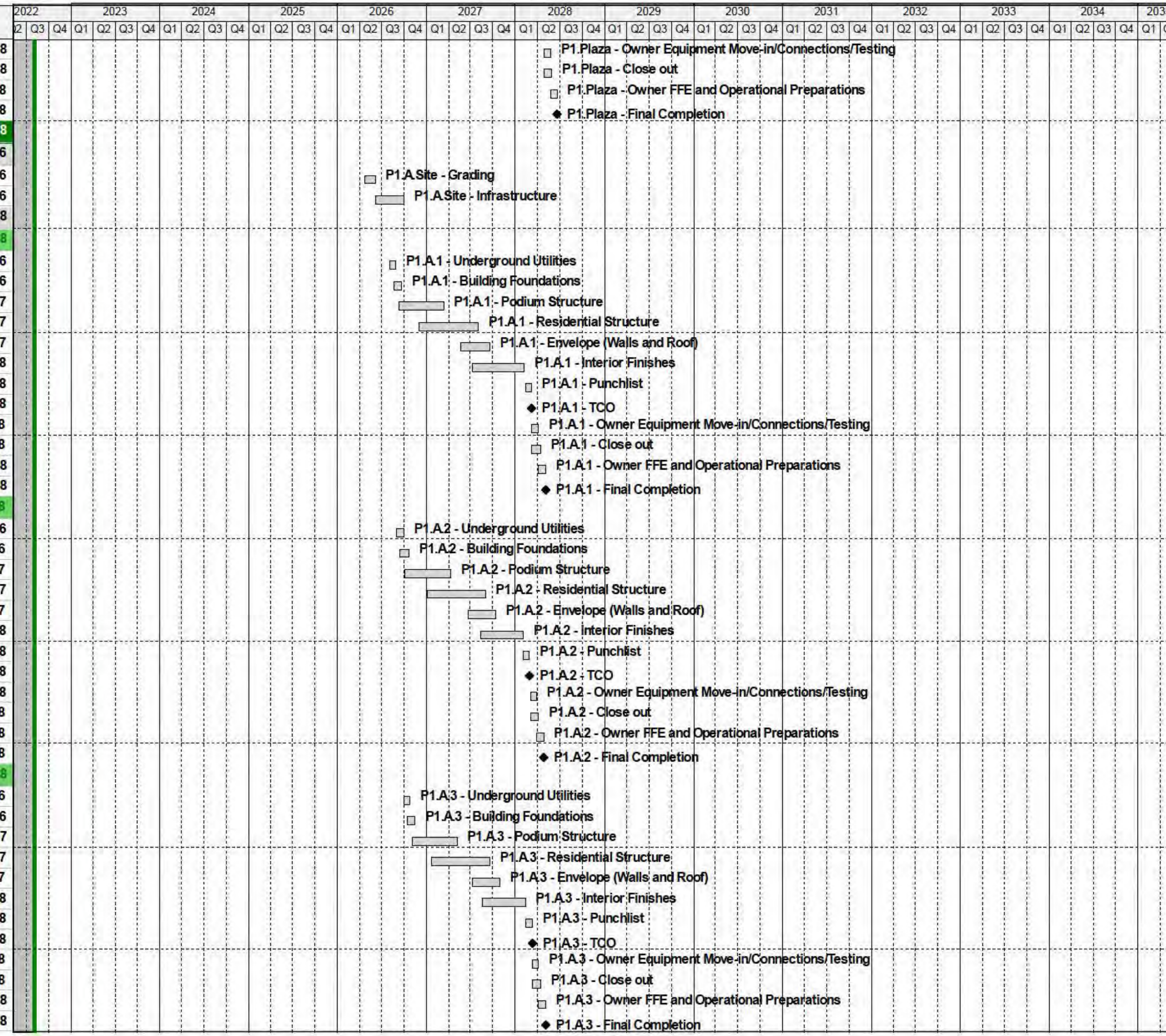
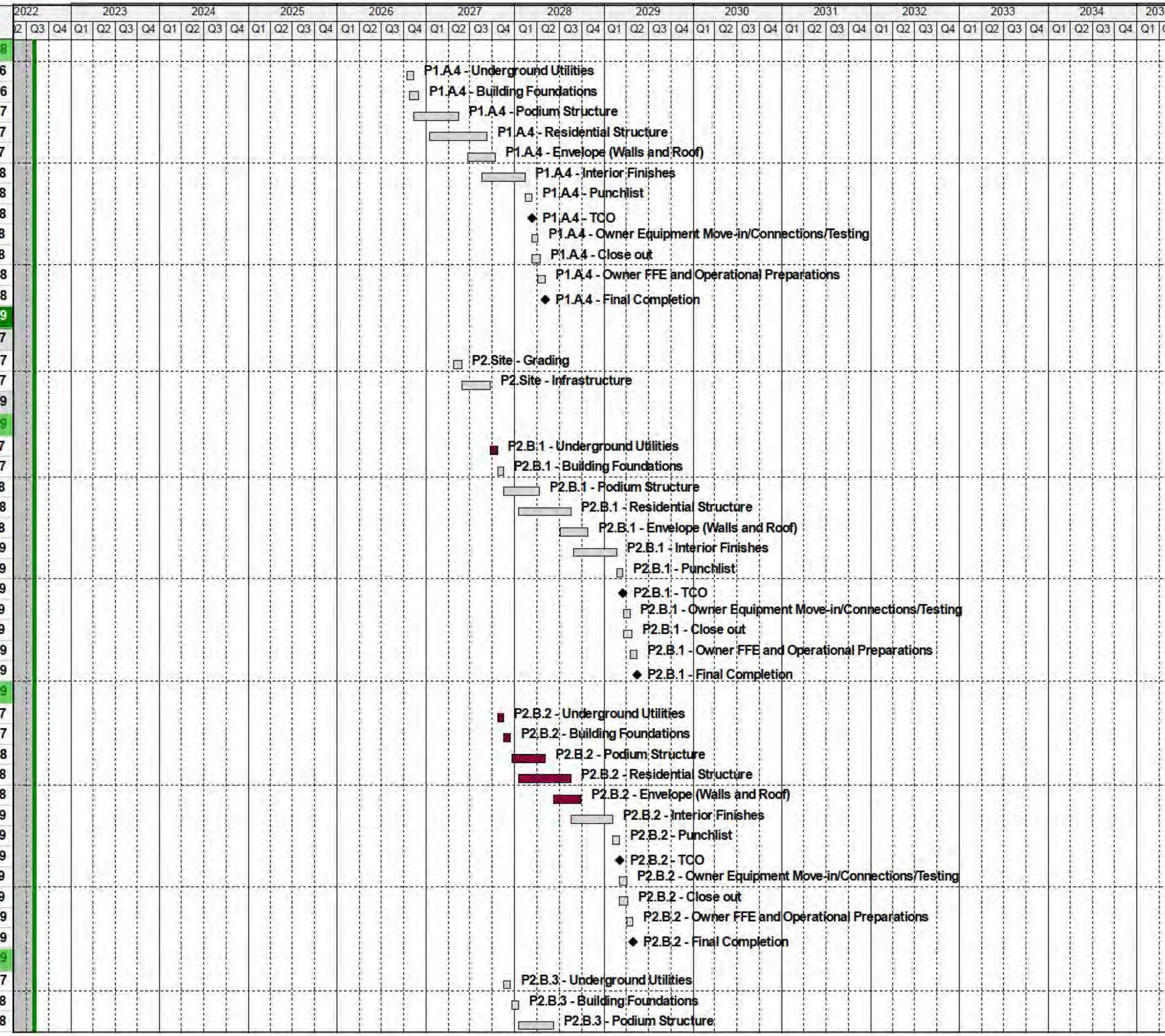
Midway Rising RFP Schedule
San Diego, CA

All Activities
Print Date: 01-Jul-22
Data Date: 05-Aug-22

Activity ID	Activity Name	OD	Start	Finish
A1290	P1.Plaza - Owner Equipment Move-in/Connections/Testing	20	26-Apr-28	23-May-28
A1310	P1.Plaza - Close out	25	26-Apr-28	31-May-28
A1320	P1.Plaza - Owner FFE and Operational Preparations	20	24-May-28	21-Jun-28
A1330	P1.Plaza - Final Completion	0		21-Jun-28
Phase 1 - Block A		517	23-Apr-26	04-May-28
Site Infrastructure & Grading		110	23-Apr-26	28-Sep-26
A2640	P1.A.Site - Grading	30	23-Apr-26	04-Jun-26
A2630	P1.A.Site - Infrastructure	80	05-Jun-26	28-Sep-26
Block A - 1039 Residential Units		447	03-Aug-26	04-May-28
Block A - Building 1		445	03-Aug-26	02-May-28
A1820	P1.A.1 - Underground Utilities	20	03-Aug-26	28-Aug-26
A1830	P1.A.1 - Building Foundations	25	17-Aug-26	21-Sep-26
A1840	P1.A.1 - Podium Structure	130	08-Sep-26	12-Mar-27
A1315	P1.A.1 - Residential Structure	170	03-Dec-26	03-Aug-27
A1850	P1.A.1 - Envelope (Walls and Roof)	80	24-May-27	15-Sep-27
A1870	P1.A.1 - Interior Finishes	150	07-Jul-27	08-Feb-28
A1900	P1.A.1 - Punchlist	20	09-Feb-28	07-Mar-28
A1880	P1.A.1 - TCO	0		07-Mar-28
A1890	P1.A.1 - Owner Equipment Move-in/Connections/Testing	20	08-Mar-28	04-Apr-28
A1910	P1.A.1 - Close out	25	08-Mar-28	11-Apr-28
A1920	P1.A.1 - Owner FFE and Operational Preparations	20	05-Apr-28	02-May-28
A1930	P1.A.1 - Final Completion	0		02-May-28
Block A - Building 2		420	31-Aug-26	25-Apr-28
A3700	P1.A.2 - Underground Utilities	20	31-Aug-26	28-Sep-26
A3710	P1.A.2 - Building Foundations	25	15-Sep-26	19-Oct-26
A3720	P1.A.2 - Podium Structure	130	06-Oct-26	09-Apr-27
A1325	P1.A.2 - Residential Structure	170	04-Jan-27	31-Aug-27
A3730	P1.A.2 - Envelope (Walls and Roof)	80	22-Jun-27	13-Oct-27
A3740	P1.A.2 - Interior Finishes	120	11-Aug-27	01-Feb-28
A3750	P1.A.2 - Punchlist	20	02-Feb-28	29-Feb-28
A3760	P1.A.2 - TCO	0		29-Feb-28
A3770	P1.A.2 - Owner Equipment Move-in/Connections/Testing	20	01-Mar-28	28-Mar-28
A3780	P1.A.2 - Close out	25	01-Mar-28	04-Apr-28
A3790	P1.A.2 - Owner FFE and Operational Preparations	20	29-Mar-28	25-Apr-28
A3800	P1.A.2 - Final Completion	0		25-Apr-28
Block A - Building 3		407	29-Sep-26	04-May-28
A3810	P1.A.3 - Underground Utilities	20	29-Sep-26	26-Oct-26
A3820	P1.A.3 - Building Foundations	25	13-Oct-26	16-Nov-26
A3830	P1.A.3 - Podium Structure	130	03-Nov-26	07-May-27
A1345	P1.A.3 - Residential Structure	170	20-Jan-27	17-Sep-27
A3840	P1.A.3 - Envelope (Walls and Roof)	80	09-Jul-27	29-Oct-27
A3850	P1.A.3 - Interior Finishes	120	20-Aug-27	10-Feb-28
A3860	P1.A.3 - Punchlist	20	11-Feb-28	09-Mar-28
A3870	P1.A.3 - TCO	0		09-Mar-28
A3880	P1.A.3 - Owner Equipment Move-in/Connections/Testing	20	10-Mar-28	06-Apr-28
A3890	P1.A.3 - Close out	25	10-Mar-28	13-Apr-28
A3900	P1.A.3 - Owner FFE and Operational Preparations	20	07-Apr-28	04-May-28
A3910	P1.A.3 - Final Completion	0		04-May-28



Activity ID	Activity Name	OD	Start	Finish
Block A - Building 4		397	13-Oct-26	04-May-28
A3920	P1.A.4 - Underground Utilities	20	13-Oct-26	09-Nov-26
A3930	P1.A.4 - Building Foundations	25	27-Oct-26	02-Dec-26
A3940	P1.A.4 - Podium Structure	130	10-Nov-26	14-May-27
A1375	P1.A.4 - Residential Structure	170	11-Jan-27	08-Sep-27
A3950	P1.A.4 - Envelope (Walls and Roof)	80	22-Jun-27	13-Oct-27
A3960	P1.A.4 - Interior Finishes	120	20-Aug-27	10-Feb-28
A3970	P1.A.4 - Punchlist	20	11-Feb-28	09-Mar-28
A3980	P1.A.4 - TCO	0		09-Mar-28
A3990	P1.A.4 - Owner Equipment Move-in/Connections/Testing	20	10-Mar-28	06-Apr-28
A4000	P1.A.4 - Close out	25	10-Mar-28	13-Apr-28
A4010	P1.A.4 - Owner FFE and Operational Preparations	20	07-Apr-28	04-May-28
A4020	P1.A.4 - Final Completion	0		04-May-28
Phase 2 - 671 Residential Units		527	22-Apr-27	17-May-29
Site Infrastructure & Grading		105	22-Apr-27	20-Sep-27
A2660	P2.Site - Grading	25	22-Apr-27	27-May-27
A2650	P2.Site - Infrastructure	80	27-May-27	20-Sep-27
Block B		422	21-Sep-27	17-May-29
Block B- Building 1		420	21-Sep-27	15-May-29
A2960	P2.B.1 - Underground Utilities	20	21-Sep-27	18-Oct-27
A2970	P2.B.1 - Building Foundations	20	19-Oct-27	15-Nov-27
A2980	P2.B.1 - Podium Structure	100	16-Nov-27	07-Apr-28
A1385	P2.B.1 - Residential Structure	150	17-Jan-28	15-Aug-28
A2990	P2.B.1 - Envelope (Walls and Roof)	80	05-Jul-28	25-Oct-28
A3010	P2.B.1 - Interior Finishes	120	30-Aug-28	20-Feb-29
A3040	P2.B.1 - Punchlist	20	21-Feb-29	20-Mar-29
A3020	P2.B.1 - TCO	0		20-Mar-29
A3030	P2.B.1 - Owner Equipment Move-in/Connections/Testing	20	21-Mar-29	17-Apr-29
A3050	P2.B.1 - Close out	25	21-Mar-29	24-Apr-29
A3060	P2.B.1 - Owner FFE and Operational Preparations	20	18-Apr-29	15-May-29
A3070	P2.B.1 - Final Completion	0		15-May-29
Block B - Building 2		390	19-Oct-27	01-May-29
A4030	P2.B.2 - Underground Utilities	20	19-Oct-27	15-Nov-27
A4040	P2.B.2 - Building Foundations	20	16-Nov-27	15-Dec-27
A4050	P2.B.2 - Podium Structure	100	16-Dec-27	05-May-28
A1405	P2.B.2 - Residential Structure	150	17-Jan-28	15-Aug-28
A4060	P2.B.2 - Envelope (Walls and Roof)	80	06-Jun-28	27-Sep-28
A4070	P2.B.2 - Interior Finishes	120	16-Aug-28	06-Feb-29
A4080	P2.B.2 - Punchlist	20	07-Feb-29	06-Mar-29
A4090	P2.B.2 - TCO	0		06-Mar-29
A4100	P2.B.2 - Owner Equipment Move-in/Connections/Testing	20	07-Mar-29	03-Apr-29
A4110	P2.B.2 - Close out	25	07-Mar-29	10-Apr-29
A4120	P2.B.2 - Owner FFE and Operational Preparations	20	04-Apr-29	01-May-29
A4130	P2.B.2 - Final Completion	0		01-May-29
Block B - Building 3		380	16-Nov-27	15-May-29
A4140	P2.B.3 - Underground Utilities	20	16-Nov-27	15-Dec-27
A4150	P2.B.3 - Building Foundations	20	16-Dec-27	14-Jan-28
A4160	P2.B.3 - Podium Structure	100	17-Jan-28	05-Jun-28



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Midway Rising RFP Schedule

San Diego, CA

All Activities

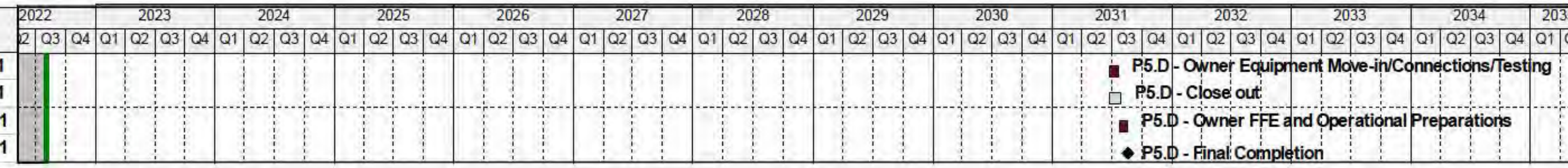
Print Date: 01-Jul-22

Data Date: 05-Aug-22

Activity ID	Activity Name	OD	Start	Finish
A1415	P2.B.3 - Residential Structure	150	14-Feb-28	12-Sep-28
A4170	P2.B.3 - Envelope (Walls and Roof)	80	19-Jul-28	08-Nov-28
A4180	P2.B.3 - Interior Finishes	120	30-Aug-28	20-Feb-29
A4190	P2.B.3 - Punchlist	20	21-Feb-29	20-Mar-29
A4200	P2.B.3 - TCO	0		20-Mar-29
A4210	P2.B.3 - Owner Equipment Move-in/Connections/Testing	20	21-Mar-29	17-Apr-29
A4220	P2.B.3 - Close out	25	21-Mar-29	24-Apr-29
A4230	P2.B.3 - Owner FFE and Operational Preparations	20	18-Apr-29	15-May-29
A4240	P2.B.3 - Final Completion	0		15-May-29
Block B - Building 4		362	16-Dec-27	17-May-29
A4250	P2.B.4 - Underground Utilities	20	16-Dec-27	14-Jan-28
A4260	P2.B.4 - Building Foundations	20	03-Jan-28	28-Jan-28
A4270	P2.B.4 - Podium Structure	100	17-Jan-28	05-Jun-28
A1425	P2.B.4 - Residential Structure	150	16-Feb-28	14-Sep-28
A4280	P2.B.4 - Envelope (Walls and Roof)	80	21-Jul-28	10-Nov-28
A4290	P2.B.4 - Interior Finishes	120	01-Sep-28	22-Feb-29
A4300	P2.B.4 - Punchlist	20	23-Feb-29	22-Mar-29
A4310	P2.B.4 - TCO	0		22-Mar-29
A4320	P2.B.4 - Owner Equipment Move-in/Connections/Testing	20	23-Mar-29	19-Apr-29
A4330	P2.B.4 - Close out	25	23-Mar-29	26-Apr-29
A4340	P2.B.4 - Owner FFE and Operational Preparations	20	20-Apr-29	17-May-29
A4350	P2.B.4 - Final Completion	0		17-May-29
Phase 3 - Block C - 322 Residential Units		522	31-Jan-28	18-Feb-30
Site Infrastructure & Grading		65	31-Jan-28	28-Apr-28
A4640	P3.Site - Grading	15	31-Jan-28	21-Feb-28
A4630	P3.Site - Infrastructure	50	21-Feb-28	28-Apr-28
Block C - Building 1		465	19-Apr-28	18-Feb-30
A2180	P3.C.1 - Underground Utilities	15	19-Apr-28	10-May-28
A2190	P3.C.1 - Building Foundations	20	10-May-28	07-Jun-28
A2200	P3.C.1 - Podium Structure	70	08-Jun-28	14-Sep-28
A1395	P3.C.1 - Residential Structure	100	04-Aug-28	27-Dec-28
A2210	P3.C.1 - Envelope (Walls and Roof)	100	30-Oct-28	22-Mar-29
A2230	P3.C.1 - Interior Finishes	170	23-Mar-29	20-Nov-29
A2260	P3.C.1 - Punchlist	20	21-Nov-29	20-Dec-29
A2240	P3.C.1 - TCO	0		20-Dec-29
A2250	P3.C.1 - Owner Equipment Move-in/Connections/Testing	20	21-Dec-29	21-Jan-30
A2270	P3.C.1 - Close out	25	21-Dec-29	28-Jan-30
A2280	P3.C.1 - Owner FFE and Operational Preparations	20	22-Jan-30	18-Feb-30
A2290	P3.C.1 - Final Completion	0		18-Feb-30
Phase 4 - 684 Residential Units		530	19-Oct-28	19-Nov-30
Site Infrastructure & Grading		250	19-Oct-28	12-Oct-29
A1305	P4.Site - Demolition of old arena and support buildings	120	19-Oct-28	10-Apr-29
A2680	P4.Site - Grading	50	11-Apr-29	20-Jun-29
A2670	P4.Site - Infrastructure	80	21-Jun-29	12-Oct-29
Block E		515	09-Nov-28	19-Nov-30
A2300	P4.E - Underground Utilities	30	09-Nov-28	22-Dec-28
A2310	P4.E - Building Foundations	30	26-Dec-28	06-Feb-29
A3690	P4.E - Garage Structure	140	07-Feb-29	23-Aug-29

Activity ID	Activity Name	OD	Start	Finish
A2320	P4.E - Residential Structure	160	28-Jun-29	14-Feb-30
A2330	P4.E - Envelope (Walls and Roof)	100	19-Dec-29	09-May-30
A2350	P4.E - Interior Finishes	120	22-Mar-30	10-Sep-30
A2360	P4.E - TCO	0		10-Sep-30
A2370	P4.E - Owner Equipment Move-in/Connections/Testing	20	11-Sep-30	08-Oct-30
A2380	P4.E - Punchlist	25	11-Sep-30	15-Oct-30
A2400	P4.E - Owner FFE and Operational Preparations	20	16-Oct-30	12-Nov-30
A2390	P4.E - Close out	25	16-Oct-30	19-Nov-30
A2410	P4.E - Final Completion	0		19-Nov-30
Phase 5 - 718 Residential Units		**530**	**20-Jul-29**	**20-Aug-31**
Site Infrastructure & Grading		**120**	**20-Jul-29**	**10-Jan-30**
A2700	P5.Site - Grading	40	20-Jul-29	17-Sep-29
A2690	P5.Site - Infrastructure	80	17-Sep-29	10-Jan-30
Block B-1		**410**	**11-Jan-30**	**20-Aug-31**
A4360	P5.B1 - Underground Utilities	20	11-Jan-30	07-Feb-30
A4370	P5.B1 - Building Foundations	20	01-Feb-30	28-Feb-30
A4380	P5.B1 - Podium Structure	100	22-Feb-30	15-Jul-30
A1335	P5.B1 - Residential Structure	150	19-Apr-30	19-Nov-30
A4390	P5.B1 - Envelope (Walls and Roof)	80	25-Sep-30	20-Jan-31
A4400	P5.B1 - Interior Finishes	120	06-Dec-30	27-May-31
A4410	P5.B1 - Punchlist	20	28-May-31	24-Jun-31
A4420	P5.B1 - TCO	0		24-Jun-31
A4430	P5.B1 - Owner Equipment Move-in/Connections/Testing	20	25-Jun-31	23-Jul-31
A4440	P5.B1 - Close out	25	25-Jun-31	30-Jul-31
A4450	P5.B1 - Owner FFE and Operational Preparations	20	24-Jul-31	20-Aug-31
A4460	P5.B1 - Final Completion	0		20-Aug-31
Block B-2		**390**	**08-Feb-30**	**20-Aug-31**
A4470	P5.B2 - Underground Utilities	20	08-Feb-30	07-Mar-30
A4480	P5.B2 - Building Foundations	20	22-Feb-30	21-Mar-30
A4490	P5.B2 - Podium Structure	100	08-Mar-30	29-Jul-30
A1355	P5.B2 - Residential Structure	150	17-May-30	19-Dec-30
A4500	P5.B2 - Envelope (Walls and Roof)	80	09-Oct-30	03-Feb-31
A4510	P5.B2 - Interior Finishes	120	06-Dec-30	27-May-31
A4520	P5.B2 - Punchlist	20	28-May-31	24-Jun-31
A4530	P5.B2 - TCO	0		24-Jun-31
A4540	P5.B2 - Owner Equipment Move-in/Connections/Testing	20	25-Jun-31	23-Jul-31
A4550	P5.B2 - Close out	25	25-Jun-31	30-Jul-31
A4560	P5.B2 - Owner FFE and Operational Preparations	20	24-Jul-31	20-Aug-31
A4570	P5.B2 - Final Completion	0		20-Aug-31
Block D		**370**	**08-Mar-30**	**20-Aug-31**
A3560	P5.D - Underground Utilities	20	08-Mar-30	04-Apr-30
A3570	P5.D - Building Foundations	20	22-Mar-30	18-Apr-30
A3580	P5.D - Podium Structure	100	05-Apr-30	26-Aug-30
A1365	P5.D - Residential Structure	150	17-May-30	19-Dec-30
A3590	P5.D - Envelope (Walls and Roof)	80	25-Sep-30	20-Jan-31
A3610	P5.D - Interior Finishes	120	20-Nov-30	12-May-31
A3640	P5.D - Punchlist	30	13-May-31	24-Jun-31
A3620	P5.D - TCO	0		24-Jun-31

Activity ID	Activity Name	OD	Start	Finish
A3630	P5.D - Owner Equipment Move-in/Connections/Testing	20	25-Jun-31	23-Jul-31
A3650	P5.D - Close out	25	25-Jun-31	30-Jul-31
A3660	P5.D - Owner FFE and Operational Preparations	20	24-Jul-31	20-Aug-31
A3670	P5.D - Final Completion	0		20-Aug-31



AECOM HUNT

Midway Rising RFP Schedule
San Diego, CA

All Activities
Print Date: 01-Jul-22
Data Date: 05-Aug-22

5 MARKET STUDIES

FEASIBILITY STUDY

NEW SAN DIEGO ARENA

July 1, 2022

CSL

July 1, 2022

Midway Rising LLC
c/o Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

Re: New San Diego Arena Feasibility Study

Conventions, Sports & Leisure International ("CSL") is pleased to present this report to Midway Rising LLC ("Midway Rising") addressing the feasibility of a new 15,000 to 16,000-seat multi-purpose arena that would replace the aging Pechanga Arena in San Diego, California. The attached report summarizes our research and analyses and is intended to assist you and other project representatives in making informed decisions regarding future arena development.

The information contained in this report is based on estimates, assumptions and other information developed from research of the market, knowledge of the sports and entertainment industries and other factors, including certain information provided by Midway Rising and others. All information provided was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results, as events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Conventions, Sports & Leisure International
One Cowboys Way, Suite 325 • Frisco, TX 75034 • Telephone 972.491.6900 • Facsimile 972.491.6903

We sincerely appreciate the opportunity to assist you with this project and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,

CSL International

TABLE OF CONTENTS

EXECUTIVE SUMMARY

CSL

EXECUTIVE SUMMARY

Opened in 1966, Pechanga Arena is a 12,920-seat (hockey capacity) arena located in San Diego, California. The arena has hosted a number of professional, minor league, and collegiate tenants over its 56-year history including San Diego State (NCAA), the San Diego Clippers (former NBA franchise), and numerous other minor league tenants. Today, Pechanga Arena serves as the home to four professional sports teams including the San Diego Gulls (American Hockey League), San Diego Sockers (Major Arena Soccer League), San Diego Seals (National Lacrosse League) and the San Diego Strike Force (Indoor Football League).

While improvements have been made to Pechanga Arena over the years, the arena still requires substantial capital re-investment to bring it up to modern standards in terms of event marketability, patron experience, revenue generation and to address deferred maintenance. In October 2021, the City of San Diego issued a Notice of Availability for Redevelopment of Sports Arena Site with the goal of renovation or replacement of Pechanga Arena with a regional entertainment venue for concerts, sports and other events. The City intends to lease a 48.5-acre site that includes the existing Pechanga Arena to a development team that will redevelop the site including the arena and commit to increasing affordable housing options.

In December 2021, Midway Rising LLC, a joint venture between Chelsea, Legends, Zephyr and AECOM, proposed to develop a new 15,000 to 16,000 seat arena, 4,000 housing units (50% designed for low income), 250,000 square feet of commercial and retail space, a 200-room hotel and 20+ acres of community parks.

The plan is subject to land lease terms, land use, regulatory and entitlement approvals, infrastructure costs, gap financing availability, financial feasibility, legal validity of increase height limitation initiative and successful resolution of any litigation field against the project approvals.

EXECUTIVE SUMMARY

As a next step in the planning process, Midway Rising LLC retained Conventions, Sports & Leisure International ("CSL") to conduct a feasibility study for the proposed new San Diego Arena. To assess the feasibility of the proposed arena, CSL met with key project stakeholders, analyzed local market conditions and regional competitive facilities, benchmarked against similar venues in comparable markets and interviewed event organizers that might control event activity that could be attracted to the proposed new San Diego Arena.

Research results were used to estimate potential demand for the proposed new San Diego arena, identify general building program elements necessary to accommodate demand, evaluate project funding potential, and estimate potential financial operations.

This executive summary outlined the key highlights of a feasibility study for the proposed new San Diego Arena. The study should be read in its entirety to obtain the background, methods, and assumptions underlying the findings.

STUDY METHODOLOGY
New San Diego Arena Feasibility Study

MARKET RESEARCH

The viability of the proposed new San Diego Arena is impacted, to a large degree, by local and regional market conditions such as the size, demographic, and socioeconomic characteristics of the area; economic conditions; the number and quality of extending regional competitive venues; and comparable arena benchmarking, among other factors. The following are key market research findings:

Local Market Conditions

Market attributes such as demographic and socioeconomic indicators and the local competitive entertainment venue environment serve as key indicators of the potential demand for the proposed new San Diego Arena. The following is a summary of the key findings on an analysis of the local market conditions in which the proposed new San Diego Arena would operate:

EXECUTIVE SUMMARY

- Given San Diego's unique location bounded to the west by the Pacific Ocean, to the east by the Cuyamaca and Laguna mountains, to the south by the United States-Mexico border and to the north by the Los Angeles-Long Beach-Anaheim Core-Based Statistical Area ("CBSA"), for the vast majority of events, the primary market area for the proposed new San Diego Arena is anticipated to be the San Diego CBSA.

- The level of population from which to draw upon can impact the ability of the proposed new San Diego Arena to attract events and draw attendees. The San Diego City CBSA (the arena's primary market) comprises approximately 3.3 million residents, ranking 17th largest among 927 metro areas nationwide.

- In general, sports and entertainment events attract patrons of various ages with the core group of attendees clustered between the ages of 15 to 54. The median age of the San Diego CBSA population is 36.2 years of age, which is younger than that of the nation as a whole (38.8).

- Household income can be used as a surrogate measure for the ability to purchase tickets, concessions, novelties, parking, and other items. The median household income with the San Diego CBSA is $84,989, which is 31 percent above the national median income of $64,730.

- Corporations can support arenas through the purchase of tickets, premium seating, and/or sponsorship opportunities as well as by hosting events such as tradeshows, job fairs, conferences, training seminars, meetings, etc. The San Diego CBSA has a total corporate base of companies with at least 10 employees and $2.5 million of sales of approximately 6,344, which is the 16th largest corporate base in the country.

- A market's unemployment rate serves as a key indicator of the relative strength of the local economy. The unemployment rate in the San Diego CBSA is 3.0 percent, which is 0.3 percentage points lower than that of the United States (3.3 percent).

- There are several larger venues in the regional market including Petco Park, North Island Credit Union Amphitheater and the soon-to-open Snapdragon Stadium that attract major sports and entertainment events in the region. It is anticipated that these venues will continue to attract these events and that the proposed new San Diego Arena should not seek to replicate the size of these venues.

- The primary market competitor of similar size is the Viejas Arena; however, the proposed new San Diego Arena will have a competitive advantage given its maximum capacity size (16,500 seats) relative to the Viejas Arena (12,000 seats).

Comparable Arena Benchmarking

Comparable arenas were identified to provide benchmark data from which to assess the potential physical, operating, and financial characteristics of the proposed new San Diego Arena. Comparable facilities were identified by meeting the following criteria: (a) multi-purpose venues built within the past 25 years that contain modern facility amenities and revenue-generating capabilities, (b) venues with a hockey seating capacity greater than 9,500 seats, and (c) venues without a major league tenant (i.e. NBA or NHL). Key findings from the comparable arena benchmarking analysis include:

- Identified comparable arenas include BOK Center in Tulsa, Oklahoma; Bon Secours Wellness Arena in Greenville, South Carolina; Denny Sanford Premier Center in Sioux Falls, San Diego; Intrust Bank Arena in Wichita, Kansas; Jacksonville Veterans Memorial Arena in Jacksonville, Florida; Pinnacle Bank Arena in Lincoln, Nebraska; Save Mart Center in Fresno, California; Spokane Veterans Memorial Arena in Spokane, Washington; Sprint Center in Kansas City, Missouri; and Van Andel Arena in Grand Rapids, Michigan.

- The majority of comparable venues are publicly owned by a city, county, or authority.

- The management of eight of the ten comparable venues have been outsourced to a private management company, with the public sector operating two venues.

- The average venue comprises a total of approximately 409,000 square feet, ranging from a low of 270,000 to a high of 693,000. Larger venues include dedicated exhibit space, meeting rooms, or dedicate banquet space in addition to the main arena.

- Overall, comparable venues have an ice hockey seating capacity ranging from 9,916 to 17,554 (averaging 13,554 seats) and a basketball seating capacity ranging from 11,500 to 18,972 (averaging 14,919 seats).

- Comparable venues have an end stage event seating capacity ranging from 10,100 to 17,500 (averaging 13,557 seats) and a center stage seating capacity ranging from 11,660 to 19,199 (averaging 15,646 seats).

- The cost to construct comparable venues in San Diego in 2025 dollars (mid-point of construction) is between $488 and $1,194 per square foot, or a median of $710 per square foot. Construction costs per square foot have historically increased between approximately 2.5 and 3.0 percent annually.

- Annual event activity at comparable venues averaged 135 events, ranging from 100 events at the Denny Sanford Premier Center to 199 events at the BOK Center. Annual attendance at comparable venues averaged 641,355, ranging from 371,280 at Intrust Bank Arena to approximately 1,000,000 attendees at the Sprint Center.

- Most comparable venues have one or more tenants, including minor league and collegiate sports teams, that provide a stable base of event activity and attendance each year, accounting, on average, for upwards of 35 percent of venue utilization. While tenant events constitute about a third of all event utilization, these events are only the sixth highest in terms of profitability. Concerts typically make up about a sixth of all events but are, by a significant margin, the most profitable events.

- The average venue has 35 suites, 25 loge boxes, and 940 club seats and receives annual premium seating revenue between $1.3 million and $14.1 million, averaging $3.7 million.

- Of the 10 comparable venues benchmarked in this report, seven (7) venues have title naming rights agreements. The naming rights agreements span 10 to 25 years and have an annual value average of $860,000, ranging from $350,000 to over $1.7 million.

- Most comparable venues analyzed herein operate profitably. Overall the average comparable venue generates approximately $6.7 million in revenue and incurs $5.4 million in expenses, for an average net operating profit of $1.3 million before debt service or capital reserve funding. It should be noted that there are a variety of factors and nuances effecting each venue's financial operations, including the lack of control over parking spaces, naming rights revenues used for construction financing instead of dedicating towards arena operations, premium seating revenues flowing to tenant(s) rather than the building, differences in facility size, differences in staffing levels, local market competition, and other such factors.

Promoter Interviews

To determine the market potential and building program requirements of potential events at the proposed new San Diego Arena, select national, regional, and local event promoters were interviewed representing a broad spectrum of event activity including sporting events, concerts, family shows, graduations, conventions, consumer shows, athletic, and other private/catered events. Key results from interviews with groups that may represent event potential in a new San Diego Arena included:

- The proposed new San Diego Arena is envisioned to serve as the home to the San Diego Gulls (AHL), San Diego Seals (NLL, and San Diego Strike Force (IFL) with paid attendance estimates of 7,250, 7,500, and 2,500, respectively.
- Outside of tenant events, the event segments that represent the strongest market potential for the proposed new San Diego Arena include concerts, family shows, high school sports, and other private/catered events.
- The majority of larger concerts drawing more than 16,500 attendees will likely continue to utilize larger facilities in the San Diego market. The generally higher production and talent expenses associated with these types of high-profile events require a facility that can achieve desired revenue by effectively balancing seating capacity and market-supportable ticket prices to be profitable for the promoter and the venue.
- A venue with a flexible design that can cater to a wide variety of event types will be critical in order to maximize the utilization of the proposed new San Diego Arena.

RECOMMENDED BUILDING PROGRAM AND COST ESTIMATE

Based on the results of the market analysis, a general building program has been developed that would serve to accommodate the proposed new San Diego Arena's assumed tenants and the majority of event activity that is anticipated to be drawn to the venue. The chart on the next page summarizes the recommended building program elements.

EXECUTIVE SUMMARY

Key conclusions regarding the building program include:

- The planned seating capacity of 16,000 seats (basketball configuration) accommodates current and projected tenant attendance (San Diego Gulls, San Diego Seals, and San Diego Strike Force) while also allowing for growth;
- The planned large-scale concert capacities (15,000 to 16,500 seats) have the ability to capture a majority of the mid-to-large sized concert market and result in a competitive advantage over the Viejas Arena;
- The venue should offer the ability to provide half-house and quarter-house capacity configurations to provide for an intimate environment for smaller concerts;
- Planned seating capacity distribution achieves a desired 60 percent / 40 percent distribution of lower bowl to upper bowl seats;
- Efficient seating layout should minimize kill seats and maximize end-stage concert configuration capacities;
- Total planned premium seats (i.e. 1,942 seats or 12 percent of capacity) is in-line with comparable market percentages;
- Arena management should consider an event level premium lounge for "on-ice club seats" or floor seats for concerts located on team bench side of arena.

BUILDING PROGRAM RECOMMENDATIONS New San Diego Arena	
Seating Capacity:	
Hockey	14,500
End Stage	15,000
Basketball	16,000
Center Stage	16,500
Premium Seating:	
Luxury Suites	38
Loge Seats	200
Ledge Seats	48
Club Seats	1,200
Parking:	
Public Parking	2,050
Premium Seat / Event Personnel Parking	725
Total Arena Controlled Parking	*2,775*
Arena Size:	
Total Building Square Footage	450,000 sq. ft.

Based on a review comparable venue project costs adjusted for to San Diego for place and time (Jan 2028 construction completion date) it is estimated that the proposed new San Diego Arena could cost $406.4 million to construct including hard and soft costs, A&E fees, permits, site and contingencies.

ESTIMATED UTILIZATION

Based on the results of the market analysis, the table on the right summarizes the estimated utilization and annual attendance for the proposed new San Diego Arena in the first year of operations (2028).

Overall, it is estimated the proposed new San Diego Arena could attract 161 events and draw approximately 828,000 paid attendees and 889,032 turnstile attendees per year in the first full, stabilized year of operations (2028). These estimates of event levels and attendance are above comparable averages (i.e. 135 events and 641,000 paid attendees).

FINANCIAL OPERATIONS

Based on the recommended building program and estimated utilization, financial operating projections were developed to estimate the operating revenues and expenses anticipated to be associated with the proposed new San Diego Arena.

The following pages list key assumptions made in estimating the financial operations of the proposed new San Diego Arena.

[redacted]

EXECUTIVE SUMMARY

- The proposed new San Diego Arena will open in January 2028 the first full, stabilized year of financial operations;
- The proposed new San Diego Arena will consist of approximately 450,000 square feet and will have a seating capacity of approximately 14,500 for hockey games, 15,000 for end stage events, 16,000 for basketball games, and 16,500 for center stage events;
- The San Diego Gulls (AHL hockey), San Diego Seals (NLL lacrosse) and San Diego Strike Force (IFL football) teams will: serve as the primary tenants in the proposed new San Diego Arena, receive scheduling priority over other events, and remain competitive within their respective leagues;
- The proposed new San Diego Arena will be developed as a quality, state-of-the-art venue with the necessary event spaces, amenities, acoustics, stage configuration, rigging capacities, flexible seating configurations, and back-of-house space to accommodate the needs of various types of users;
- The proposed new San Diego Arena will be located on publicly-owned land but will be owned and operated by privately Midway Rising LLC, which may outsource operations to a private-third party arena management company;
- As a result of this ownership/operational structure, the arena will be subject to local possessory interest taxes;
- The proposed new San Diego Arena will be aggressively marketed, providing competitive rental rates and, as necessary, co-promoting or initiating in-house promotions to maximize the usage of the venue;
- There will be no significant or material changes in the supply or quality of existing venues in the marketplace or new preferred or exclusive booking arrangements with event promoters at competitive venues;
- The market will generate spending on tickets, concessions, novelties, sponsorships/advertising, and premium seating that is consistent with comparable venues in the context of San Diego's market demographics and socioeconomics;
- Sufficient parking will be available to accommodate demand, including up to 2,775 on-site parking spaces with remaining parking needs assumed to be provided by existing or new parking located within close proximity to the new arena;

- The proposed new San Diego Arena site will be conducive to providing a pleasant fan experience (e.g. efficient traffic ingress/egress, convenient and affordable parking, etc.);

- There will be no significant or material changes to current trends in the live entertainment industry;

- Unknown future economic conditions will not adversely affect the market and its response to arena events (e.g. visitation levels, population levels, employment levels, etc.); and,

- Financial operating projections are presented in for the first five years of arena operations from 2028 to 2032.

Based on these key assumptions the table on the right summarizes the estimated proposed new San Diego Arena pro forma including arena operating revenues and arena operating expenses.

[redacted]

[redacted]

1. INTRODUCTION

CSL

1. INTRODUCTION

Opened in 1966, Pechanga Arena is a 12,920-seat (hockey capacity) arena located in San Diego, California. The arena has hosted a number of professional, minor league, and collegiate tenants over its 56-year history including San Diego State (NCAA), the San Diego Clippers (former NBA franchise), and numerous other minor league tenants. Today, Pechanga Arena serves as the home to four professional sports teams including the San Diego Gulls (American Hockey League), San Diego Sockers (Major Arena Soccer League), San Diego Seals (National Lacrosse League) and the San Diego Strike Force (Indoor Football League).

Pechanga Arena hosts other sports and entertainment events including concerts, family shows, ice shows, wrestling, and other events. On an annual basis, Pechanga Arena hosts approximately 125 events and draws approximately 700,000 attendees. Notable acts the arena has hosted over its history include Bon Jovi, Jimi Hendrix, Madonna, Bob Dylan, Justin Bieber, MUSE, and Lana Del Ray, among others.

While improvements have been made to Pechanga Arena over the years, the arena still requires substantial capital re-investment to bring it up to modern standards in terms of event marketability, patron experience, revenue generation and to address deferred maintenance. In October 2021, the City of San Diego issued a Notice of Availability for Redevelopment of Sports Arena Site with the goal of renovation or replacement of Pechanga Arena with a regional entertainment venue for concerts, sports and other events. The City intends to lease a 48.5-acre site that includes the existing Pechanga Arena to a development team that will redevelop the site including the arena and commit to increasing affordable housing options.

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The plan is subject to land lease terms, land use, regulatory and entitlement approvals, infrastructure costs, gap financing availability, financial feasibility, legal validity of increase height limitation initiative and successful resolution of any litigation field against the project approvals.

1. INTRODUCTION

As a next step in the planning process, Midway Rising LLC commissioned Conventions, Sports & Leisure International ("CSL") to conduct a feasibility study for the proposed new San Diego Arena.

To assess the feasibility of the proposed new San Diego Arena, CSL met with key project stakeholders, analyzed local and regional market conditions, analyzed the regional competitive venue landscape, identified and benchmarked similar venues in comparable markets, and interviewed event organizers that might represent event activity that could be attracted to the proposed arena.

Research results were used to estimate potential demand for the proposed new San Diego arena, identify general building program elements necessary to accommodate demand, evaluate project funding potential, and estimate potential financial operations.

The study's findings are presented in the following sections:

Executive Summary
1. Introduction
2. Local Market Conditions
3. Comparable Arena Benchmarking
4. Building Program Recommendations
5. Estimated Utilization
6. Financial Operations Projections

STUDY METHODOLOGY
New San Diego Arena Feasibility Study

This report outlines the key highlights of a feasibility study for the proposed new San Diego Arena. The study is designed to assist project stakeholders in making informed decisions regarding the proposed development and should be read in its entirety to obtain the background, methods, and assumptions underlying the findings.

2. LOCAL MARKET CONDITIONS

CSL

2. LOCAL MARKET CONDITIONS

MARKET AREA DEFINITION

The strength of the local market, in terms of its demographic and socioeconomic attributes in the context of its competitive landscape, can provide an indication of a multi-purpose arena's ability to draw local and regional attendees to sports, entertainment, civic, community, and other events. This section provides an overview of the local market area in order to provide a foundation to evaluate the market conditions in which the proposed new San Diego Arena would operate.

The San Diego market is unique in its location. The market is bounded to the west by the Pacific Ocean, to the east by the Cuyamaca and Laguna mountains, to the south by the United States-Mexico border and to the north by the Los Angeles-Long Beach-Anaheim Core-Based Statistical Area ("CBSA"), the second largest CBSA in the United States. As a result, for the vast majority of events, the primary market area for the proposed new San Diego Arena will be the San Diego CBSA. The San Diego CBSA is the geographic area from which it is anticipated that a large portion of arena attendees, ticket sales, premium seating, and corporate partners are anticipated to originate. However, it is likely the proposed new San Diego Arena could also draw from tertiary markets beyond the CBSA, particularly for high-profile events such as large concerts, tenant playoff games, NCAA tournament games, and other such events.

The graphic on the right illustrates the San Diego CBSA (i.e. the arena's primary market) from the proposed new San Diego Arena site in the context of the larger regional market area. For context, the San Diego Gulls (AHL) currently derive a majority of their ticket base from within this market catchment area.

DEMOGRAPHIC AND SOCIOECONOMIC PROFILE

Various demographic and socioeconomic data was compiled for the City of San Diego, the San Diego CBSA, and the United States. The data is summarized in the table to the right.

The San Diego City CBSA (the arena's primary market) comprises approximately 3.3 million residents, ranking 17th largest among 927 metro areas nationwide. The projected population growth rate of the San Diego CBSA (0.55 percent annually) over the next five years is expected to be slower than the national rate (0.71 percent).

The median household income with the San Diego CBSA is $84,989, which is 31 percent above the national median income of $64,730. Additionally, the San Diego CBSA has a cost of living approximately 45 percent higher than that of the United States.

The median age of the San Diego CBSA population is 36.2 years of age, which is younger than that of the nation as a whole (38.8).

The San Diego CBSA has a total corporate base of companies with at least 10 employees and $2.5 million of sales of approximately 6,344, which is the 16th largest corporate base in the country.

The unemployment rate in the San Diego CBSA is 3.0 percent, which is 0.3 percentage points lower than that of the United States (3.3 percent).

DEMOGRAPHIC AND SOCIOECONOMIC DATA

Local Market Areas

Demographic Variable	City of San Diego	San Diego CBSA	United States
Population			
2010 Total Population	1,304,906	3,098,168	309,121,785
2021 Total Population	1,379,090	3,287,244	333,934,112
2026 Total Population	1,422,243	3,379,404	345,887,495
Historical Annual Growth Rate (2010 to 2021)	0.50%	0.54%	0.70%
Projected Annual Growth Rate (2021 to 2026)	0.62%	0.55%	0.71%
Age			
Median Age	35.5	36.2	38.8
Household Income			
Median Household Income	$86,101	$84,989	$64,730
Cost of Living Index	144.7	144.7	100.0
Socioeconomic Profile			
Total Corporate Base	3,332	6,344	587,312
Unemployment Rate (1)	3.0%	3.0%	3.3%

Source: ESRI, Hoovers, BLS.

Note: Includes corporations with at least 10 employees and $2.5 million in sales. Excludes corporations in the education sector as well as government entities, membership organizations, religious organizations, non-profit organizations, and private households.

(1) Unemployment data is accurate to April 2022.

2. LOCAL MARKET CONDITIONS

COMPARABLE ARENAS

In evaluating the demographic and socioeconomic characteristics of the proposed new San Diego Arena's anticipated market area, it is useful to make comparisons to other markets with similar arenas to provide a benchmark from which to assess the strength or weakness of the San Diego metropolitan market. The following arenas have been selected as comparable venues based on the selection criteria to the right.

BOK Center
Tulsa, OK

Bon Secours Wellness Arena
Greenville, SC

Denny Sanford Premier Center
Sioux Falls, SD

Intrust Bank Arena
Wichita, KS

VyStar Veterans Memorial Arena
Jacksonville, FL

Pinnacle Bank Arena
Lincoln, NE

Save Mart Center
Fresno, CA

Spokane Veterans Memorial Arena
Spokane, WA

T-Mobile Center
Kansas City, MO

Van Andel Arena
Grand Rapids, MI

The remainder of this section presents a summary of key local market characteristics for each comparable venue's market (CBSA), including statistics such as population, population growth, median age, household income, cost of living, unemployment rate, and corporate base.

929 METROPOLITAN AREAS

334 MUNICIPAL ARENAS

291 WITHOUT MAJOR LEAGUE TENANTS*

*Excludes NBA & NHL arenas

121 OPENED IN THE LAST 25 YEARS#

#As a proxy for arenas with modern revenue generating capabilities

27 HOCKEY CAPACITY > 9,500 SEATS

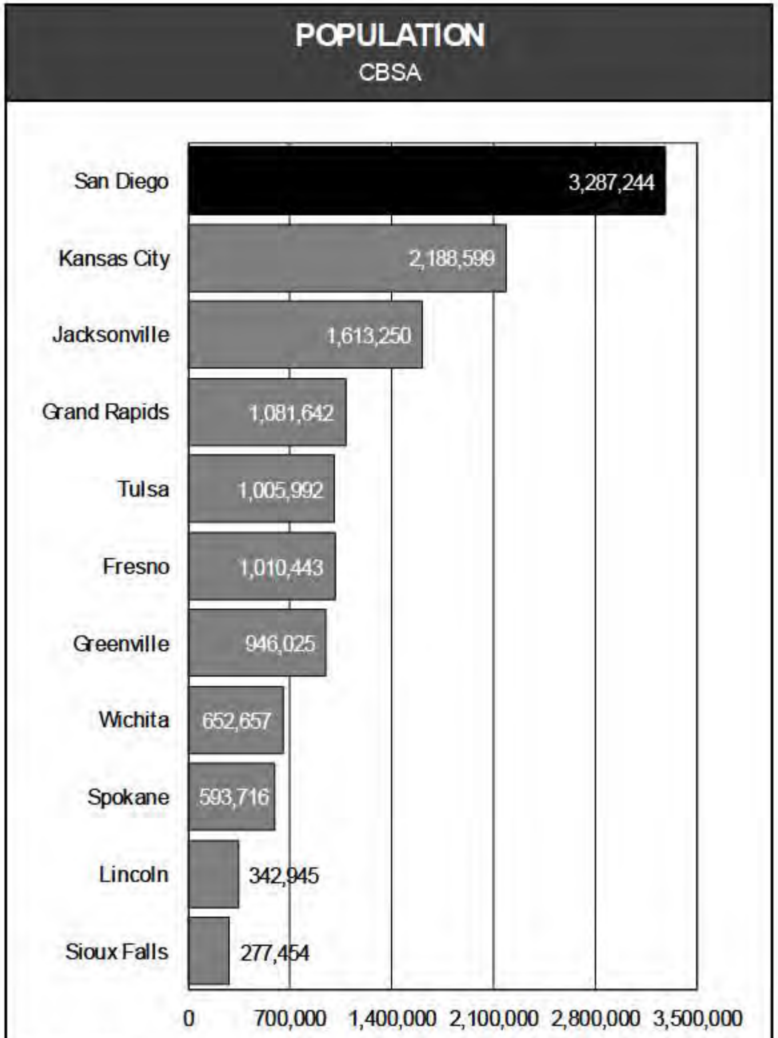
10 COMPARABLE VENUES

2. LOCAL MARKET CONDITIONS

POPULATION

The level of population from which to draw upon can impact the ability of the proposed new San Diego Arena to attract events and draw attendees. The chart on the right illustrates the total current CBSA population among comparable markets.

- The average CBSA population among comparable markets is 971,272.
- San Diego's CBSA population is 3.4 times larger than the comparable average and ranks first among comparable markets.
- With a population of over 3.3 million, San Diego ranks 17th of 927 metro areas in the United States and is the fourth largest in the State of California.



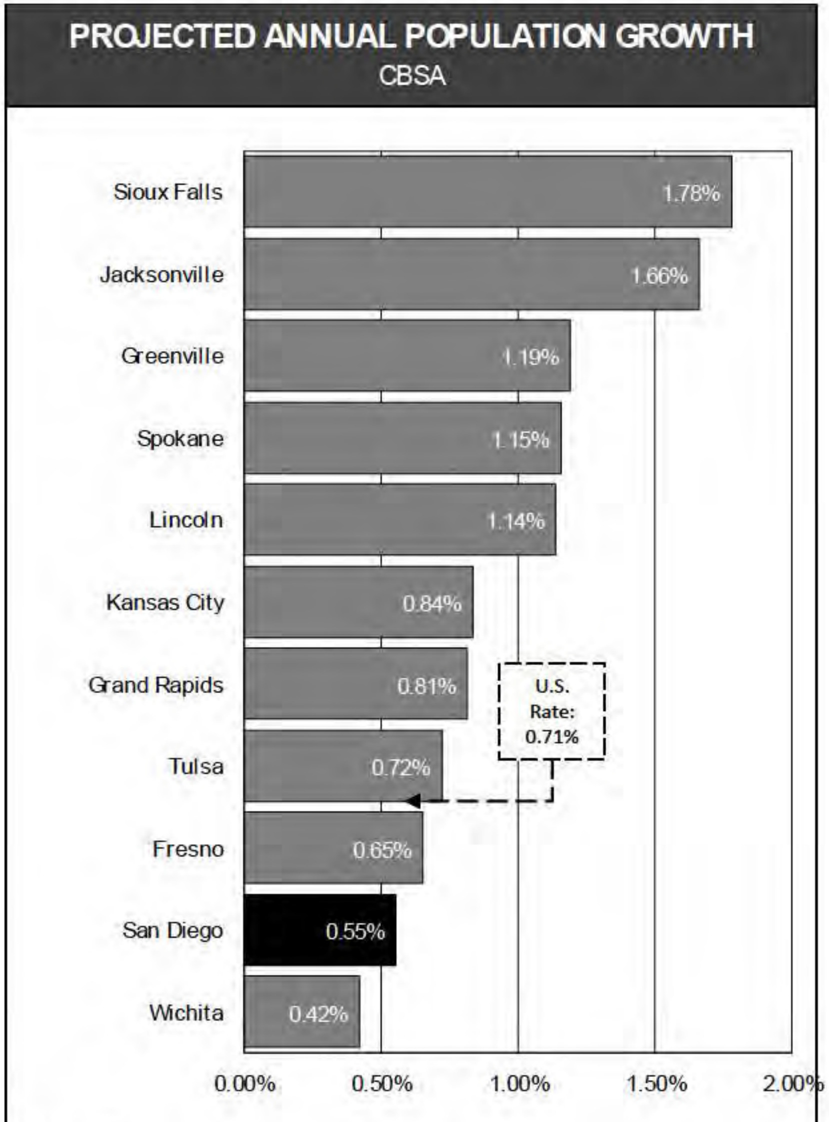
Source: ESRI

2. LOCAL MARKET CONDITIONS

POPULATION GROWTH

Population growth can indicate the strength and trajectory of the overall population. The chart on the right illustrates the projected annual population growth rates among comparable markets over the next five years.

- The average growth rate among comparable markets is 1.04 percent annually.
- San Diego's projected growth rate of 0.55 percent is 22 percent below the comparable average and ranks 10th among comparable markets.
- San Diego's projected growth rate (0.55 percent) is less than the United States as a whole (0.71 percent).



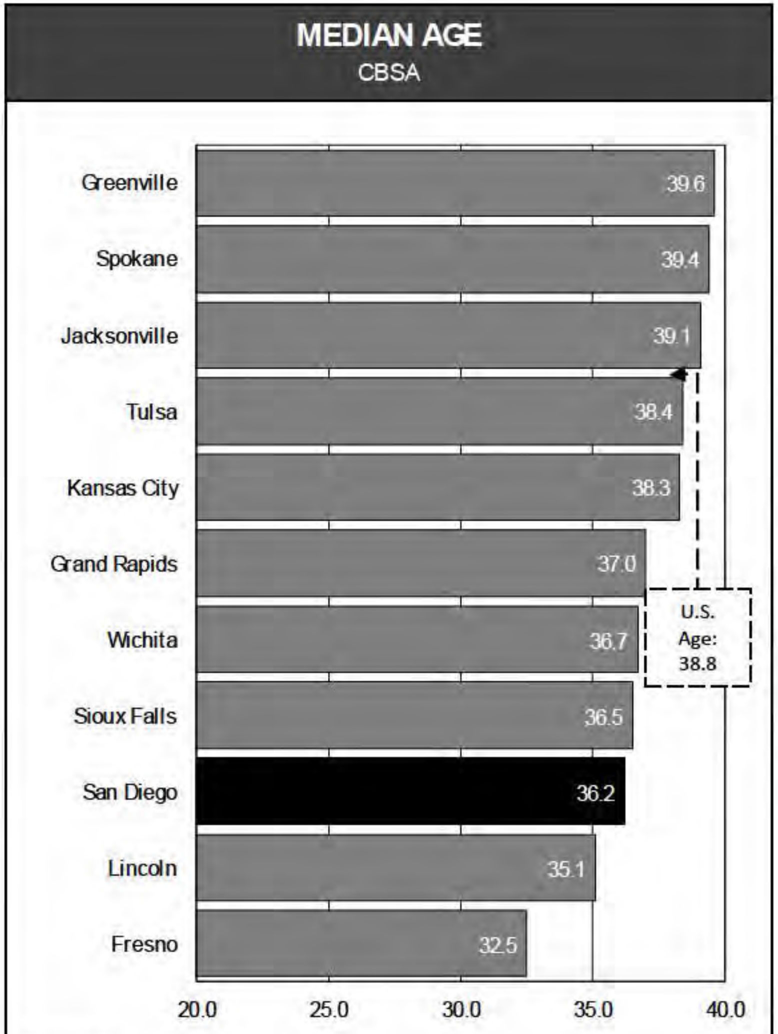
Source: ESRI

MEDIAN AGE

Median age is an important demographic in terms of the long-term viability of the proposed new San Diego Arena. In general, sports and entertainment events attract patrons of various ages with the core group of attendees clustered between the ages of 15 to 54.

The chart on the right illustrates the current median ages among comparable market populations.

- The average median age among comparable markets is 37.3.
- San Diego's median age is 36.2, which is 1.1 years younger than the comparable average and ranks third youngest among comparable markets.
- San Diego's median age (36.2) is 2.6 years younger than the national median (38.8).
- Additionally, 56.2 percent of San Diego's market population is aged 15 to 54, which is six percent greater than the comparable average (52.9 percent) and ranks first among comparable markets.



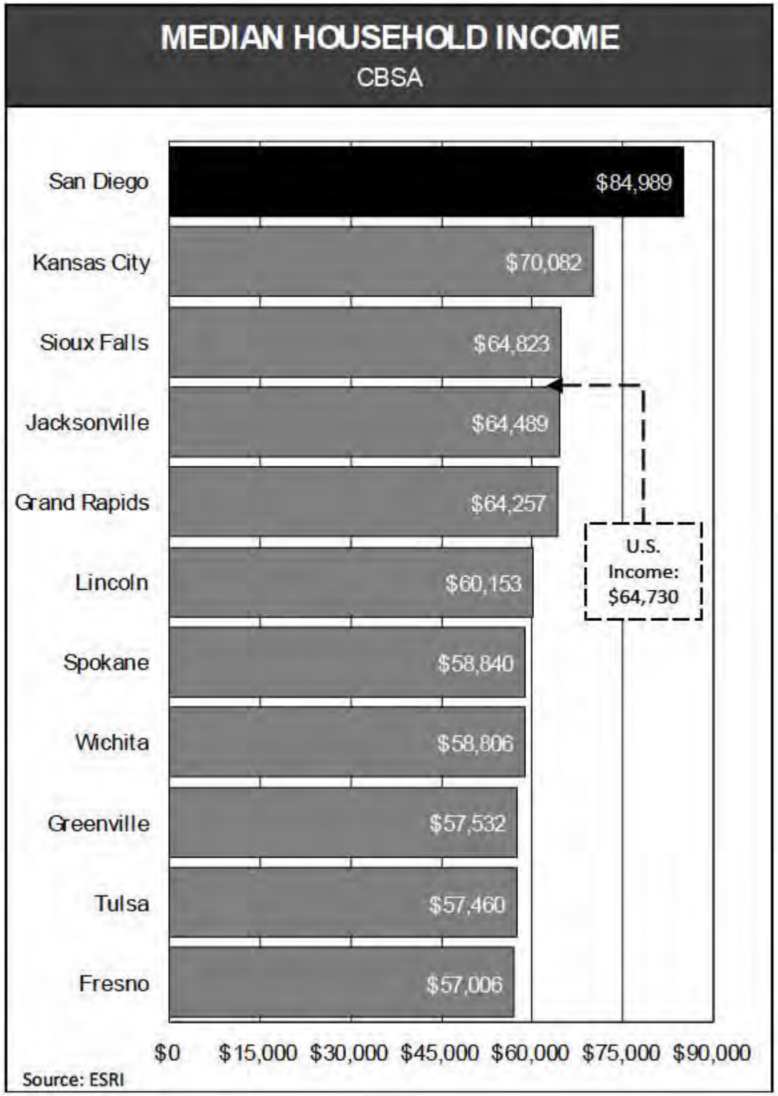
Source: ESRI

2. LOCAL MARKET CONDITIONS

INCOME

An important socioeconomic variable that can be indicative of the potential success of the proposed new San Diego Arena is household income. Household income can be used as a surrogate measure for the ability to purchase tickets, concessions, novelties, parking, and other items. The chart on the right illustrates the current median household incomes among comparable markets.

- The average median household income among comparable markets is $61,345.
- San Diego's median household income is $84,989, which is 39 percent greater than the comparable average and ranks highest among comparable markets.
- San Diego's median household income ($84,989) is 31 percent greater than the national median ($64,730).
- Additionally, 33.3 percent of San Diego households have incomes above $100,000 ("high income households"), which is 49 percent greater than the comparable average (22.4 percent) and ranks first among comparable markets.



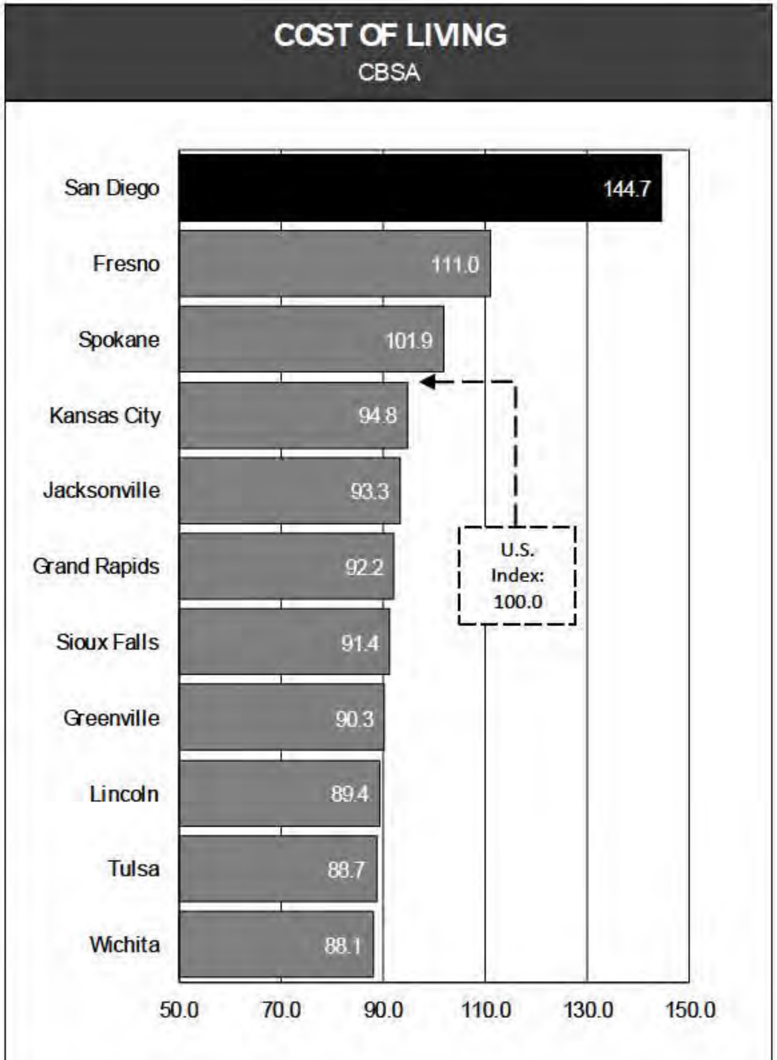
2. LOCAL MARKET CONDITIONS

COST OF LIVING

Cost of living can indicate the overall purchasing power of local residents, which impact the prices that are charged for tickets, concessions, merchandise, premium seating, parking, etc.

Cost of living is indexed nationally to 100.0, so a cost of living less than 100.0, for example, shows that goods and services in a local market are typically less expensive than the national average. The chart on the right illustrates the cost of living indices among comparable markets.

- The average cost of living among comparable markets is 94.1.
- San Diego's cost of living is 144.7, which is 54 percent greater than the comparable average and ranks highest among comparable markets.
- San Diego's cost of living (144.7) is 45 percent greater than the national index (100.0).



Source: ESRI

2. LOCAL MARKET CONDITIONS

CORPORATE BASE

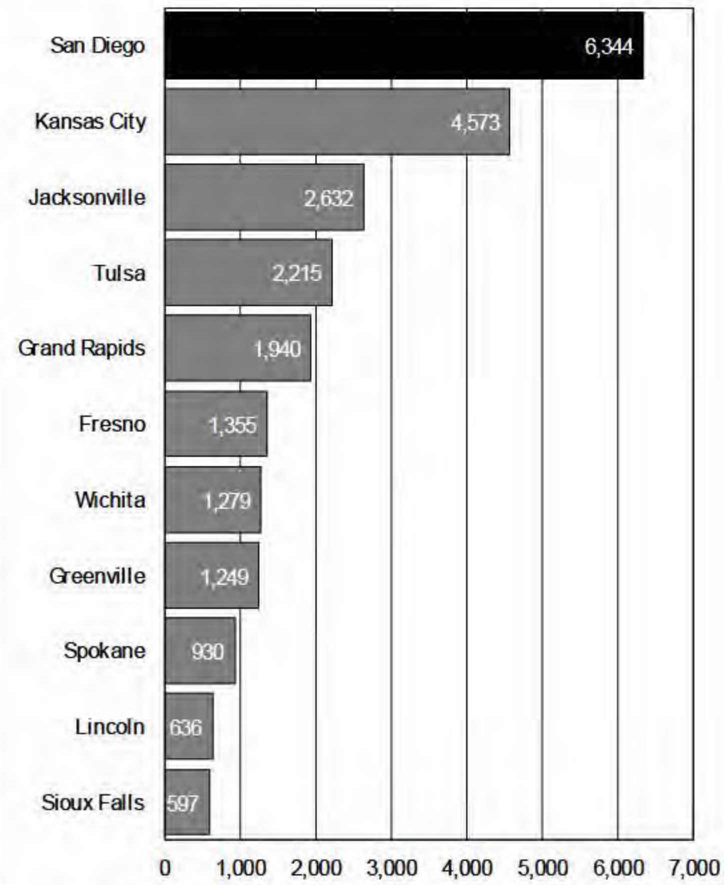
The depth and breadth of the corporate base can play a significant role in the overall success of the proposed new San Diego Arena. Corporations can support arenas through the purchase of tickets, premium seating, and/or sponsorship opportunities as well as by hosting events such as tradeshows, job fairs, conferences, training seminars, meetings, etc. The chart on the right illustrates the corporate base among comparable markets.

(Note: Corporate base excludes corporations with fewer than 10 employees and less than $2.5 million in annual sales in the education sector as well as government entities, membership organizations, religious organizations, non-profit organizations, and private households.)

- The average corporate base among comparable markets is 1,741.
- San Diego's corporate base is 3.6 times larger than the comparable average, ranks first among comparable markets and 16th nationally.
- San Diego's corporate base represents approximately nine percent of the total corporate base in the State of California.
- While San Diego has the largest corporate base among comparable arenas, the CBSA only has five Fortune 1000 companies and a concentration of industries not usually associated with entertainment spending, including defense, international trade, and research.

CORPORATE BASE

CBSA



Source: Hoovers.

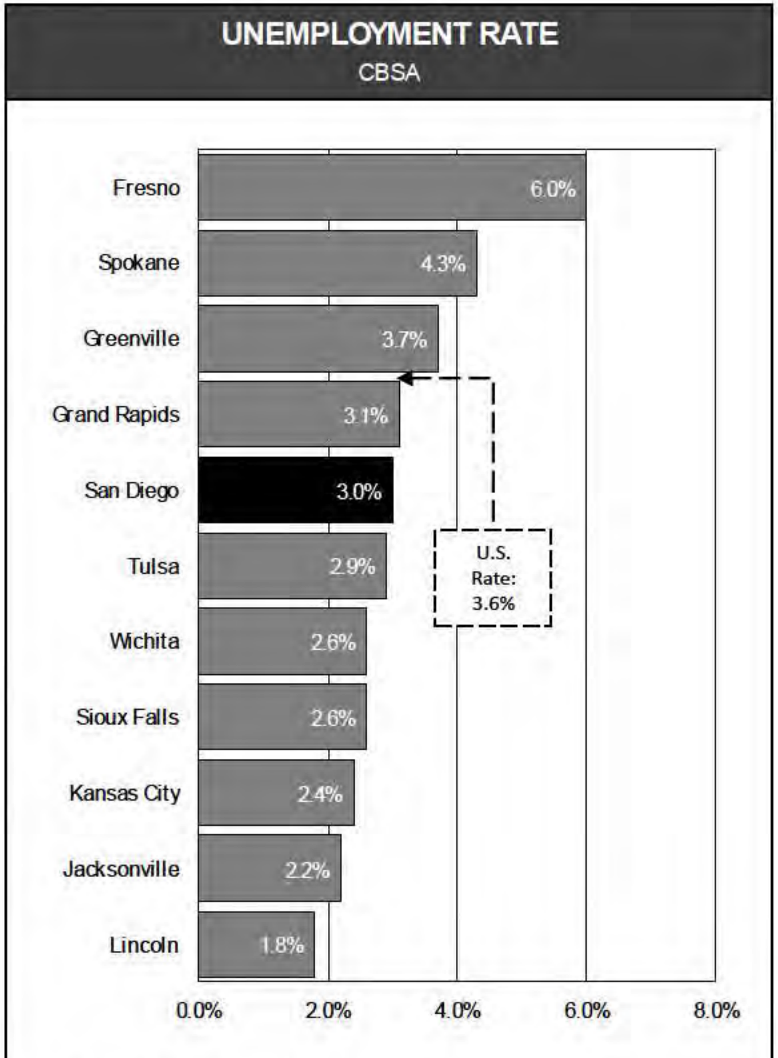
Note: Corporate base excludes corporations with fewer than 10 employees and less than $2.5 million in `annual sales in the education sector as well as government entities, membership organizations, religious organizations, non-profit organizations, and private households.

2. LOCAL MARKET CONDITIONS

UNEMPLOYMENT RATE

A market's unemployment rate serves as a key indicator of the relative strength of the local economy. The chart on the right illustrates the unemployment rates (accurate to April 2022) among comparable markets.

- The average unemployment rate among comparable markets is 3.2 percent.
- San Diego's unemployment rate is 5 percent lower than the comparable average and ranks third lowest among comparable markets.
- San Diego's unemployment rate (3.0 percent) is 0.6 percentage points lower than that of the United States (3.6 percent) indicating a relatively strong economy.



Source: Bureau of Labor Statistics, April 2022.

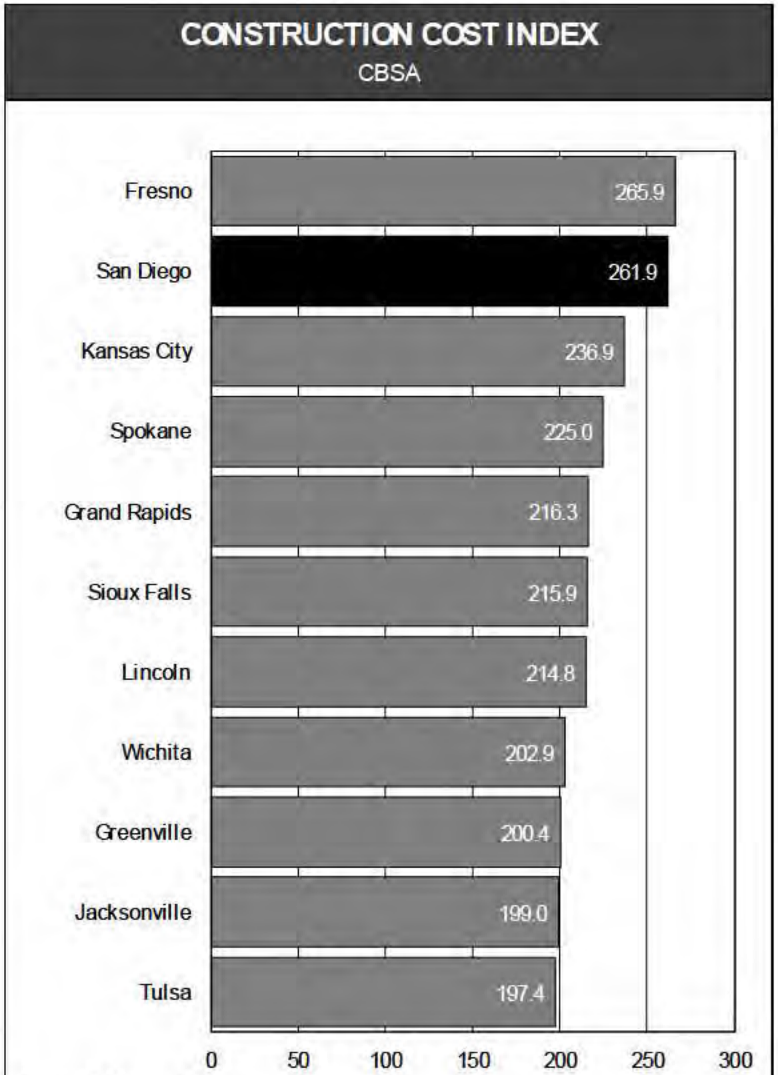
2. LOCAL MARKET CONDITIONS

CONSTRUCTION COST INDEX

When analyzing the potential cost associated with the construction of the proposed new San Diego Arena relative to the historical cost to build comparable arenas in other markets, it is important to consider regional differences in construction costs.

The chart on the right illustrates the construction cost indices among comparable markets.

- The average construction cost index among comparable markets is 217.5.
- San Diego's construction cost index is 20 percent greater than the comparable average and ranks second highest among comparable markets.



Source: RS Means - 2021.

2. LOCAL MARKET CONDITIONS

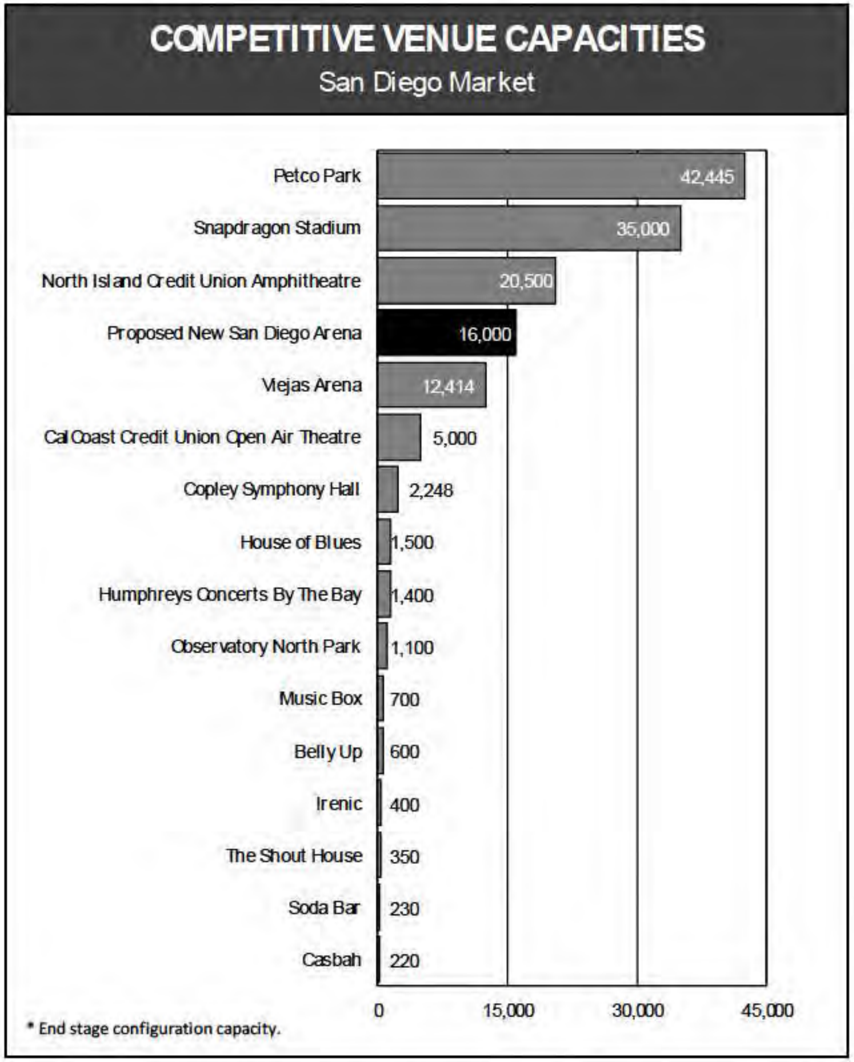
COMPETITION

The proposed new San Diego Arena's operations will be impacted by the number and type of local and regional facilities that compete for the limited supply of events, spectators, participants, and corporate sponsorship dollars within the marketplace. The chart to the right illustrates the capacities of entertainment venues in the San Diego market.

The following venues were identified as the primary venues that could provide some level of competition to the proposed new San Diego Arena, including:

- Viejas Arena;
- North Island Credit Union Amphitheatre;
- Petco Park;
- Snapdragon Stadium;
- CalCoast Credit Union Open Air Theatre;
- Copley Symphony Hall;
- House of Blues;
- Humphreys Concerts By The Bay; and
- Additional small concert venues.

The remainder of this section provides an overview of the history and operations of each competitive venue within the San Diego area.



* End stage configuration capacity.

2. LOCAL MARKET CONDITIONS

Pechanga Arena

Constructed in 1966, Pechanga Arena is a 12,550-hockey capacity arena in San Diego and is the current home of the San Diego Gulls (AHL), San Diego Sockers (MASL), San Diego Seals (NLL) and San Diego Strike Force (IFL) . In addition to hosting tenant events, Pechanga Arena hosts a number of other sports and entertainment events including concerts, family shows, ice shows, wrestling, and other events. On an annual basis, Pechanga Arena hosts approximately 125 events and draws approximately 700,000 attendees.

In a recent year of operations, Pechanga Arena generated an operating income of approximately $10 million. Pechanga Arena is owned by the City of San Diego. It is assumed that the proposed new San Diego Arena would replace the Pechanga Arena on its current site and the Pechanga Arena would be torn down to allow for parking and/or mixed-use development. Therefore, Pechanga Arena would not compete with the proposed new San Diego Arena.

Viejas Arena

Viejas Arena is a 12,414-seat multi-purpose arena located on the San Diego State University campus in San Diego, CA and is currently home to both the men's and women's basketball teams. The arena is owned and operated by San Diego State University. In addition to hosting collegiate basketball, Viejas Arena also regularly hosts concerts, entertainment, and other sporting events. Open in 1997 by San Diego State University, the arena was originally named Cox Arena, but the arena was renamed to Viejas after announcing a new 10-year naming rights agreement for approximately $6.9 million with the Viejas Band of Kumeyaay Indians in 2009.

Viejas Arena cost the University $29 million to construct and features a $1.2 million scoreboard, seven locker rooms, team rooms, equipment rooms, a shared training room, and a team lounge. While Viejas Arena should be expected to compete meaningfully with the proposed new San Diego Arena, with an end-stage concert capacity of approximately 9,000, Viejas Arena would be at a competitive disadvantage when competing with the larger (12,550 end-stage capacity) proposed new San Diego Arena for mid- to upper-tier concerts. In addition, the proposed new arena's ability to anchor a large-scale entertainment district could also provide significant differentiation from Viejas Arena, attracting patrons looking for a unique event-day experience including out-of-arena shopping, restaurants, bars, and other such elements.

North Island Credit Union Amphitheatre

North Island Credit Union Amphitheatre is a 20,500-seat outdoor amphitheatre located in Chula Vista, CA (approximately 20 miles from the proposed new San Diego Arena site). Constructed in 1998, the venue is now owned and operated by Live Nation Entertainment. The venue typically hosts approximately 30 concerts each year, usually beginning in late spring and running through late autumn. Venue seating is generally about half chair-back seating and half lawn seats.

While, during the outdoor concert season, the North Island Credit Union Amphitheatre is expected to somewhat compete for events with the proposed new San Diego Arena, currently, the amphitheatre attracts more highly-attended concerts than what the proposed new San Diego Arena could be expected to typically accommodate (e.g. Lynyrd Skynyrd, Kesha, Kenny Chesney, Brad Paisley, etc.), so the significant difference in venue capacity will likely limit that competitive crossover. The amphitheatre will also compete directly for sponsorship and advertising dollars, but the venue, having only general seating, will not compete with the proposed new San Diego Arena in terms of premium seating.

2. LOCAL MARKET CONDITIONS

Petco Park

Opened in 2004, the 41,164-seat Petco Park is located in San Diego, California and serves as the home of the San Diego Padres ("Padres"). The ballpark is jointly owned by the City of San Diego (70 percent) and the Padres (30 percent) and is operated by the team.

Project costs for Petco Park totaled approximately $474 million and included both public and private funding sources. The public sector contributed $301 million toward the development of the ballpark. Specifically, the City issued $225 million in bonds secured by hotel/motel taxes. Additional public funds included a $55 million contribution by Centre City Development Corporation and a $21 million contribution by San Diego Unified Port District. The Padres contributed $173 million to the project, including a $115 million initial commitment and $58 million to cover cost overruns.

Petco Park hosts a number of non-baseball events on an annual basis, including soccer, rugby, motorsports, concerts, and community events. While the Park only hosts large-scale concerts a few times each year, they typically come close to selling out the ballpark. Recent concerts include Metallica, Billy Joel, and Taylor Swift.

In terms of premium seating, Petco Park features over 1,900 club seats, ranging in price from $4,510 to over $30,000 for home plate club seats. The ballpark also includes 71 suites, which sell on average for approximately $243,000 annually, and three loge boxes, which sell for approximately $112,000 annually.

Petco Park anchors a 26-block area located in downtown San Diego, known as the Ballpark District. As part of the ballpark's funding deal, the Padres were obligated to invest more than $300 million in new development around the ballpark. It is estimated that the ballpark area has attracted upwards of $2.0 billion in new development since 1998. Development around the ballpark includes nearly 1,000 hotel rooms, residential buildings, approximately 500,000 square feet of office space and 375,000 square feet of retail space.

Ultimately, the proposed new San Diego Arena, due to the significant physical differences, will not compete directly with Petco Park for events, but the arena will compete with the ballpark for discretionary spending, sponsorship/advertising, and premium seating dollars in the marketplace.

2. LOCAL MARKET CONDITIONS

CalCoast Credit Union Open Air Theatre

Originally constructed in 1941 for approximately $175,000, CalCoast Credit Union Open Air Theatre is an open-air amphitheater with a capacity of approximately 5,000 located on the San Diego State University campus. The theatre typically hosts approximately 25 concerts each year from late spring to late autumn.

The theater will likely compete with the arena for reduced-house events and corporate sponsorship/advertising dollars.

Copley Symphony Hall

Copley Symphony Hall, originally constructed in 1929 as the $2.5 million Fox Theatre, is the current home of the San Diego Symphony, and the 2,248-seat hall resides within the Joan and Irwin Jacobs Music Center. In addition to it's symphonic concerts, the Hall also hosts a multitude of other orchestral and operatic performances each year. Copley Symphony Hall is not expected to compete meaningfully with the proposed new San Diego Arena.

House of Blues San Diego

Part of a nationwide network of small-to-mid-sized concert houses, House of Blues San Diego has a concert capacity of approximately 1,500, and the concert venue is also a restaurant/bar and a night club. The House of Blues typically hosts multiple small concerts every week in addition to hosting many private club rentals. The House of Blues, mainly due to its limited capacity relative to the proposed new San Diego Arena, is not expected to compete meaningfully with the proposed new San Diego Arena in terms of events or premium seating.

2. LOCAL MARKET CONDITIONS

Humphreys Concerts By The Bay

Built in 1982, Humphreys Concerts By The Bay is a 1,400-seat outdoor theater, located approximately four miles from the proposed new San Diego Arena site; the theater hosts between 15 and 20 concerts each year. This theater, due to its size, is not expected to compete meaningfully with the proposed new San Diego Arena for events or premium seating.

Snapdragon Stadium

Located on SDSU's Mission Valley campus, the $310 million Snapdragon Stadium is a 35,000-seat multipurpose, open-air stadium that is under construction and is anticipated to be completed in September 2022. The stadium was designed to be able to expand to 55,000 seats in the future.

The stadium will serve as home to the SDSU football program, the San Diego Wave (National Women's Soccer League) and the San Diego Legion (Major League Rugby). The stadium is also anticipated to host a variety of other events including other NCAA events, high school sports, concerts, motocross, monster trucks and other major events. The venue also has a variety of premium seating and hospitality areas that will be capable of hosting a variety of meetings, banquets, receptions, civic and community events.

Snapdragon Stadium will compete to some degree to host concerts and special events (banquets, receptions, corporate meetings) as well as for sponsorship, advertising, and premium seating dollars.

Additional Small Concert Venues

In addition to the large and mid-sized concert venues throughout the San Diego market, there are a variety of small concert venues (~1,000 seats or fewer) throughout the area, many of which are also restaurants or bars. Such venues include Observatory North Park, Music Box, Belly Up, Irenic, The Shout House, Soda Bar, and Casbah. In general, these venues are not expected to compete meaningfully with the proposed new San Diego Arena.

SUMMARY

The demographic and socioeconomic characteristics of a market are an important component in assessing the potential success of a proposed arena. The ability of an arena to attract spectators, sell tickets, secure corporate partners and generate revenues is predicated, somewhat, on the size of the regional market area population and corporate base, and its spending characteristics in the context of competition within the market.

Overall, the demographic and socioeconomic characteristics of the San Diego market are favorable for supporting the proposed new San Diego Arena. The area is characterized by a large, growing population with high household incomes relative to its peers, an ample corporate base, and the relative lack of significant competition in the marketplace to host similar-size arena events.

Local market conditions are considered together with the historical operations of comparable venues and event organizer interviews in order to draw conclusions regarding the market potential for the proposed new San Diego Arena.

3. COMPARABLE ARENA BENCHMARKING

CSL

3. COMPARABLE ARENA BENCHMARKING

OVERVIEW

The purpose of this section is to provide an assessment of the physical, operational, and financial characteristics of comparable arenas to serve as a benchmark from which to assess the viability of the proposed new San Diego Arena. Comparable facilities were identified by meeting the following criteria: (a) multi-purpose venues built within the past 25 years that contain modern facility amenities and revenue-generating capabilities, (b) venues with a hockey seating capacity greater than 9,500 seats, and (c) venues without a major league tenant (i.e. NBA or NHL).

The comparable venues identified include:

BOK Center
Tulsa, OK

Bon Secours Wellness Arena
Greenville, SC

Denny Sanford Premier Center
Sioux Falls, SD

Intrust Bank Arena
Wichita, KS

VyStar Veterans Memorial Arena
Jacksonville, FL

Pinnacle Bank Arena
Lincoln, NE

Save Mart Center
Fresno, CA

Spokane Veterans Memorial Arena
Spokane, WA

T-Mobile Center
Kansas City, MO

Van Andel Arena
Grand Rapids, MI

The remainder of this section provides a general overview of each comparable venue including key benchmark data that provide a framework in which to evaluate the potential physical, operational, and financial parameters of the proposed new San Diego Arena.

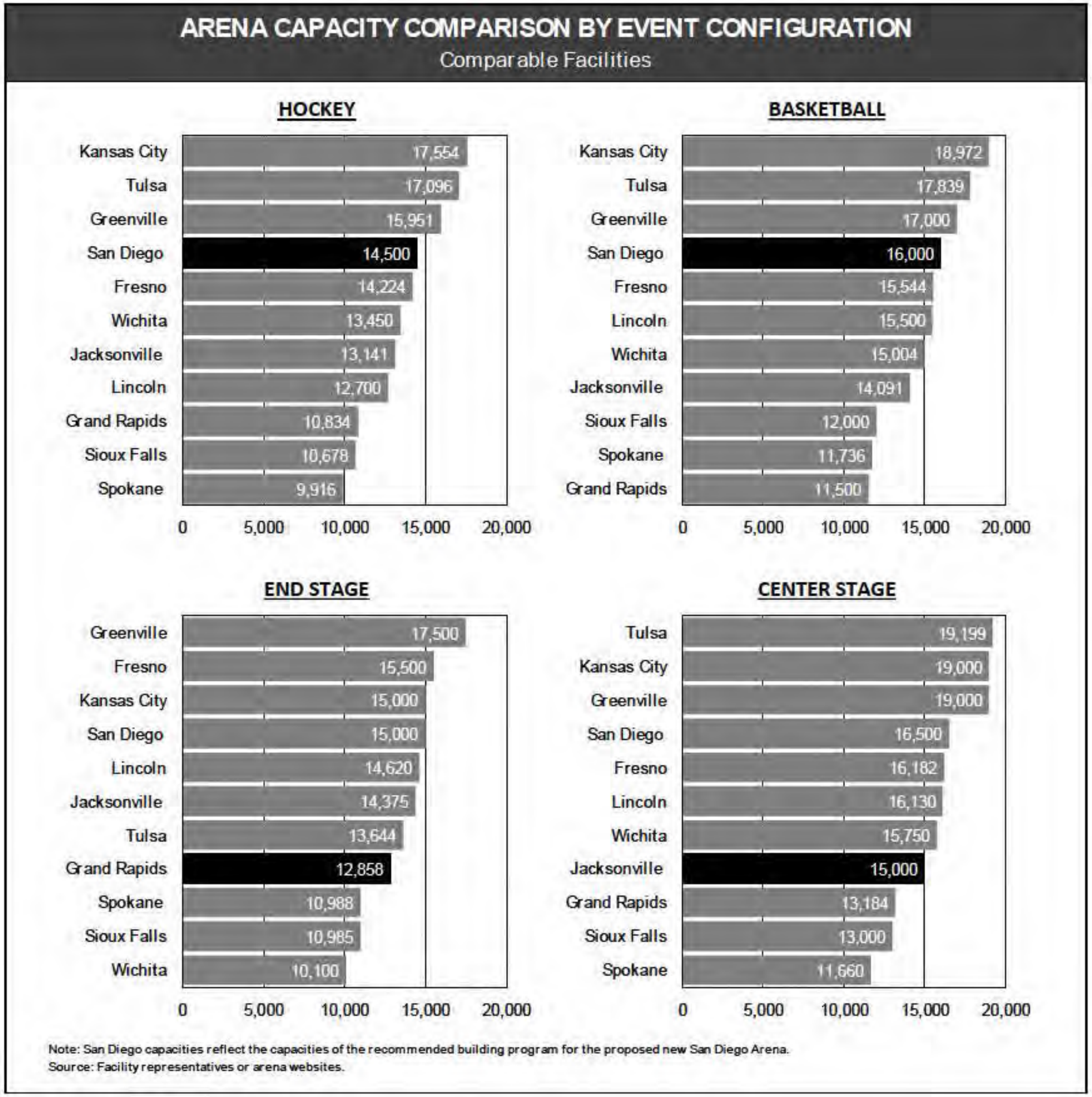
3. COMPARABLE ARENA BENCHMARKING

SEATING CAPACITY COMPARISON

The chart on the right illustrates the seating capacities of comparable venues, highlighting the capacity for each hockey, basketball, end stage, and center stage events.

Overall, comparable venues have an ice hockey seating capacity ranging from 9,916 to 17,554 (averaging 13,640 seats) and a basketball seating capacity ranging from 11,500 to 18,972 (averaging 15,017 seats).

Comparable venues have an end stage event seating capacity ranging from 10,100 to 17,500 (averaging 13,688 seats) and a center stage seating capacity ranging from 11,660 to 19,199 (averaging 15,873 seats).



3. COMPARABLE ARENA BENCHMARKING

CONSTRUCTION COSTS

The table below summarizes the building square footage and historical project costs of comparable facilities. Project costs generally include the material and labor costs along with soft costs such as architectural and design fees, consulting fees, project management and other planning costs. The cost to build comparable venues in San Diego in 2026 dollars was estimated using RS Means Construction Cost Data 'Historical Cost Index' and 'City Cost Indexes' to adjust for time and place.

CONSTRUCTION COST COMPARISON

Comparable Facilities

								Adjusted to 2026 Dollars & San Diego Market	
Facility	City	Year Opened	Hockey Seating Capacity	Total Building Square Footage	Square Feet Per Seat	Total Historical Project Costs	Historical Cost/SF	Project Costs	Cost/SF
Intrust Bank Arena	Wichita, KS	2010	13,450	330,000	24.5	$206,500,000	$626	$394,000,000	$1,194
VyStar Veterans Memorial Arena	Jacksonville, FL	2003	13,141	440,000	33.5	$130,000,000	$295	$354,000,000	$805
Van Andel Arena	Grand Rapids, MI	1996	10,834	294,000	27.1	$77,000,000	$262	$231,000,000	$786
BOK Center	Tulsa, OK	2008	17,096	565,000	33.0	$198,000,000	$350	$412,000,000	$729
T-Mobile Center	Kansas City, MO	2007	17,554	693,000	39.5	$276,000,000	$398	$496,000,000	$716
Bon Secours Wellness Arena	Greenville, SC	1998	15,951	300,000	18.8	$68,000,000	$227	$210,000,000	$700
Spokane Veterans Memorial Arena	Spokane, WA	1995	9,916	270,000	27.2	$62,000,000	$230	$183,000,000	$678
Pinnacle Bank Arena	Lincoln, NE	2013	12,700	470,400	37.0	$184,000,000	$391	$306,000,000	$651
Denny Sanford Premier Center	Sioux Falls, SD	2014	10,678	302,000	28.3	$117,000,000	$387	$188,000,000	$623
Save Mart Center	Fresno, CA	2003	14,224	430,000	30.2	$103,000,000	$240	$210,000,000	$488
AVERAGE		**2005**	**13,554**	**409,440**	**29.9**	**$142,150,000**	**$340**	**$298,000,000**	**$740**
MEDIAN		**2005**	**13,296**	**380,000**	**29.3**	**$123,500,000**	**$320**	**$268,500,000**	**$710**

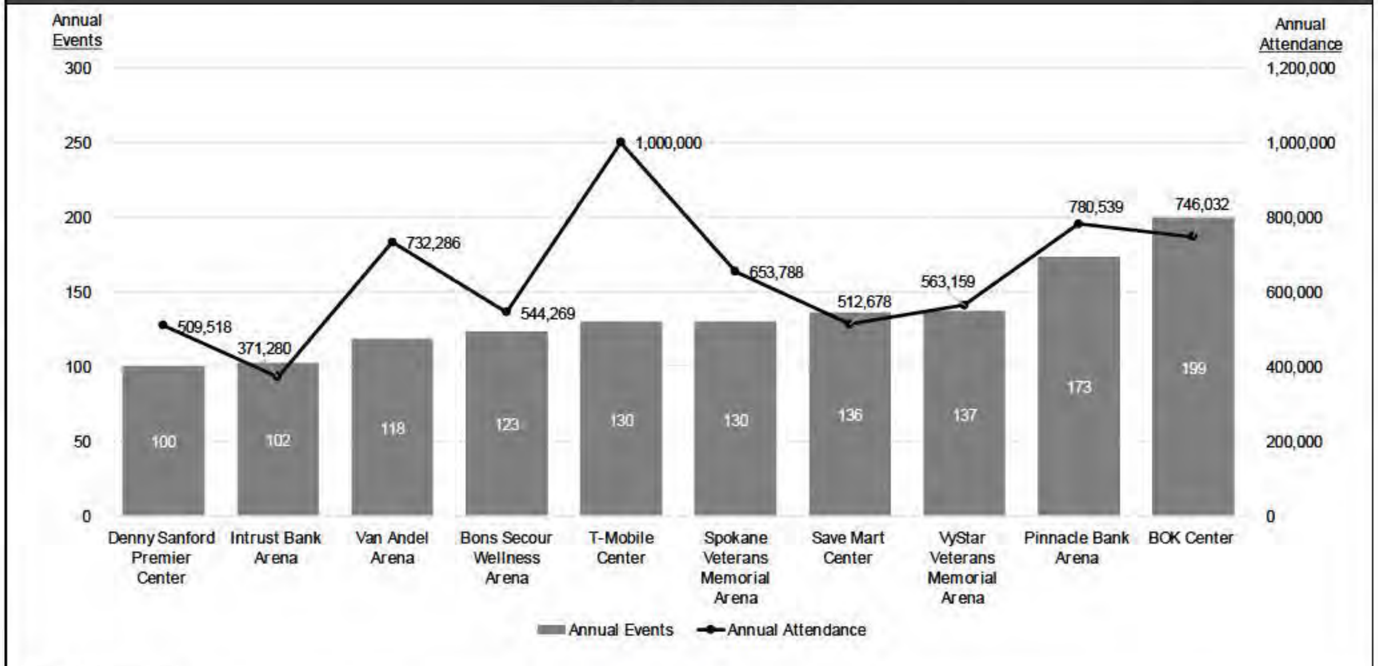
Note: Sorted by cost per square foot.
Source: RS Means (construction cost adjustment for time and location).

As depicted above, the cost to construct comparable venues in San Diego in 2026 dollars is between $488 and $1,194 per square foot, or a median of $710 per square foot. Construction costs per square foot have historically increased between approximately 2.5 and 3.0 percent annually.

3. COMPARABLE ARENA BENCHMARKING

UTILIZATION

The events and attendance historically attracted to comparable venues provide a framework from which to estimate potential utilization of the proposed new San Diego Arena. The ability of the proposed new San Diego Arena to accommodate a variety of events that generate revenues to support venue operations will be critical to the venue's success. The graphic below illustrates total events and attendance hosted by comparable venues in the most recent year of operations.



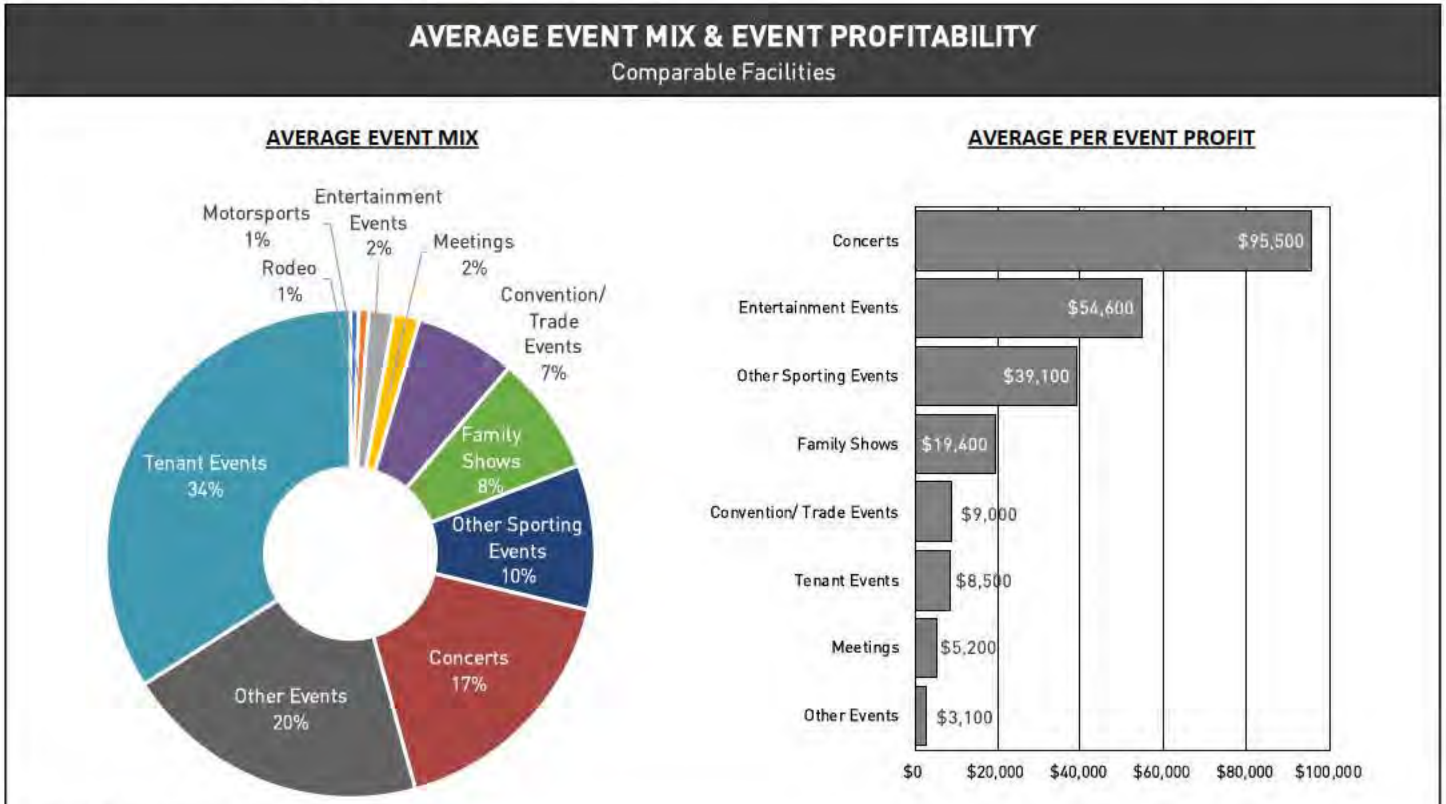
Source: Facility representatives.

Overall, annual event activity at comparable venues averaged 135 events, ranging from 100 events at the Denny Sanford Premier Center to 199 events at the BOK Center. Annual attendance at comparable venues averaged 641,355, ranging from 371,280 at Intrust Bank Arena to approximately 1,000,000 attendees at the T-Mobile Center.

3. COMPARABLE ARENA BENCHMARKING

EVENT MIX & PROFITABILITY

Striking the right mix of events to promote both attendance and profitability is important operationally for arena management. The charts below depict the average event mix and average profit by event among comparable arenas.



Source: Facility representatives.

Most comparable venues have one or more tenants, including minor league and collegiate sports teams, that provide a stable base of event activity and attendance each year, accounting, on average, for upwards of 35 percent of venue utilization. While tenant events constitute about a third of all event utilization, these events are only the sixth highest in terms of profitability. Concerts typically make up about a sixth of all events but are, by a significant margin, the most profitable events.

PREMIUM SEATING SUMMARY

Premium seating has become increasingly prevalent in modern arenas and can serve to generate substantial revenue for a venue and its tenants. The Pechanga Arena currently lacks traditional premium seating products and it is recommended that the proposed new San Diego Arena include modern premium seating products for its patrons. Typical premium seating products that are offered at comparable venues include:

- **Private Suites** typically accommodate 12 to 16 guests and include a private lounge area with seating overlooking the event floor.
- **Loge Boxes** consist of a semi-private seating area that typically accommodates four to eight guests. A loge box does not include a private lounge area, but loge box holders often have access to a shared VIP area.
- **Club Seats** consist of individual seats that are typically wider, padded, and provide more leg room as compared to general seating areas. Club seat holders typically have access to an upscale lounge located near their seats.

The table on the right summarizes the premium seating inventory at comparable venues.

PREMIUM SEATING SUMMARY
Comparable Facilities

	Suites				Loge Boxes				Club Seats				Total
	Inventory			Annual	Inventory			Annual	Inventory			Annual	Annual
Facility	Total	Sold	% Sold	Price	Total	Sold	% Sold	Price	Total	Sold	% Sold	Price	Revenue
T-Mobile Center	72	64	89%	$120,000	--	--	--	--	1,700	1,700	100%	$3,800	$14,140,000
Save Mart Center	40	40	100%	$58,000	--	--	--	--	1,196	1,196	100%	$1,625	$4,264,000
BOK Center	37	37	100%	$73,000	20	20	100%	$17,500	680	680	100%	$1,500	$4,071,000
Pinnacle Bank Arena	36	36	100%	$59,000	20	20	100%	$24,000	900	900	100%	$750	$3,279,000
VyStar Veterans Memorial Arena	36	35	96%	$70,000	--	--	--	--	1,164	757	65%	$450	$2,760,000
Van Andel Arena	44	43	98%	$36,000	--	--	--	--	1,800	1,440	80%	$700	$2,556,000
Intrust Bank Arena	20	19	95%	$50,000	40	40	100%	$8,000	487	453	93%	$1,228	$1,826,000
Denny Sanford Premier Center	22	22	100%	$39,500	18	18	100%	$18,500	505	505	100%	$850	$1,631,000
Bon Secours Wellness Arena	30	24	80%	$50,000	--	--	--	--	800	264	33%	$500	$1,332,000
Spokane Veterans Memorial Arena	17	16	94%	$45,125	--	--	--	--	146	146	100%	$3,750	$1,270,000
AVERAGE	**35**	**34**	**95%**	**$60,100**	**25**	**25**	**100%**	**$17,000**	**938**	**804**	**87%**	**$1,500**	**$3,713,000**

Source: Facility representatives.

3. COMPARABLE ARENA BENCHMARKING

Overall, the average venue has 35 suites, 25 loge boxes, and 940 club seats and receives annual premium seating revenue between $1.3 million and $14.1 million, averaging $3.7 million.

Recent premium seating product trends indicate an increase in the variety of premium products (i.e. theater boxes, ledge tables, etc.), so considerations should also be given to adding flexible premium spaces such as ledge tables, theater boxes, and 4-Topps tables.

NAMING RIGHTS

The sale of corporate naming rights for arenas is an important source of revenue that can be used to support annual facility operations and/or fund a portion of the construction costs. The exhibit below summarizes naming rights agreements among the comparable facilities.

NAMING RIGHTS AGREEMENTS
Comparable Facilities

Facility	City	Total Amount	Term (Years)	Initial Year	Average Annual Fee
Save Mart Center	Fresno, CA	$40,000,000	23	2000 (1)	$1,739,130
T-Mobile Center	Kansas City, MO	$42,500,000	25	2005	$1,700,000
Denny Sanford Premier Center	Sioux Falls, SD	$18,750,000	25	2014	$750,000
VyStar Veterans Memorial Arena	Jacksonville, FL	$9,760,000	15	2019	$650,667
BOK Center	Tulsa, OK	$11,000,000	20	2008	$550,000
Pinnacle Bank Arena	Lincoln, NE	$11,250,000	25	2013	$450,000
Bon Secours Wellness Arena	Greenville, SC	$4,500,000	10	2013	$450,000
Intrust Bank Arena	Wichita, KS	$8,750,000	25	2010	$350,000
AVERAGE		**$18,313,750**	**21**	**2010**	**$830,000**

(1) Naming rights were first purchased by PepsiCo three years before the arena opening, but the rights were eventually transferred the rights to Save Mart Supermarkets while retaining pouring rights.

Of the 10 comparable venues benchmarked in this report, eight (8) venues have title naming rights agreements. The naming rights agreements span 10 to 25 years and have an annual value average of $830,000, ranging from $350,000 to over $1.7 million with a total value through the term of the agreements ranging from $8.8 million to $40.0 million.

FINANCIAL OPERATIONS

The historical financial operations of comparable venues provides a framework from which to evaluate the potential financial operations of the proposed new San Diego Arena. The table below summarizes the financial operations of comparable venues.

FINANCIAL OPERATIONS
Comparable Facilities

Facility	Operating Revenues	Operating Expenses	Operating Profit (Loss)	Operating Margin
BOK Center	$11.4 M	$8.4 M	$3.0 M	26.3%
Van Andel Arena	$7.1 M	$4.5 M	$2.6 M	36.6%
Bons Secour Wellness Arena	$5.5 M	$3.3 M	$2.2 M	40.0%
Denny Sanford Premier Center	$5.2 M	$3.0 M	$2.2 M	42.3%
Spokane Veterans Memorial Arena	$6.6 M	$5.1 M	$1.5 M	22.7%
Intrust Bank Arena	$5.5 M	$4.8 M	$0.7 M	12.7%
VyStar Veterans Memorial Arena	$10.3 M	$9.8 M	$0.5 M	4.9%
Pinnacle Bank Arena	$5.3 M	$5.1 M	$0.2 M	3.8%
Save Mart Center	$3.6 M	$4.6 M	$(1.0) M	(27.8%)
AVERAGE	**$6.7 M**	**$5.4 M**	**$1.3 M**	**17.9%**

Source: Facility Management

As depicted, most comparable venues analyzed herein operate profitably. Overall the average comparable venue generates approximately $6.7 million in revenue and incurs $5.4 million in expenses, for an average net operating profit of $1.3 million before debt service or capital reserve funding.

It should be noted that there are a variety of factors and nuances effecting each venue's financial operations. Such nuances could include the lack of control over parking spaces, naming rights revenues used for construction financing instead of dedicating towards arena operations, premium seating revenues that flow to tenant(s) rather than the building, differences in facility size or square footage, differences in staffing levels or services provided by other municipal departments, local market competition, and other such factors.

3. COMPARABLE ARENA BENCHMARKING

BUILDING PROGRAM SPECIFICATIONS

The table below summarizes key building program elements associated with the identified comparable venues.

BUILDING PROGRAM SPECIFICATIONS
Comparable Facilities

	BOK Center	Bon Secours Wellness Arena	Denny Sanford Premier Center	Intrust Bank Arena	Jacksonville Veterans Memorial Arena	Pinnacle Bank Arena	Save Mart Center	Spokane Veterans Memorial Arena	Sprint Center	Van Andel Arena	AVERAGE
Location	Tulsa, OK	Greenville, SC	Sioux Falls, SD	Wichita, KS	Jacksonville, FL	Lincoln, NE	Fresno, CA	Spokane, WA	Kansas City, MO	Grand Rapids, MI	
Owner	City of Tulsa	Greenville Arena District	City of Sioux Falls	Sedgwick County	City of Jacksonville	City of Lincoln	California State University, Fresno	Spokane Public Facilities District	City of Kansas City	Grand Rapids-Kent County Convention/Arena Authority	Municipality
Operator	SMG	Greenville Arena District	SMG	SMG	SMG	SMG	SMG	Spokane Public Facilities District	AEG	SMG	Private
Year Opened	2008	1998	2014	2010	2003	2013	2003	1995	2007	1996	2005
Construction Cost	$198,000,000	$68,000,000	$117,000,000	$206,500,000	$130,000,000	$184,000,000	$103,000,000	$62,000,000	$276,000,000	$77,000,000	$142,200,000
Tenants	Tulsa Oilers (ECHL)	Greenville Swamp Rabbits (ECHL)	Sioux Falls Stampede (USHL); Sioux Falls Storm (IFL)	Wichita Thunder (ECHL); Wichita Force (CIF)	Jacksonville Giants (ABA); Jacksonville Sharks (NAL)	University of Nebraska Basketball (Men's and Women's)	Fresno State Basketball (Men's and Women's) and Volleyball	Spokane Chiefs (WHL)	Big 12 Men's Basketball Tournament	Grand Rapids Griffins (AHL)	Minor League Team
Seating Capacity:											
Hockey	17,096	15,951	10,678	13,450	13,141	12,700	14,224	9,916	17,554	10,834	13,554
Basketball	17,839	17,000	12,000	15,004	14,091	15,500	15,544	11,736	18,972	11,500	14,919
End-Stage	13,644	17,500	10,985	10,100	14,375	14,620	15,500	10,988	15,000	12,858	13,557
Center Stage	19,199	19,000	13,000	15,750	15,000	16,130	16,182	11,660	19,000	13,184	15,811
Premium Seating:											
Suites	37	30	22	20	36	36	40	17	72	44	35
Loge Boxes	20	--	18	40	--	20	--	--	--	--	25
Club Seats	680	800	505	487	1,164	900	1,196	146	1,700	1,800	938
Seating Configuration	In The Round	In The Round	U-Shape	Mixed Configuration	Mixed Configuration	Mixed Configuration	In The Round	Mixed Configuration	In The Round	U-Shape	In The Round/Mixed Configuration
Building Square Footage	565,000	300,000	302,000	330,000	440,000	470,400	430,000	270,000	693,000	294,000	409,440
Event Floor Square Footage	--	17,000	22,400	--	27,000	--	30,000	32,000	--	17,000	24,233
Dedicated Exhibit Space	--	25,877	35,000	--	--	--	--	--	--	--	30,439
Dedicated Banquet Space	20,500 [2]	20,500 [2]	51,250 [2]	--	6,150 [2]	--	--	4,500	--	12,300 [2]	19,200
Banquet Capacity	1,000	1,000	2,500	--	300	--	--	300	--	600	950
Meeting Rooms	--	--	14	--	4	--	--	3	--	3	6
Meeting Capacity	--	--	2,324	--	650	--	--	120 [1]	--	788	970
Meeting Square Footage	--	--	34,860 [1]	--	9,750 [1]	--	--	1,800	--	11,813 [1]	14,556
Number of Loading Docks	--	2	--	4	--	--	4	5	--	5	4
Size of Freight Door	--	14' x 8'	14' x 14'	8' x 10'	--	--	9' x 12'	20' x 24'	--	20' x 18'	--
Stage	--	60' x 40'	60' x 40'	--	20' x 40'	--	48' x 88'	60' x 40'	--	40' x 60'	60' x 40'
Ceiling Height	120	98	58	97	120	--	75	69	--	65	88
Locker/Dressing Rooms	--	8	--	--	--	--		11	--	--	10
Controlled Parking	500	400	3,400	--	7,000	--	4,450	1,963	--	5,500	3,316
Concession Stands	14	6 Permanent 16 Portable	6 Permanent 3 Portable	22	9 Permanent 7 Portable	--	22 Permanent 20 Portable	8 Permanent 4 Portable	--	9 Permanent 8 Portable	18

(1) Assumes 15 square feet per person
(2) Assumes 20.5 square feet per person

3. COMPARABLE ARENA BENCHMARKING

Key elements of the building program chart on the previous page include:

- The majority of comparable venues are publicly owned by a city, county, or authority.
- The management of eight of the ten comparable venues have been outsourced to a private management company, with the public sector operating two venues.
- Seven of the ten comparable venues have minor league sports tenants, including some with multiple tenants, as is proposed for the San Diego Arena.
- The majority of comparable venues have an in-the-round or mixed bowl configuration while the Denny Sanford Premier Center and Van Andel Arena each have a u-shape bowl configuration.
- The average venue comprises a total of approximately 409,000 square feet, ranging from a low of 270,000 to a high of 693,000. Larger venues include dedicated exhibit space, meeting rooms, or dedicate banquet space in addition to the main arena.
- The average size of the arena floor at comparable venues is approximately 24,000 square feet, ranging from a low of 17,000 square feet to a high of 32,000 square feet. The venues with larger event floor square footage are accomplished through retractable or removable seating systems that expose more event floor than a typical hockey or basketball seating configuration.
- Bon Secours Wellness Arena and the Denny Sanford Premier Center are the only comparable venues with dedicated exhibit space within the arena. Three of the comparable arenas have additional convention center or exhibit buildings located on site to accommodate conventions and tradeshows.

3. COMPARABLE ARENA BENCHMARKING

SUMMARY

Analyzing comparable venues provides key benchmark data from which to evaluate the potential physical, operational and financial parameters of a proposed arena.

The following is a summary of the key characteristics of the comparable arenas analyzed herein:

- Comparable arenas analyzed herein cost an average of $720 per square foot to develop (adjusted to San Diego market for 2025 arena opening).
- Comparable venues have an average hockey capacity of approximately 13,640 and an average center stage event capacity of approximately 15,873.
- These venues host, on average, 135 events annually with an average annual attendance of approximately 641,000.
- Comparable venues generate $3.7 million in annual premium seating revenue on average.
- The naming rights agreement for comparable venues have an average annual value of $860,000 spanning 10 to 25 years in length.
- Overall, comparable venues generated an average operating profit of $1.3 million before debt service or capital reserve funding.

The historical operations of comparable venues are considered together with local market conditions and event organizer interviews in order to draw conclusions regarding the market potential for the proposed new San Diego Arena.

4. BUILDING PROGRAM ANALYSIS

CSL

4. BUILDING PROGRAM ANALYSIS

The proposed new San Diego Arena is envisioned to be designed as a flexible, multi-purpose venue capable of hosting a wide range of event activities to maximize utilization. The purpose of this section is to evaluate the physical characteristics and amenities that are recommended to be included as part of the proposed new San Diego Arena.

To make recommendations regarding the potential building program for the proposed new San Diego Arena, an analysis was conducted of capacity trends for the San Diego Gulls and Seals franchises, national touring concerts, and concerts historically held at the Pechanga Arena. In addition, the premium seat inventories were analyzed to determine the market potential for premium seating at the proposed new San Diego Arena.

The remainder of this section provides an assessment of potential building program elements for the proposed new San Diego Arena according to the following categories:

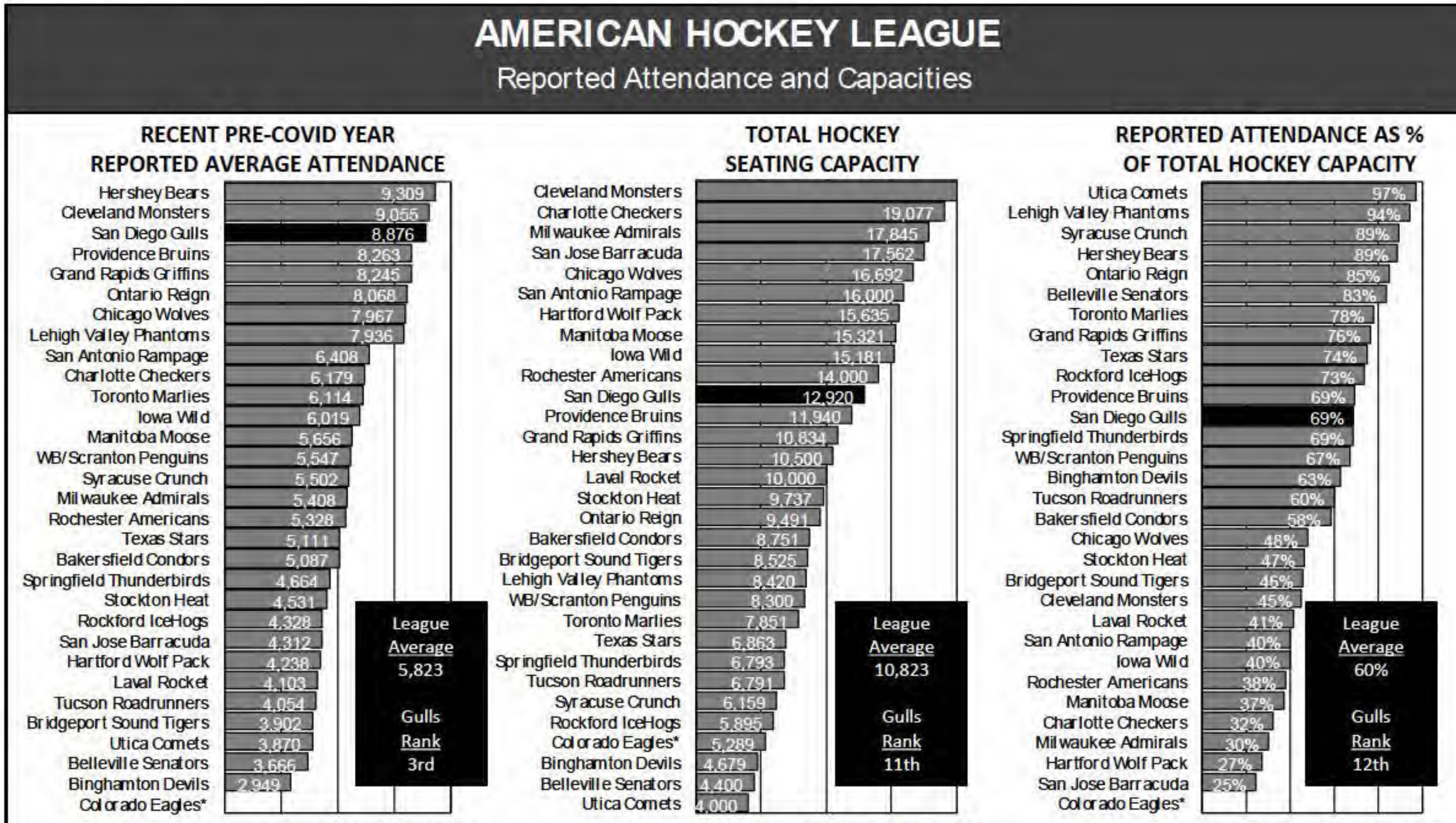
- Seating Capacity;
- Premium Seating;
- Parking;
- Other Building Considerations;
- Building Program Recommendations; and,
- Estimated Project Costs.

SEATING CAPACITY

The seating capacity of an arena plays a critical role in its success. A facility must be "right-sized" for its market when considering the size of the market, the degree of competition, and the types of events the facility could attract. A seating capacity that is too small may limit a facility's ability to maximize its market and revenue generating potential. However, a venue with excess capacity will be more expensive to construct and operate and may have an adverse impact on demand scarcity, sightlines, acoustics, and overall patron experience.

San Diego Gulls (AHL)

When determining the appropriate seating capacity of the proposed new San Diego Arena, it is important to review the historical attendance levels of the proposed arena's primary tenant, the San Diego Gulls (Gulls) of the American Hockey League (AHL). The charts below illustrate the average reported attendances and arena capacities among AHL teams in a recent pre-COVID season.



Source: AHL.

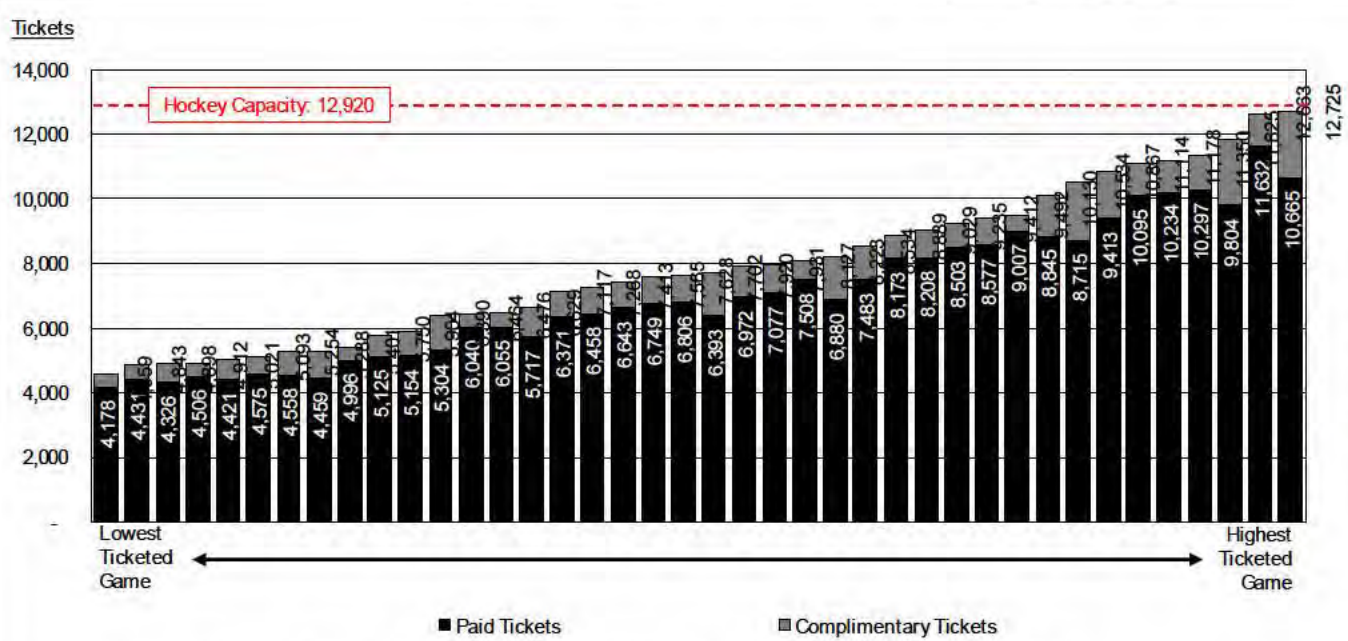
4. BUILDING PROGRAM ANALYSIS

As shown, the Gulls ranked third in the league in reported attendance (8,876) and were 52 percent above the league average of 5,823. In terms of reported attendance as a percent of capacity, the Gulls ranked 12th in the league at 69 percent.

While it is useful to look at reported attendance relative to potential hockey capacity in the proposed new San Diego Arena, reported attendance is often higher than actual paid and drop (turnstile) attendance. While the San Diego Gulls ranked third in attendance in the AHL, their game-by-game attendance rarely came close to reaching the hockey capacity of the Pechanga Arena (12,920). The chart below depict individual game paid attendance and tickets issued for a recent pre-COVID season.

AVERAGE PAID ATTENDANCE AND TOTAL TICKETS ISSUED

San Diego Gulls Season - Recent Pre-COVID Year



TICKET THRESHOLDS

Percentage of Games

Total Ticket Threshold	Percentage of Games: Paid Tickets	Percentage of Games: Total Tickets
Under 5,000	23%	10%
Under 7,500	58%	45%
Under 10,000	85%	78%
Under 11,000	95%	85%
Under 12,000	100%	95%
Under 12,970	100%	100%

Note: Numerical data points in chart reflect paid tickets and total tickets. Complimentary tickets equal total tickets less paid tickets.
Source: San Diego Gulls.

Average paid attendance for Gulls games during a recent pre-COVID season was approximately 7,000. There were no sell-outs in the season analyzed, and 95 percent of games had fewer than 12,000 total tickets out.

In moving to a new venue, many sports teams often expect to see marginal increases in attendance due to the novelty of a new facility. It is important to analyze these trends relative to the Gulls current paid attendance to assess the appropriate hockey capacity to accommodate potential attendance impacts from moving to a new state-of-the-art arena. In order to quantify this expected attendance bump, in the chart below, multiple teams' attendances were analyzed after moving to a new facility relative to the average attendance of the final year in the prior venue.

ATTENDANCE IMPACT IN A NEW VENUE

As a % of Average Attendance in Last Year of Previous Building

Team	Classfication	Year 1	Year 2	Year 3	Year 4	Year 5
Tulsa Oilers	CHL	29%	15%	12%	7%	(1%)
Wichita Thunder	CHL	7%	25%	12%	2%	0%
North Texas Eagles	NCAA - FB	7%	7%	19%	9%	(23%)
Houston Dynamo	MLS	19%	13%	14%	17%	7%
Real Salt Lake	MLS	1%	3%	7%	10%	20%
FC Dallas	MLS	34%	35%	16%	11%	(3%)
San Diego Padres	MLB	49%	41%	31%	37%	20%
Minnesota Twins	MLB	35%	33%	16%	4%	(6%)
AVERAGE		23%	21%	16%	12%	2%

Source: League websites.

Based on this sampling of teams playing in new venues, most teams showed a significant gain in attendance during the first year in a new venue, averaging an increase of 23 percent. In the subsequent years, the attendance increase relative to pre-movement levels tapers off, eventually stabilizing toward a modest average increase of approximately two percent.

The chart on the following page shows the projected San Diego Gulls attendance based on the average impact of a new venue on attendance as shown in the table above.

4. BUILDING PROGRAM ANALYSIS

The analysis on the right applies the average attendance impact on sports tenants through the first five years of operations in a new venues to the San Diego Gulls historical paid attendance to estimate the new proposed new San Diego Arena impact relative to a potential hockey capacity of 12,000 seats.

As shown, even under average year one and year two impacts of 23 percent and 21 percent, respectively, the Gulls would only sell out (assuming a hockey capacity of 12,000 seats) in five to six regular season home games (between 13 and 15 percent of all home games).

ESTIMATED NEW ARENA ATTENDANCE IMPACT

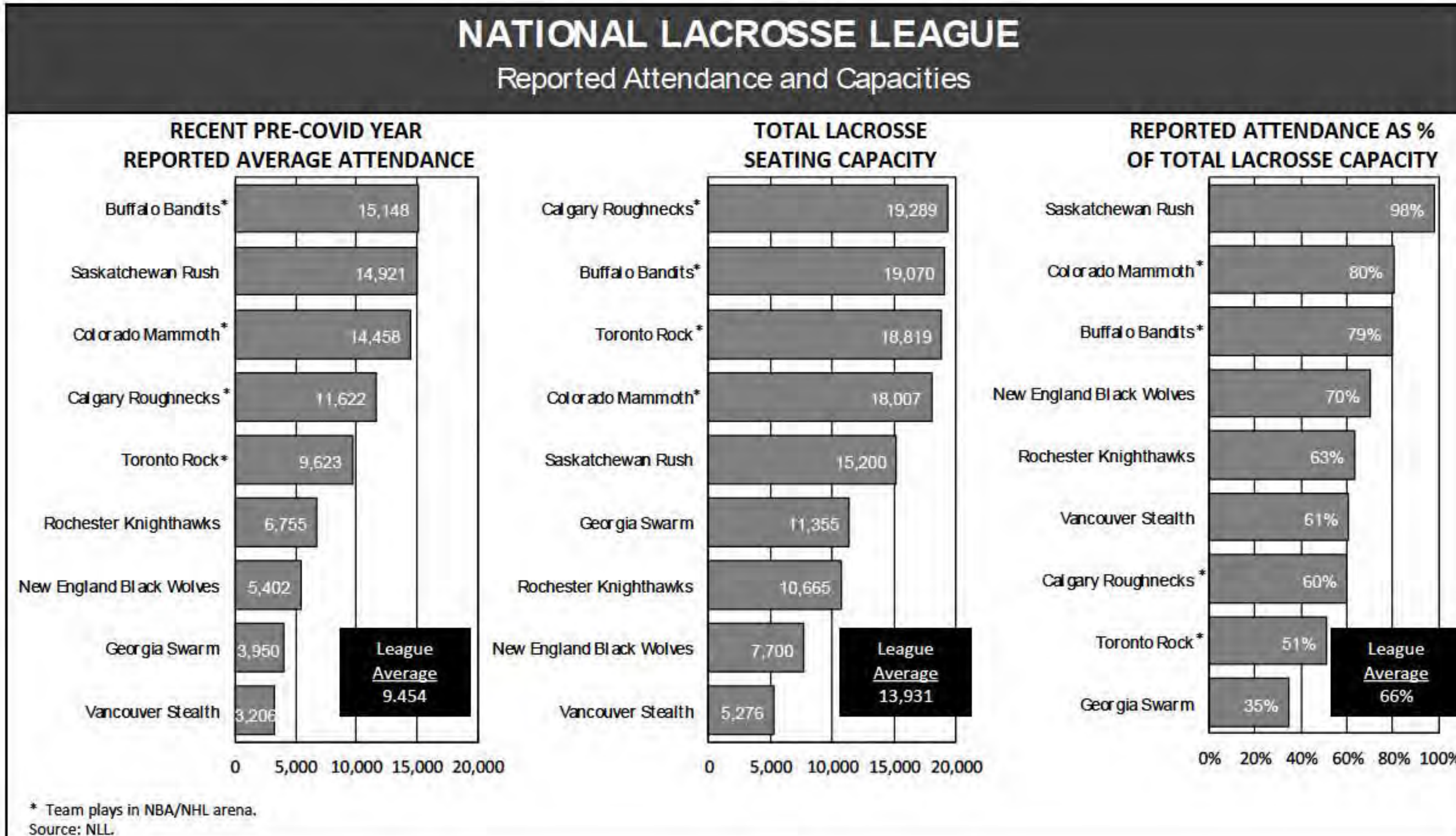
San Diego Gulls

	Gulls Historical Paid Attendance	Year 1 Impact 23%			Year 2 Impact 21%			Year 3 Impact 16%			Year 4 Impact 12%			Year 5 Impact 2%		
		Projected Demand	Empty Seats	Unmet Demand	Projected Demand	Empty Seats	Unmet Demand	Projected Demand	Empty Seats	Unmet Demand	Projected Demand	Empty Seats	Unmet Demand	Projected Demand	Empty Seats	Unmet Demand
Game 1	8,845	10,840	1,160	0	10,741	1,259	0	10,259	1,741	0	9,924	2,076	0	9,005	2,995	0
Game 2	6,040	7,402	4,598	0	7,335	4,665	0	7,005	4,995	0	6,777	5,223	0	6,149	5,851	0
Game 3	6,749	8,271	3,729	0	8,196	3,804	0	7,828	4,172	0	7,572	4,428	0	6,871	5,129	0
Game 4	4,326	5,302	6,698	0	5,254	6,746	0	5,017	6,983	0	4,854	7,146	0	4,404	7,596	0
Game 5	8,173	10,016	1,984	0	9,925	2,075	0	9,479	2,521	0	9,170	2,830	0	8,320	3,680	0
Game 6	8,715	10,680	1,320	0	10,584	1,416	0	10,108	1,892	0	9,778	2,222	0	8,872	3,128	0
Game 7	6,643	8,141	3,859	0	8,067	3,933	0	7,705	4,295	0	7,454	4,546	0	6,763	5,237	0
Game 8	6,371	7,808	4,192	0	7,737	4,263	0	7,389	4,611	0	7,148	4,852	0	6,486	5,514	0
Game 9	4,431	5,430	6,570	0	5,381	6,619	0	5,139	6,861	0	4,972	7,028	0	4,511	7,489	0
Game 10	4,178	5,120	6,880	0	5,074	6,926	0	4,846	7,154	0	4,688	7,312	0	4,253	7,747	0
Game 11	4,459	5,465	6,535	0	5,415	6,585	0	5,172	6,828	0	5,003	6,997	0	4,539	7,461	0
Game 12	6,458	7,914	4,086	0	7,843	4,157	0	7,490	4,510	0	7,246	4,754	0	6,575	5,425	0
Game 13	6,880	8,432	3,568	0	8,355	3,645	0	7,980	4,020	0	7,719	4,281	0	7,004	4,996	0
Game 14	5,717	7,006	4,994	0	6,943	5,057	0	6,631	5,369	0	6,415	5,585	0	5,820	6,180	0
Game 15	6,393	7,835	4,165	0	7,764	4,236	0	7,415	4,585	0	7,173	4,827	0	6,508	5,492	0
Game 16	7,077	8,673	3,327	0	8,594	3,406	0	8,208	3,792	0	7,941	4,059	0	7,205	4,795	0
Game 17	6,806	8,341	3,659	0	8,265	3,735	0	7,894	4,106	0	7,636	4,364	0	6,929	5,071	0
Game 18	4,558	5,586	6,414	0	5,535	6,465	0	5,287	6,713	0	5,114	6,886	0	4,640	7,360	0
Game 19	11,632	14,255	(2,255)	2,255	14,126	(2,126)	2,126	13,491	(1,491)	1,491	13,051	(1,051)	1,051	11,842	158	0
Game 20	10,095	12,372	(372)	372	12,259	(259)	259	11,709	291	0	11,327	673	0	10,277	1,723	0
Game 21	7,483	9,170	2,830	0	9,087	2,913	0	8,679	3,321	0	8,396	3,604	0	7,618	4,382	0
Game 22	5,154	6,316	5,684	0	6,259	5,741	0	5,978	6,022	0	5,783	6,217	0	5,247	6,753	0
Game 23	9,804	12,015	(15)	15	11,906	94	0	11,371	629	0	11,000	1,000	0	9,981	2,019	0
Game 24	8,577	10,511	1,489	0	10,416	1,584	0	9,948	2,052	0	9,624	2,376	0	8,732	3,268	0
Game 25	8,208	10,059	1,941	0	9,968	2,032	0	9,520	2,480	0	9,210	2,790	0	8,356	3,644	0
Game 26	6,972	8,544	3,456	0	8,467	3,533	0	8,086	3,914	0	7,823	4,177	0	7,098	4,902	0
Game 27	4,575	5,607	6,393	0	5,556	6,444	0	5,306	6,694	0	5,133	6,867	0	4,658	7,342	0
Game 28	10,234	12,542	(542)	542	12,428	(428)	428	11,870	130	0	11,483	517	0	10,419	1,581	0
Game 29	4,421	5,418	6,582	0	5,369	6,631	0	5,128	6,872	0	4,960	7,040	0	4,501	7,499	0
Game 30	5,125	6,281	5,719	0	6,224	5,776	0	5,944	6,056	0	5,750	6,250	0	5,217	6,783	0
Game 31	10,297	12,619	(619)	619	12,505	(505)	505	11,943	57	0	11,553	447	0	10,483	1,517	0
Game 32	9,413	11,536	464	0	11,431	569	0	10,918	1,082	0	10,562	1,438	0	9,583	2,417	0
Game 33	5,304	6,500	5,500	0	6,441	5,559	0	6,152	5,848	0	5,951	6,049	0	5,400	6,600	0
Game 34	10,665	13,070	(1,070)	1,070	12,952	(952)	952	12,370	(370)	370	11,966	34	0	10,857	1,143	0
Game 35	7,508	9,201	2,799	0	9,118	2,882	0	8,708	3,292	0	8,424	3,576	0	7,643	4,357	0
Game 36	8,503	10,421	1,579	0	10,326	1,674	0	9,862	2,138	0	9,541	2,459	0	8,656	3,344	0
Game 37	4,506	5,522	6,478	0	5,472	6,528	0	5,226	6,774	0	5,056	6,944	0	4,587	7,413	0
Game 38	4,996	6,123	5,877	0	6,067	5,933	0	5,795	6,205	0	5,606	6,394	0	5,086	6,914	0
Game 39	9,007	11,038	962	0	10,938	1,062	0	10,447	1,553	0	10,106	1,894	0	9,170	2,830	0
Game 40	6,055	7,420	4,580	0	7,353	4,647	0	7,023	4,977	0	6,794	5,206	0	6,164	5,836	0
AVERAGE	7,034	8,620	3,380	122	8,542	3,458	107	8,158	3,842	47	7,892	4,108	26	7,161	4,839	0
SELLOUTS	0		6			5			2			1			0	

Source: San Diego Gulls and CSL.

San Diego Seals (NLL)

The San Diego Seals are a box lacrosse team in the National Lacrosse League (NLL) that began play in 2018-19 season. As such, it is important to analyze NLL attendance trends to assess their relation to the currently planned capacities in the new arena. The charts below depict the attendance and arena capacity for each NLL team in a recent pre-COVID season.



4. BUILDING PROGRAM ANALYSIS

NLL franchises currently average reported attendance of 9,454 in arenas with an average capacity of 13,931 for an average attendance to capacity ratio of 66 percent. Assuming the San Diego Seals attract reported attendance at levels consistent with league average, the current planned capacity of 16,000 seats could effectively accommodate patron demand.

To estimate potential paid attendance for the San Diego Seals in the new proposed new San Diego Arena, league average reported attendance was deflated by the current reported to paid attendance factor of the San Diego Gulls (79 percent) as shown in the table to the right.

As shown, assuming the San Diego Seals generate league average reported attendance and have a similar reported attendance to paid attendance ratio (79 percent), it is estimated that the Seals will draw 7,500 paid attendees in the proposed new San Diego Arena.

PROJECTED ATTENDANCE

San Diego Seals

	Projected Seals Attendance
NLL Average Reported Attendance Per Game	9,450
Gulls Reported to Paid Factor *	79%
Estimated Seals Paid Attendance Per Game	7,500

* Represents actual paid attendance for San Diego Gulls games (per team data) as a percentage of reported attendance to the AHL. 79 percent generally mirrors industry average reported to paid factor of approximately 80 percent.

4. BUILDING PROGRAM ANALYSIS

Concert Touring Trends

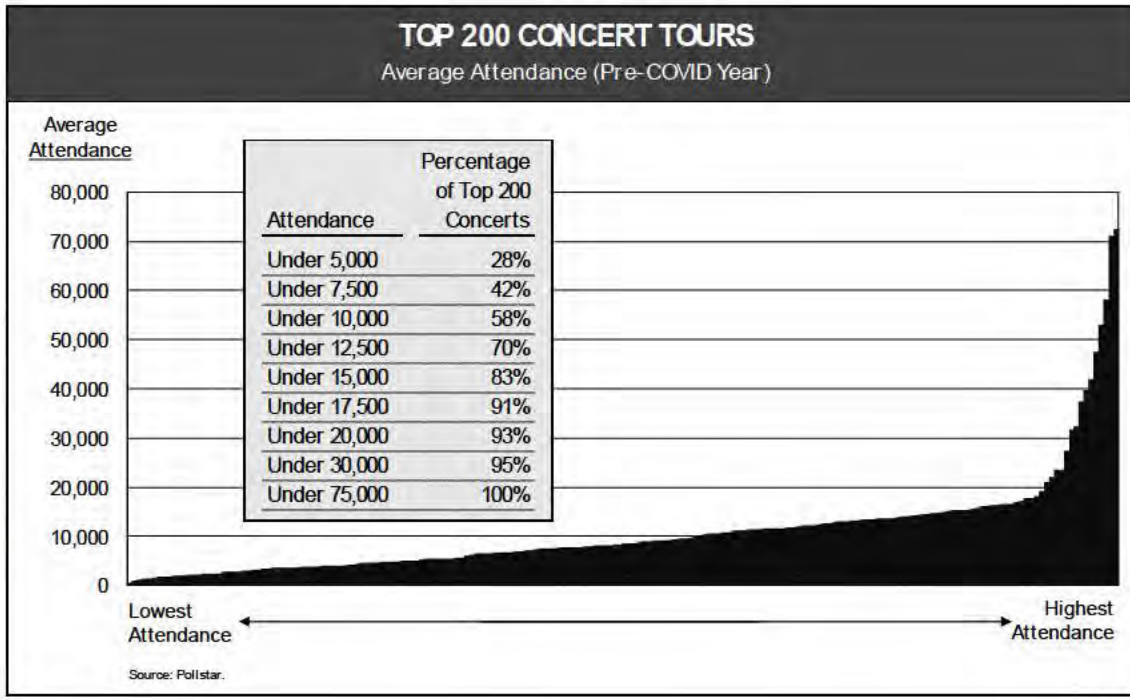
Concerts often represent some of the most highly visible and well-attended events at multi-purpose arenas. As a result, the financial performance of a venue can be enhanced by effectively accommodating the concert market. Careful consideration must be given, therefore, to balancing the seating capacity of a venue in order to maximize the number of concerts within the context of the varied needs of its tenants and other uses.

The concert industry has undergone significant changes over the past several years as the rise of new musical genres and the increasing segmentation of the music market has resulted in fewer acts capable of selling out venues with large capacities. This trend has increased the importance of mid-size and smaller venues that provide a more appropriate and cost-effective venue for small to mid-level touring acts.

The chart to the right illustrates the average attendance for each of the top 200 concerts in North America by sales in a recent pre-COVID year. These top 200 tours played in a wide range of facilities with varying capacities including nightclubs, theaters, arenas, amphitheaters, and stadiums.

Overall, the average attendance of the top 200 concert tours was approximately 10,850, with a median attendance of approximately 8,400. Approximately 70 percent of the top 200 acts drew an average of 12,500 or less fans while 83 percent of concert tours drew average attendance of 15,000 or less fans and 91 percent drew 17,500 or less.

An end stage capacity and center stage capacity of 15,000 to 16,500 seats, respectively, could effectively accommodate the vast majority of concert tours in the United States.



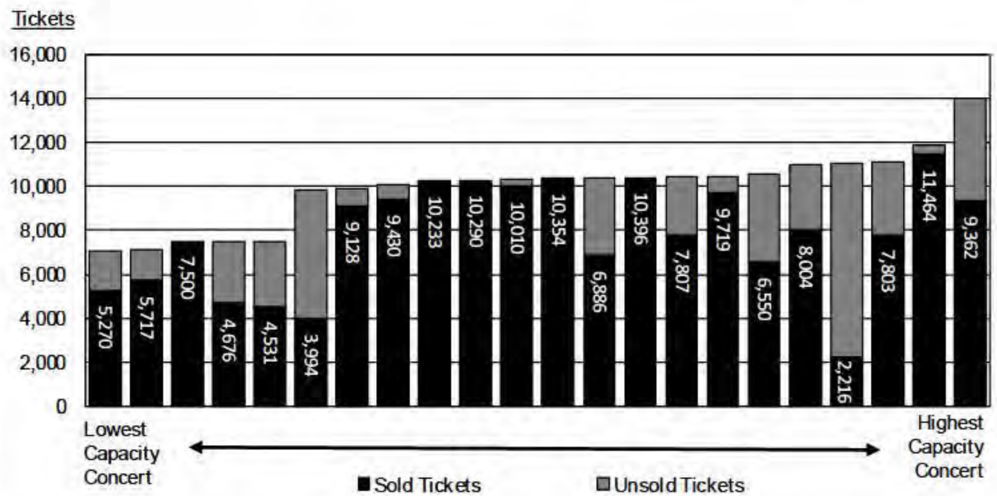
Attendance	Percentage of Top 200 Concerts
Under 5,000	28%
Under 7,500	42%
Under 10,000	58%
Under 12,500	70%
Under 15,000	83%
Under 17,500	91%
Under 20,000	93%
Under 30,000	95%
Under 75,000	100%

Pechanga Arena Historical Concert Attendance

In addition to analyzing national concert touring trends, the concert activity within the last year at the Pechanga Arena was also analyzed in relation to the planned concert capacities at the proposed new San Diego Arena. The chart below shows the attendance and capacity for each concert held at the Pechanga Arena in a recent pre-COVID year.

PECHANGA ARENA CONCERT ATTENDANCE

Recent Pre-COVID Year



Total Ticket Threshold	Percentage of Concerts: Paid Tickets	Percentage of Concerts: Stated Concert Capacity
Under 5,000	18%	0%
Under 7,500	36%	9%
Under 10,000	73%	32%
Under 11,000	95%	77%
Under 12,000	100%	95%
Under 13,000	100%	95%
Under 14,000	100%	100%

Note: Numerical data points in chart reflect sold tickets (black bar) and total stated venue capacity for each concert. The difference represent unsold seats (gray bar).

Source: Pollstar.

PREMIUM SEATING

Premium seating serves as an important revenue generating component for arenas. The level of premium seating that is supportable in the marketplace is impacted by a variety of factors including the depth and breadth of the local corporate base, the income characteristics of the local population, the drawing power of the venue's tenants, and the venue's overall event mix.

The current building program for the proposed new San Diego Arena includes approximately 2,100 total premium seats including luxury suites, loge boxes, ledge seats, and club seats. Because premium seating is often utilized by those in the corporate community, the total corporate base relative to the available number of premium seats in an arena can serve as an indicator of the overall saturation of premium seating. The chart on the right depicts the premium seating saturation relative to each comparable market's corporate base.

As shown above, the premium inventory at the proposed new San Diego Arena (2,100 seats) would be the least saturated among all comparable venues. The average saturation among comparable markets is 1.2 corporations per premium seat, 55 percent lower than the proposed new San Diego Arena's saturation of 2.7 corporations per premium seat.

In total, the San Diego Arena would have 18 percent of its hockey capacity dedicated to premium seating which is in line with comparable venue ranges.

PREMIUM SEATING SATURATION ANALYSIS
Comparable Arenas

Arena	Total Premium Seats	Corporate Base *	Corporations Per Seat	
San Diego Arena	2,100	5,616	2.7	*Less Saturated*
Spokane Veterans Memorial Arena	402	782	1.9	
Bon Secours Wellness Arena	648	1,215	1.9	
Jacksonville Veterans Memorial Arena	1,310	2,296	1.8	
Sprint Center	2,724	4,064	1.5	
BOK Center	1,352	1,987	1.5	
Intrust Bank Arena	917	1,161	1.3	
Van Andel Arena	2,128	1,817	0.9	
Save Mart Center	1,836	1,228	0.7	*More Saturated*
Denny Sanford Premier Center	929	533	0.6	
Pinnacle Bank Arena	1,556	534	0.3	
AVERAGE (excluding San Diego Arena)	1,380	1,562	1.2	

* Excludes corporations with fewer than 10 employees and less than $2.5 million in annual sales. Excludes companies in educational, governmental entities, religious organizations, non-profits and non-traditional premium seating market industries.
Source: CSL research.

4. BUILDING PROGRAM ANALYSIS

In addition to examining the implications of planned premium seating in the arena relative to the San Diego market's corporate base, it remains important to not oversaturate the local market with premium seating across multiple venues. The following chart displays the the total premium seating within comparable markets relative to total corporate base and applies comparable averages to the San Diego market. To calculate total premium seating in each market, venues with 10,000 or more seats were analyzed.

As shown, comparable venues have an average of 5,157 premium seats across all sports and entertainment venues (greater than 10,000 seats) in their markets. Relative to the average market corporate base, this represents a saturation of 0.68 corporations per premium seat. If this ratio is applied to the total corporate base in the San Diego market (5,616), it would imply that the San Diego market can support a total of 8,282 premium seats in the local market. With approximately 5,900 planned and current premium in the local market, the analysis suggests that a new venue in San Diego could accommodate nearly 2,400 premium seats. The current planned inventory of approximately 1,942 premium seats for the San Diego Arena appears reasonable within this context.

PREMIUM SEATING PENETRATION ANALYSIS
Comparable Markets

Arena	Premium Seats in Market: Arena	Premium Seats in Market: Other Venues	Premium Seats in Market: Total	Corporate Base	Corporations Per Seat
Spokane Veterans Memorial Arena	418	0	418	782	1.87
Intrust Bank Arena	967	36	1,003	1,161	1.16
Bon Secours Wellness Arena	1,280	0	1,280	1,215	0.95
BOK Center	1,352	1,040	2,392	1,987	0.83
Denny Sanford Premier Center	929	0	929	533	0.57
Van Andel Arena	2,504	754	3,258	1,817	0.56
Save Mart Center	1,836	1,480	3,316	1,228	0.37
Sprint Center	2,852	13,647	16,499	4,064	0.25
Jacksonville Veterans Memorial Arena	1,740	13,418	15,158	2,296	0.15
Pinnacle Bank Arena	1,556	5,762	7,318	534	0.07
AVERAGE	**1,543**	**3,614**	**5,157**	**1,562**	**0.68**
NEW SAN DIEGO ARENA POTENTIAL	**2,390** ←	**5,892**	**8,282** ←	**5,616** ←	**0.68**

Note: Includes premium seating from facilities with at least 10,000 seats.
Note: Assumes 16 seats per suite and four seats per loge box.
Note: San Digeo market premium seating excludes SDCCU Stadium and includes preliminary premium seating plans for a new SDSU football stadium as a proxy for either an MLS or SDSU
football stadium option.
Note: Excludes corporations with fewer than 10 employees and less than $2.5 million in annual sales. Excludes companies in educational, governmental entities, religious organizations, non-profits and non-traditional premium seating market industries.
Source: CSL research.

4. BUILDING PROGRAM ANALYSIS

Recent premium seating trends indicate an increase in the variety of premium products and experiences, some of which are highlighted in the images on the right.

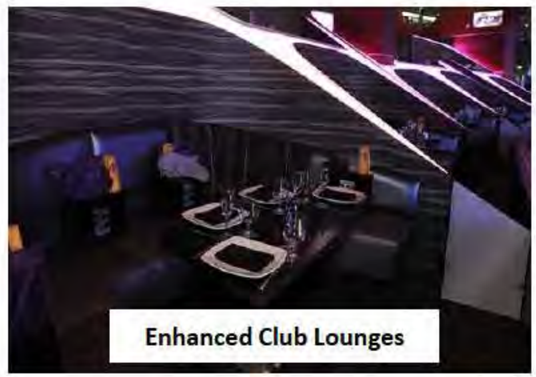
Key trends among premium seating include a reduction in suite inventory and a rise in unique small-group premium spaces such as loge boxes, ledge tables, theater boxes and 4-Topp tables located closer to event-level. These small-group spaces, as well as enhanced premium social areas with all-inclusive "unique" experiences have helped segment the modern-day premium seating market to reach a broader group of potential patrons.

PARKING

The availability of sufficient parking will be important to the success of the proposed new San Diego Arena. Based on industry standards and the encouragement of alternative transportation means (ride share, public transit, biking, walking, etc.), it is recommended that one parking space be available for approximately every 4.0 seats based on seating capacity of 16,000. As a result, approximately 4,000 parking spaces could be required to serve the proposed venue for high demand events.


Small Group Seating


Unique Social Spaces


Enhanced Club Lounges


Unique Social Spaces


Enhanced Club Lounges

Unique Social Spaces

The required parking spaces can be provided in a combination of on-site spaces directly controlled by arena management and existing or new parking within a reasonable walking distance (5 to 10 minutes) of the arena. Dispersing parking throughout the immediate area would serve to encourage patronage of area businesses within any master planned entertainment district by arena attendees in connection with attendance at the San Diego Arena.

For purposes of this study, it is assumed that 2,775 parking spaces will be controlled by arena management on event days. It is assumed that premium seat patrons and arena employees will be given approximately 725 parking spots, which leaves 2,050 general admission parking spaces available for sale for arena events that are under the control of the arena operator.

OTHER BUILDING CONSIDERATIONS

In addition to seating capacity, premium seating, and parking requirements, the following additional building program elements are recommended:

- Build sufficient load-in and load-out infrastructure to ensure efficient move-in and move-out and reduce costs incurred by touring shows.
- Ensure sufficient rigging capacity (150k+ lbs.) as shows are trending towards hanging more equipment (sound, lights, etc.).
- Provide state-of-the-art back of house space for artists and event personnel to ensure good venue experience.
- Provide flexible breakout meeting space to support various event functions.
- Provide ample restrooms with a minimum of one (1) water closet per 50 seats and (1) urinal per 100 seats.

4. BUILDING PROGRAM ANALYSIS

BUILDING PROGRAM RECOMMENDATIONS

The chart on the right summarizes the recommended building program elements based on the historical market performance of the San Diego Gulls and Pechanga Arena concerts, trends in NLL and IFL league attendance, concert touring trends, comparable premium seat benchmarking, and event promoter interviews. Key conclusions regarding the building program include:

- The planned seating capacity of 16,000 seats (basketball configuration) accommodates current and projected tenant attendance (San Diego Gulls, San Diego Seals, and San Diego Strike Force) while also allowing for growth;
- The planned large-scale concert capacities (15,000 to 16,500 seats) have the ability to capture a majority of the mid-to-large sized concert market and result in a competitive advantage over the Viejas Arena;
- The venue should offer the ability to provide half-house and quarter-house capacity configurations to provide for an intimate environment for smaller concerts;
- Planned seating capacity distribution achieves a desired 60 percent / 40 percent distribution of lower bowl to upper bowl seats;
- Efficient seating layout should minimize kill seats and maximize end-stage concert configuration capacities;
- Total planned premium seats (i.e. 1,942 seats) is in-line with comparable market percentages;
- Arena management should consider an event level premium lounge for "on-ice club seats" or floor seats for concerts located on team bench side of arena.

BUILDING PROGRAM RECOMMENDATIONS New San Diego Arena	
Seating Capacity:	
Hockey	14,500
End Stage	15,000
Basketball	16,000
Center Stage	16,500
Premium Seating:	
Luxury Suites	38
Loge Seats	200
Ledge Seats	48
Club Seats	1,200
Parking:	
Public Parking	2,050
Premium Seat / Event Personnel Parking	725
Total Arena Controlled Parking	*2,775*
Arena Size:	
Total Building Square Footage	450,000 sq. ft.

ESTIMATED PROJECT COSTS

The table on the right estimates total project costs or the proposed new San Diego Arena based on a detailed cost estimate provided by AECOM and Legends based on 16,000 seat arena (basketball capacity) and a 450,000 square foot venue.

[redacted]

[redacted]

5. ESTIMATED UTILIZATION

CSL

5. ESTIMATED UTILIZATION

The proposed new San Diego Arena is envisioned to be designed as a flexible, multi-purpose venue capable of hosting a wide range of event activities to maximize utilization. To estimate potential utilization of the proposed new San Diego Arena, interviews were conducted with event organizers representing a wide variety of events and activities to solicit feedback on current venues used to accommodate events, to determine interest in using the proposed new San Diego Arena, and to understand specific building program elements that would be necessary to effectively accommodate these events.

The remainder of this section provides an overview of the event potential for the proposed new San Diego Arena according to the following event categories:

- Tenant Events;
- Concerts;
- Family Shows;
- Ice Shows;
- High School Sports;
- Motorsports, Wrestling, and Rodeo/Bull Riding;
- Other Sports;
- Graduations;
- Consumer/Trade Shows & Conventions; and,
- Private Catered Events.

TENANT EVENTS

The proposed new San Diego Arena is envisioned to serve as the home to the San Diego Gulls (AHL), San Diego Seals (NLL) and the San Diego Strike Force (IFL). A description of each potential tenant follows:

San Diego Gulls

The San Diego Gulls of the American Hockey league currently play approximately 38 home games per season at the Pechanga Arena, drawing approximately 7,000 paid attendees per game. Based on a review of historical Gulls attendance and the potential impact of moving to a new arena, average paid attendance in a stabilized year of operations for the Gulls is estimated to be approximately 7,250 in the proposed new San Diego Arena.

San Diego Seals

The San Diego Seals of National Lacrosse League will begin play at the Pechanga Arena in the Fall of 2018. Based on a review of NLL league attendance trends, the Seals are estimated to play nine home games and average paid attendance in a stabilized year of operations for the Seals of approximately 7,500 in the proposed new San Diego Arena.

San Diego Strike Force

The San Diego Strike Force of the Indoor Football League, currently play approximately 8 home games per season at the Pechanga Arena, drawing approximately 2,500 paid attendees per game. Based on a review of historical Sockers attendance, average paid attendance in a stabilized year of operations for the Sockers is estimated to stay constant at 2,500 in the proposed new San Diego Arena.

CONCERTS

Select concert promoters were contacted in order to gauge the market potential for hosting concerts at the proposed new San Diego Arena. In general, concert and live entertainment promoters consider the following factors when choosing where to route concert acts: ability to sell tickets, ability to sell alcohol, backstage space/amenities, capable local event staff, event floor size, financial deal with venue, market size and demographics, parking availability, show power capabilities, stage requirements, rigging capacity, venue seating capacity, and venue ticketing system, among other factors.

Overall, concert promoters were bullish on the San Diego market for concerts given the market's ideal location with traditional routing patterns along the West Coast. In terms of competition, concert promoters noted that the proposed new San Diego Arena's concert capacity range of 15,000 to 16,500, depending on configuration, is well-positioned to fill a mid-sized to large-size arena niche between the smaller 9,000-seat Viejas Arena and the larger 20,500-seat North Island Credit Union Amphitheatre.

Promoters also commented that a downtown venue location would be more ideal but that the current proposed location would still be adequate, especially if ancillary development occurs around the arena site, which would provide an improved patron experience and drive ticket sales and attendance for promoters and the arena. Based on discussions with concert promoters, it is estimated that the proposed new San Diego Arena could attract 40 concerts per year with an average paid attendance of 9,000 per concert. It will be important, if not critical, for arena management to partner with a major promoter to compete effectively in the concert venue environment and guarantee a steady calendar of high-end concerts.

FAMILY SHOWS

Family shows cater to spectators of all ages and include events such as the Harlem Globetrotters, Marvel Universe Live, and Disney on Ice (i.e. Frozen, Princesses and Heroes), among others. These events are usually held over consecutive days, averaging two to six performances per stop. Family show touring seasons often run between October and May and, depending on the market and facility capacity/availability, generally draw a few thousand spectators per performance. In order to understand the market potential for attracting family shows to the proposed new San Diego Arena, several leading family show promoters were contacted.

Based on discussions with these promoters, the typical drawing power for family show events is within 30 to 50 miles of the venue. Key family show facility needs include rigging capabilities that allow for the cast to “fly-in” stage props and a large event floor (minimum 85’ x 200’) to accommodate stages, floor seating and in some cases, circus rings. Most family show events require a minimum of 3,000 seats but usually prefer more and look for markets with at least 100,000 or more residents. Markets with younger median ages and appropriate venues tend to host a more robust family show schedule than older markets with less favorable demographics or host venues.

Based on discussions with event promoters representing a broad spectrum of family shows and the historical number of family shows booked in comparable arenas in similar markets, the proposed new San Diego Arena is estimated to attract 17 family show performances annually with an average attendance of 3,500 patrons per performance.

ICE SHOWS

In addition to the family shows, many arenas around the country also host ice shows such as Stars on Ice. In general, these shows require arenas with an ice-making ability and spotlights that hit the ice, both items that would be commonly found in arenas housing hockey teams. Ice show promoters indicated that a 12,000-seat arena is an acceptable size for the performance. Promoters also indicated that ice shows, in recent years, had largely abandoned the San Diego market due to the lack of a quality arena, so the construction of the proposed new San Diego Arena would improve the ability of the market to host ice shows in the future. Based on these discussions, the proposed new San Diego Arena is expected to attract one ice show each year with an average attendance of 3,000.

MOTORSPORTS, WRESTLING, AND RODEO/BULL RIDING

Other spectator sports typically hosted at arenas include touring events such as professional wrestling, rodeos, bull riding, monster truck shows, and motocross races that typically draw from 30 to 50 miles away. While events such as wrestling are generally one-time performances, other events such as rodeos and motocross events have the potential to conduct ticketed performances over several days at each tour stop. These types of events often find success in niche markets and other events may have the ability to draw non-local patrons and therefore may not have the same population or demographic requirements of certain other events. If a rodeo or motorsports event finds success in a market one year they are more likely to return the following year and potentially include additional event days.

Event promoters contacted for this study indicated that there may be moderate-to-strong demand for motorsports, rodeo, and wrestling events at the proposed new San Diego Arena. Given the physical constraints of other local/regional facilities, a mid-to-large scale arena with attractive dates and financial terms could host several of these events. It should be noted that certain events have specific building program needs. For example, rodeo events often use a large portion of the event floor to set up temporary holding pens for the livestock. Motor sports events require significant floor space in order to build a race course while leaving room for marshaling areas for motorcycles, monster trucks, or other equipment. Motor sports events typically block off several rows of seats near the event floor for safety purposes. Additionally, the building must provide adequate ventilation and ceiling heights to accommodate motorsports events.

Based on discussions with event promoters and historical event activity at comparable venues in similar markets, it is estimated that the proposed new San Diego Arena could host one motorsport event with an average paid attendance of 4,000, one boxing event with an attendance of 8,000, three wrestling events with an attendance of 4,000, and one rodeo event with an average attendance of 3,000.

5. ESTIMATED UTILIZATION

HIGH SCHOOL SPORTS

High school athletics could represent a source of utilization for the proposed new San Diego Arena. A new venue with a larger seating capacity than existing local high school gymnasiums could allow for pre-season tournaments, key rivalry games and high school post-season play for sports such as basketball, volleyball, wrestling, gymnastics, cheer, and other indoor sports.

Based on discussions with the California Interscholastic Federation (CIF), the governing body for California high school sports, there is an opportunity for the proposed new San Diego Arena to host a number high school athletic events. CIF representatives indicated a desire to possibly relocate their basketball, wrestling, and cheerleading San Diego regional championships to the proposed arena. Currently, these events are held at regional arenas (i.e. Viejas Arena, Jenny Craig Pavilion, etc.) and at high school facilities. Representatives noted that the proposed capacity would be sufficient for these purposes, citing rental cost as the only major impediment, noting that, ideally, costs would not reach higher than $10,000 per day plus expenses. Other considerations include courtside seating and the construction of four or more locker rooms.

In addition to the regional championships, CIF representatives indicated that there is also a possibility for the proposed new San Diego Arena to host the state-wide basketball championships, which are awarded, by bid, to facilities around the state every two to three years. Viejas Arena has recently placed an unsuccessful bid for this event, but the possibility of the proposed arena co-hosting the championships with Viejas Arena remains distinctly possible.

Moreover, CIF representatives also expressed interest in hosting regular season basketball events at the proposed arena in the form of high school classics and in-season tournaments.

Based on these discussions, it is estimated that the proposed new San Diego Arena could host five multi-day high school athletic events events each year with an average attendance of 1,500.

OTHER SPORTS

It is envisioned that the proposed new San Diego Arena, given its size, could also host a number of other sporting events, including NCAA events and tournaments. The Division I Men's Basketball Tournament, for instance, was studied due to its historical attendance and growing popularity. The NCAA selects neutral site arenas annually to host the first and second rounds, regionals ("Sweet Sixteen" and "Elite Eight") and the finals ("Final Four"). The finals have customarily been played in domed stadiums with a seating capacity exceeding 60,000.

NCAA representatives indicated the site selection committee looks for venues that have at least 10,000 sellable seats, which has been reduced from the previous 12,000 sellable seats requirement. The student-athlete experience takes precedent over all other variables. The host city's airport, hotels and hosting arena are all factored into determining which cities eventually become host sites. In addition to the student-athlete experience, the patron experience is taken into account. This includes, but is not limited to: concessions, restrooms, arena amenities, premium seating, and amenities in the surrounding area. Since advertising is limited to the NCAA's partners, advertising and corporate sponsorship opportunities are not important when it comes to being a host site.

Other potential sporting events that the proposed new San Diego Arena could host include e-sports competitions, indoor soccer and football games, volleyball tournaments, indoor tennis tournaments, and other such events.

Based on discussions with other sports representatives and the historical event activity hosted at comparable venues in similar markets, it is estimated that the proposed new San Diego Arena could host two other sporting event days that draw an average of 4,000 per event.

GRADUATIONS

College and high school graduations often represent a reliable source of event activity for comparable arenas. In the San Diego market, high schools in the San Diego Unified School District current utilize multiple sports and entertainment venues around the city for commencements, including the Viejas Arena. Discussions with public school district officials indicated an interest in relocating some of these graduations to the proposed new San Diego Arena. It is estimated that the proposed new San Diego Arena could host multiple graduations each year.

CONSUMER/TRADE SHOWS & CONVENTIONS

Exhibit-based consumer shows are typically open to the general public and generally draw from the local, and sometimes regional, area. These events tend to charge a nominal fee for entry and typically include events such as home and garden shows, boat shows, auto shows, gun shows, antique shows, career fairs, and other such events.

Trade shows are traditionally held by professional associations or corporations. Some of these groups tend to hold annual events that rotate among various destinations within a particular region, similar to conventions while others are fixed in specific cities each year.

Conventions and conferences can span several days and are traditionally held by professional associations, non-local corporations and local area companies. Many of these groups tend to hold annual events that rotate among various destinations within a particular region. In addition, certain large corporations hold annual conventions. Both conventions and conferences can require any combination of flat floor space for exhibits, fixed seating for plenary sessions, ballrooms, and breakout meeting rooms with catered food service. The attendees for these types of events are predominantly non-local and require overnight accommodations in most cases.

Based on discussions with show organizers and the historical event activity at comparable arenas, it is estimated that the proposed new San Diego Arena could host multiple consumer/trade show and convention days per year, drawing an average attendance of 2,000 per day.

PRIVATE CATERED EVENTS

Other sources of community and civic utilization could include a wide variety of events such as holiday parties, wedding receptions, high school proms, religious gatherings, school district meetings, speaker forums, and various miscellaneous events. The arena floor space, concourses, or hospitality lounge areas of the proposed new San Diego Arena could be used to accommodate these events. It is estimated that the proposed new San Diego Arena could host 25 private catered events annually, drawing an average of 250 people per event.

5. ESTIMATED UTILIZATION

The table on the right summarizes the estimated utilization and annual attendance for the proposed new San Diego Arena in a stabilized year of operations.

Overall, it is estimated the proposed new San Diego Arena could attract 161 events and draw approximately 828,000 paid attendees and 889,032 turnstile attendees in a stabilized year of operations.

To provide context to the utilization estimates for the proposed new San Diego Arena, the exhibit on the following page compares total annual events and attendance estimated for the proposed arena with the actual event and attendance levels at comparable facilities.

ESTIMATED UTILIZATION

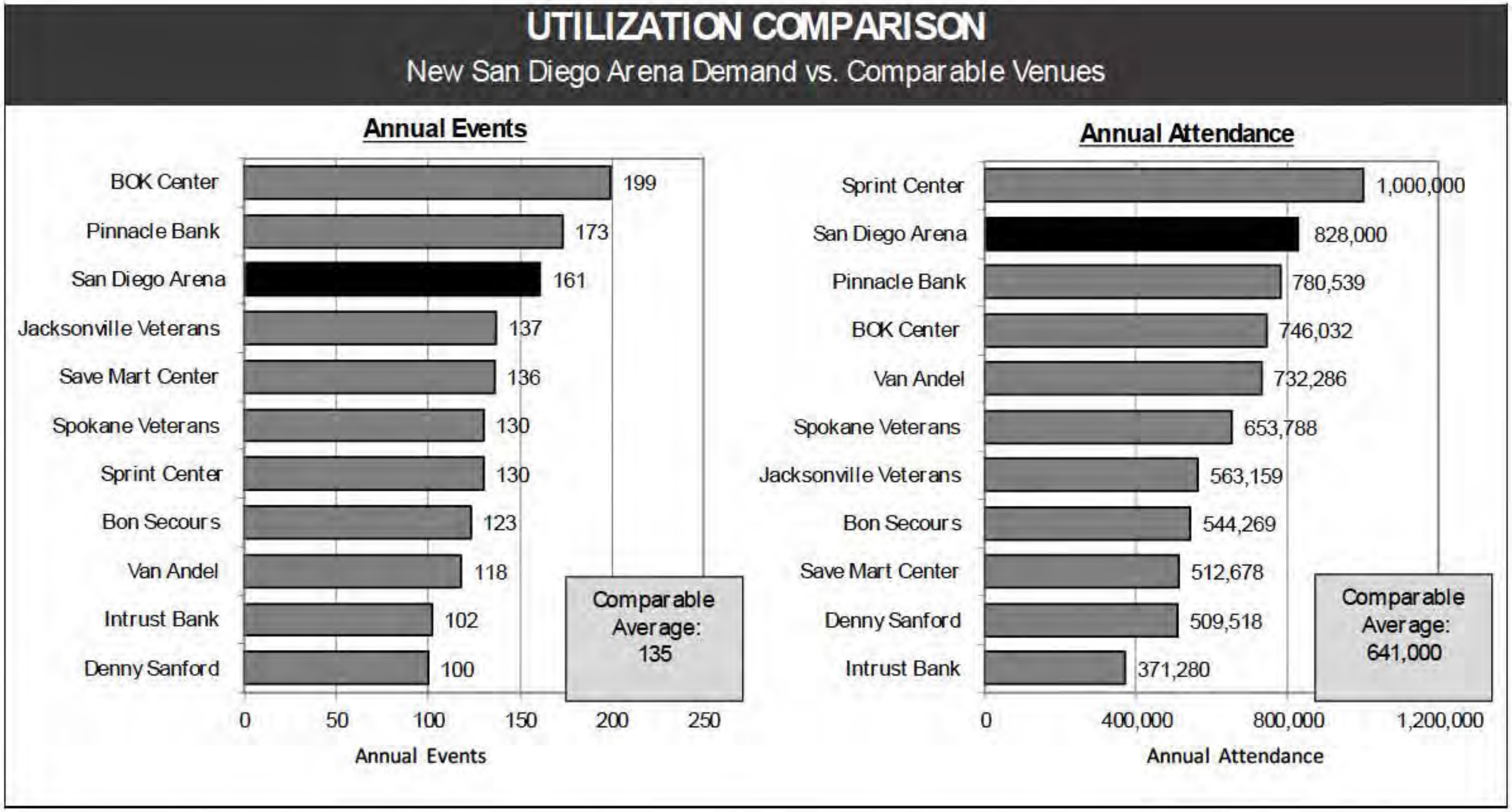
New San Diego Arena

		Paid Attendance		Turnstile Attendance**	
	Events	Per Event	Annual	Per Event	Annual
Tenant Events					
San Diego Gulls	38	7,250	275,500	6,790	258,020
San Diego Seals	9	7,500	67,500	7,030	63,270
San Diego Strike Force	8	2,500	20,000	9,104	72,832
Non-Tenant Events					
Concert - Full	20	10,500	210,000	10,500	210,000
Concert - Half	20	7,500	150,000	7,570	151,400
Family Shows	17	3,500	59,500	3,560	60,520
Ice Shows	1	3,000	3,000	3,090	3,090
Motorsports	1	4,000	4,000	4,040	4,040
Boxing	1	8,000	8,000	7,890	7,890
Wrestling	3	4,000	12,000	4,090	12,270
Rodeos	1	3,000	3,000	3,030	3,030
High School Sports	5	1,500	7,500	1,600	8,000
Other Sports	2	4,000	8,000	4,210	8,420
Graduations & Trade Shows	10	0	0	2,000	20,000
Private / Catered Events	25	0	0	250	6,250
TOTAL	**161**		**828,000**		**889,032**

** Turnstile attendance derived by applying effective show percentages informed by historical comparable arena operations.

Source: CSL.

5. ESTIMATED UTILIZATION



As depicted above, it is estimated that the proposed new San Diego Arena would attract event levels above comparable averages in terms of both event load and annual attendance.

6. FINANCIAL OPERATIONS PROJECTIONS

CSL

6. FINANCIAL OPERATIONS PROJECTIONS

The purpose of this section is to present an overall financial pro forma depicting the potential operating revenues and expenses anticipated to be associated with the proposed new San Diego Arena.

The estimated financial operating results are based on the results of the market analysis, industry trends, knowledge of the greater San Diego area, and historical financial operating results from comparable facilities. This analysis is designed to assist project stakeholders in estimating the financial operating attributes of the proposed new San Diego Arena and cannot be considered to be a presentation of expected future results. Accordingly, this analysis may not be useful for any other purpose. The assumptions disclosed herein are not all inclusive but are those deemed to be significant; as such, differences between estimated and actual results may be material.

Key assumptions used to estimate the potential financial operations of the proposed new San Diego Arena include, but are not limited to, the following:

- The proposed new San Diego Arena will open in 2028 representing the first full-year of financial operations;
- The proposed new San Diego Arena will consist of approximately 450,000 square feet and will have a seating capacity of approximately 14,500 for hockey games, 15,000 for end stage events, 16,000 for basketball games and 16,500 for center stage events;
- The San Diego Gulls (AHL hockey), San Diego Seals (NLL lacrosse) and San Diego Strike Force (IFL football) teams will: serve as the primary tenants in the proposed new San Diego Arena, receive scheduling priority over other events, and remain competitive within their respective leagues;
- The proposed new San Diego Arena will be developed as a quality, state-of-the-art venue with the necessary event spaces, amenities, acoustics, stage configuration, rigging capacities, flexible seating configurations, and back-of-house space to accommodate the needs of various types of users;
- The proposed new San Diego Arena will be located on publicly-owned land but will be owned and operated by privately Midway Rising LLC, which may outsource operations to a private-third party arena management company;
- As a result of this ownership/operational structure, the arena will be subject to local possessory interest taxes;

6. FINANCIAL OPERATIONS PROJECTIONS

- The proposed new San Diego Arena will be aggressively marketed, providing competitive rental rates and, as necessary, co-promoting or initiating in-house promotions to maximize the usage of the venue;

- There will be no significant or material changes in the supply or quality of existing venues in the marketplace or new preferred or exclusive booking arrangements with event promoters at competitive venues;

- The market will generate spending on tickets, concessions, novelties, sponsorships/advertising, and premium seating that is consistent with comparable venues in the context of San Diego's market demographics and socioeconomics;

- Sufficient parking will be available to accommodate demand, including up to 2,775 on-site parking spaces with remaining parking needs assumed to be provided by existing or new parking located within close proximity to the new arena;

- The proposed new San Diego Arena site will be conducive to providing a pleasant fan experience (e.g. efficient traffic ingress/egress, convenient and affordable parking, etc.);

- There will be no significant or material changes to current trends in the live entertainment industry;

- Unknown future economic conditions will not adversely affect the market and its response to arena events (e.g. visitation levels, population levels, employment levels, etc.); and,

- Financial operating projections are presented in for the first five years of arena operations from 2028 to 2032.

This presentation of estimated operating results includes the following components:

- Estimated Operating Revenues;
- Estimated Operating Expenses; and,
- Summary Financial Pro Forma.

The detailed financial assumptions outlined herein are presented in 2028 dollars and represent the anticipated first full, stabilized year of operations for the new San Diego Arena.

6. FINANCIAL OPERATIONS PROJECTIONS

ESTIMATED OPERATING REVENUES

Revenue anticipated to be generated by the proposed new San Diego Arena includes rental income, service income (loss), premium seating, concessions, catering, parking, merchandise, facility fees, convenience charge rebates, box office fees, advertising/sponsorship, and other revenue. A brief description of each revenue source is provided over the following pages.

Rental Income

Rental income is typically based on a daily rental fee or, in some cases, a percentage of gross ticket sales. Rental rates will likely vary depending on the type of event (i.e. commercial, not-for-profit, educational, community events, etc.) and the portion of the facility used (i.e. full-house, half-house, etc.).

The number of non-tenant events, rental rates, paid attendance, and ticket prices assumed in this study are based on an analysis of events, ticket prices, attendance and rental rates at comparable venues, local competitive facilities, discussions with promoters and industry trends. Rental rates for events is estimated to range from $1,000 for private catered events to $75,000 for large concerts in 2028. While certain events will be charged a flat rental fee, some ticketed touring events may be charged the greater of a flat rent or approximately eight to 10 percent of ticket sales.

[redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

[redacted]

[redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

[redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

Premium Seating

It is assumed that the proposed new San Diego Arena will offer 38 luxury suites, 50 loge boxes, 48 ledge seats and 1,200 club seats. It is assumed that two (2) luxury suites and two (2) loge boxes will be non-revenue generating (held back for building use) with the remaining premium seating available with an approximate 90 percent sell-through rate.

[redacted] Luxury suites, loge boxes and ledge seats are assumed to include tickets to all tenant events while club seats offer the first right of refusal to purchase event tickets for every ticketed event held at the proposed new San Diego Arena. The proposed new San Diego Arena is assumed to retain the premium seating revenue after deducting the value of tickets for luxury suites, loge boxes, and ledge seats, while retaining 100 percent of club seat membership revenue.

[redacted]

[redacted]

Concessions

Concessions revenue consists of food and beverage sales during events hosted at the proposed new San Diego Arena. Gross food and beverage sales are estimated based on projected general admission turnstile (or actual) attendance and per capita concession revenue assumptions by event type.

Per capita concession spending assumptions were based on an analysis of per capita spending at comparable facilities, discussions with national concessionaires and industry standards. For spectator events, gross per capita concessions spending is assumed to range from $4.00 for high school basketball games to $20.00 for large concerts. It is assumed that food and beverage service would be outsourced to an experienced arena food service provider and that commissions paid to the proposed new San Diego Arena would be approximately 35 percent of gross food and beverage sales.

[redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

[redacted]

Catering

Premium concessions revenue consists of upscale food and beverage sales in the club seat, ledge seat, loge box, and luxury suite seating areas during events hosted at the arena. Gross catering sales are estimated based on projected premium seating turnstile (or actual) attendance and per capita catering revenue assumptions.

6. FINANCIAL OPERATIONS PROJECTIONS

Per capita catering spending assumptions were based on an analysis of per capita spending at comparable facilities, discussions with national concessionaires and industry standards. Gross per capita catering spending is assumed to range from $5.64 for high school basketball games to $26.17 for large concerts. It is assumed that catering services would be outsourced to an experienced catering company, and that commissions paid to the arena are estimated to be approximately 25% of gross catering sales.

[redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

Parking

It is assumed that 2,775 parking spaces would be provided on-site and under the direct control of Arena ownership. The remaining needed parking spaces are assumed to be provided at off-site parking lots and/or garages within a reasonable walking distance of the arena. On-site parking inventory is anticipated to be sold at an average price of $10 to $25 per car, depending on the event. An assumption of 3.5 people per car was assumed to estimate total parking demand capped by the number of parking spaces available for sale by the Arena. It is estimated that the proposed new San Diego Arena's net share of parking revenue would be 50 percent of gross parking revenue to account for 15% for labor, supplies and other costs incurred to operate the parking lot and 35% for revenue share with the Master Developer who developed the parking garages. [redacted]

[redacted]

Merchandise

Merchandise revenue consists of clothing, souvenirs, programs, and other merchandise item sales. Gross merchandise revenues are estimated based on projected turnstile (or actual) attendance and per capita merchandise spending by event type. Per capita merchandise spending assumptions were based on an analysis of per capita spending at comparable facilities, discussions with national merchandisers and industry standards. Gross per capita merchandise spending assumptions ranged from $0.00 for certain community events to $7.50 for large concert events. [redacted]

[redacted]

[redacted]

Facility Fees

Arenas and other public assembly facilities often assess a facility fee on tickets sold for events at the facility. For purposes of this analysis, it is assumed that an average facility fee of $5 per ticket will be assessed on all tickets sold for ticketed events at the proposed new San Diego Arena.

[redacted]

Convenience Charge Rebates

Arenas often utilize a third-party ticket seller, such as Ticketmaster or New Era Tickets, to handle ticket sales for certain events at a venue. The ticket seller generally collects a convenience charge on each ticket sold, a portion of which is usually shared with the venue. [redacted]

The percentage of tickets estimated to be sold through the arena's ticket system ranges from 10 to 80 percent, depending on the event. [redacted]

[redacted]

[redacted].

Box Office Fees

Arenas and other public assembly facilities typically collect a fee or commission on tickets sold through their box office. For purposes of this analysis, [redacted] Based on a review of other comparable facilities, it is estimated that 20 to 90 percent of tickets to ticketed events would be sold through the arena box office, depending on the event type. [redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

Advertising and Sponsorships

Advertising and sponsorship revenues are derived from the sale of signage related to scoreboards, scorer's table, concourse, interior and exterior fascia, courtside (dorna signage), dasher boards, vomitories, outdoor marquee displays, and promotions. Ultimately, the rates the proposed new San Diego Arena is able to charge for advertising will rely on factors such as the total estimated number of events and total attendance at the facility, the number of televised events at the arena and the number of tie-ins, such as program advertising and public-address announcements, that are included with advertising packages.

It is assumed the proposed new San Diego Arena would generate advertising and sponsorship revenues from facility naming rights, fixed signage in the arena including outdoor marquee displays, concourse signage, vomitories, scoreboard, fascia, and non-tenant event promotions. Additionally, the proposed new San Diego Arena is assumed to retain sponsorship revenues from pouring rights (liquor, beer, soda, etc.) and other sponsorships serving as the official provider of the proposed new San Diego Arena. Further, it is anticipated that sponsorship agreements will extend beyond the arena and include assets within the entertainment district to drive additional revenues.

[redacted]

[redacted]

[redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

ESTIMATED OPERATING EXPENSES

Expenses generated by the operations of an arena typically consist of salaries and wages, utilities, operational costs, general and administrative expenses, repairs and maintenance costs, insurance, and other such expenses. In California, publicly-owned arena operations also generate possessory interest tax expenses. A brief description of each major source of expense is provided over the following pages.

Salaries, Wages, and Benefits

Salaries, wages, and benefits include expenses for full- and part-time personnel (excluding event personnel costs passed through to the event promoter or organizer). Based on staffing levels at comparable facilities, it is estimated that approximately 45 dedicated, full-time staff members would be required to operate the arena.

Full- and part-time positions required to operate the arena are anticipated to include staff members in functional areas such as executive, finance, sales and marketing, box office, event management, building operations, and food and beverage. Salary assumptions are based on industry standards for each specific full-time position. Benefit costs, which are in addition to salaries, are assumed to be 33 percent of salaries and wages.

Other personnel required to operate the venue are assumed to be derived from part-time employment and outsourcing to contractors or other service providers. It is assumed that functions such as catering, security, parking, landscaping, and other such services would be outsourced and, therefore, not require full- or part-time staffing as a direct salaries, wages and benefits expense of the arena.

Further, part-time event day employees such as ticket takers, ushers, concession workers, security, EMT, and others are accounted for separately in the financial projections under the service income (loss) calculation.

[redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

[redacted]

Utilities

Utilities often represent one of the largest operating expenses of an arena. Cost estimates for arena utilities include electricity, gas, water and steam and are based on the expenses incurred at comparable arenas adjusted to the San Diego marketplace and the anticipated arena square footage and utilization. [redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

Operations

Operations expenses include a variety of expenses anticipated to be incurred to operate the proposed new San Diego Arena including contracted services, equipment rental, management fee, materials and supplies, repairs and maintenance, trash removal/pest control, uniforms, and other such costs. [redacted]

[redacted]

General & Administrative

General and administrative expenses include a variety of expenses anticipated to be incurred to operate the arena including advertising, audit fees, armored car service, bank fees, cable/internet, data processing, dues and subscriptions, licenses and permits, office equipment rental, office supplies, postage and freight, printing and stationary, private management professional fees, telecommunications, training, travel and entertainment, vehicles, and other such costs. [redacted]

Repairs & Maintenance

Arena repairs and maintenance costs, based on expenses incurred at comparable arenas and adjusted to the San Diego marketplace, [redacted]

Materials & Supplies

Arena materials and supplies costs, based on expenses incurred at comparable arenas and adjusted to the San Diego marketplace, [redacted]

Insurance

Insurance expenses represent the premiums paid for various insurance policies including but not limited to property, liability, casualty, auto, and business interruption insurance policies. [redacted]

Possessory Interest Taxes

In California, a taxable possessory interest is the interest held by a private entity in a publicly-owned property. As the proposed new San Diego Arena is assumed to be owned by a private enterprise, the facility will be subject to possessory interest taxes. Per the Office of Property Tax Services of San Diego County, a 1.17 percent possessory interest tax rate will be levied against the taxable value of the arena (estimated to be [redacted]

6. FINANCIAL OPERATIONS PROJECTIONS

[redacted]

SUMMARY FINANCIAL PRO FORMA

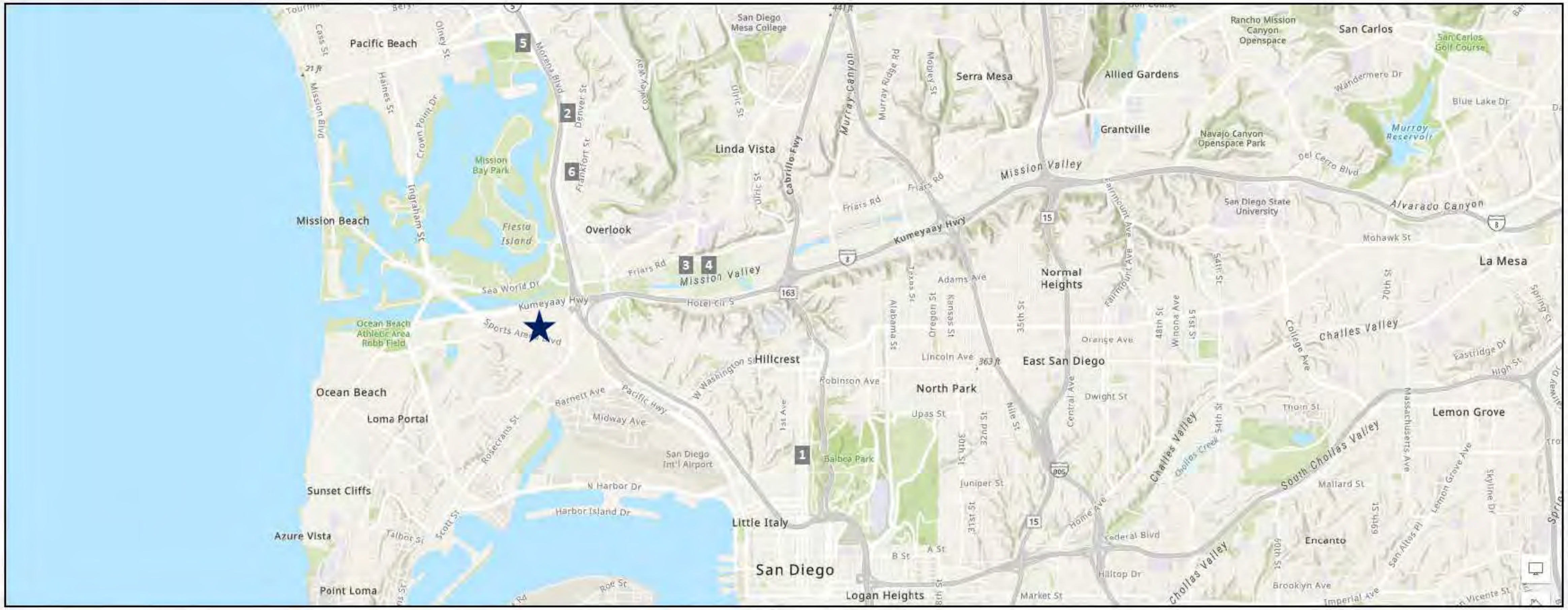
The table on the right summarizes the estimate proposed new San Diego Arena pro forma includin arena operating revenues and arena operatin expenses. The financial pro forma is presente during the first five years of arena operations fro 2028 to 2032.

[redacted]

MARKET-RATE RESIDENTIAL LAND SALE COMPARABLES

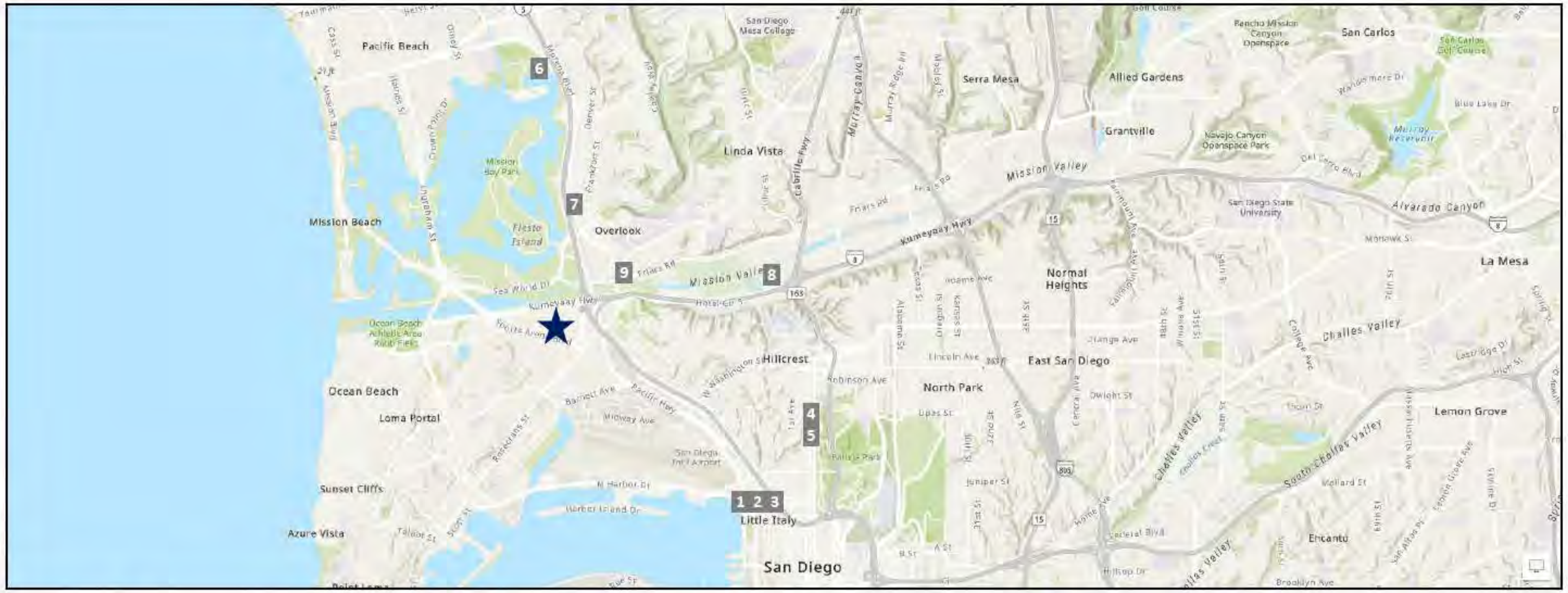
Land Sale Comparables: Ground-Up Multifamily Projects

#	Address	Property	Submarket	Product Type	Developer(s)	Net AC	Land SF	Land Sale Price	Caveats	Total Land Basis	$ / Land SF	Sale Date	Units	$ / Unit
1	4th & Ivy	4th & Ivy	Banker's Hill		Under Contract	1.07	46,609	$ 21,500,000	$ -	$ 21,500,000	$ 461	Pending	192	$ 111,979
2	2565 Clairemont Drive		Mission Bay	8-Story Type III	Zephyr	3.50	152,460	$ 25,000,000	$ -	$ 25,000,000	$ 164	Dec-21	354	$ 70,621
3	800 Hotel Circle North	The Society	Mission Valley	7-Story Type III	Holland	7.69	335,151	$ 74,850,000	$ 4,200,000	$ 79,050,000	$ 236	Oct-18	840	$ 94,107
4	7050 Friars Rd	Heights at Fashion Valley	Mission Valley	8-Story Type III	Fairfield	5.43	236,531	$ 24,882,000	$ 3,828,000	$ 28,710,000	$ 121	May-18	319	$ 90,000
5	4275 Mission Bay Dr	Jefferson Pacific Beach	Pacific Beach	3-Story Type III	JPI	2.94	128,066	$ 21,625,000	$ -	$ 21,625,000	$ 169	May-17	172	$ 125,727
6	1302 Frankfort St	The Seaton	Mission Bay	3-Story Type III	Fairfield	6.21	270,508	$ 15,900,000	$ -	$ 15,900,000	$ 59		150	$ 106,000
	Average					**4.47**	**194,887**	**$ 30,626,167**		**$ 31,964,167**	**$ 164**		**338**	**$ 94,615**
	Midway Rising			**8-Story Type III**		**14.55**	**633,798**	**$ 185,000,000**	**$ -**	**$ 185,000,000**	**$ 292**		**2000**	**$ 92,500**



MARKET-RATE RESIDENTIAL RENT COMPARABLES

Multifamily Rent Comps																			
								Studio			One Bedroom			Two Bedroom			Three Bedroom		
#	Property	Owner/Manager	Type	Year	Units	Submarket	Class	SF	Rent	PSF	SF	Rent	PSF	SF	Rent	PSF	SF	Rent	PSF
1	Broadstone LI	Invesco/Greystar	Type III	2014	199	Prime LI	A	605	$3,055	$5.05	778	$3,740	$4.81	1,117	$4,765	$4.27			
2	Av8	Unknown/R&V	Type III	2018	129	Prime LI	A	578	$2,761	$4.78	704	$3,115	$4.42	1,171	$4,407	$3.76	1,567	$5,030	$3.21
3	Valentina by Alta	TA Assoc./Wood	Type III	2019	110	Prime LI	A	538	$2,348	$4.36	767	$3,626	$4.73	1,287	$5,303	$4.12			
Average (Little Italy)								**574**	**$2,721**	**$4.74**	**750**	**$3,494**	**$4.66**	**1,192**	**$4,825**	**$4.05**	**1,567**	**$5,030**	**$3.21**
4	Strauss of Fifth		Type III	2019	140	Bankers Hill	A	549	$2,728	$4.97	655	$3,208	$4.90	983	$3,920	$3.99			
5	Broadstone BP	Greystar	Type III	2015	100	Bankers Hill	A	624	$2,787	$4.47	773	$3,337	$4.31	1,112	$4,672	$4.20			
Average (Bankers Hill)								**586**	**$2,758**	**$4.70**	**714**	**$3,272**	**$4.58**	**1,047**	**$4,296**	**$4.10**			
6	Mara Pacific Beach	Equity Residential	Type III	2020	172	Pacific Beach	A				781	$3,177	$4.07	1,167	$4,218	$3.62			
Average (Pacific Beach)											**781**	**$3,177**	**$4.07**	**1,167**	**$4,218**	**$3.62**			
7	The Seaton	Fairfield	Type III	2021	150	Mission Bay					820	$3,115	$3.80	1,176	$4,277	$3.64			
Average (Mission Bay)											**820**	**$3,115**	**$3.80**	**1,176**	**$4,277**	**$3.64**			
8	The Society	Holland Partners	Type III	2021	840	Mission Valley	A				735	$3,142	$4.27	1,124	$3,908	$3.48	1,446	$5,031	$3.48
9	Arrive Mission Valley	Trinity	Type III	2005	185	Mission Valley	B				696	$3,315	$4.77	1,075	$4,315	$4.01			
Average (Mission Hills/Mission Valley)											**715**	**$3,229**	**$4.51**	**1,099**	**$4,111**	**$3.74**	**1,446**	**$5,031**	**$3.48**
Average (Combined)								**580**	**$2,740**	**$4.72**	**726**	**$3,332**	**$4.59**	**1,113**	**$4,411**	**$3.96**	**1,506**	**$5,030**	**$3.34**
	Midway Rising				**2,000**	**Midway**	**A**	**480**	**$2,250**	**$4.69**	**700**	**$3,000**	**$4.29**	**980**	**$3,800**	**$3.88**	**1,175**	**$4,400**	**$3.74**



6 PROFORMA SUMMARY

PROJECT SUMMARY & RESIDENTIAL UNIT MIX

MIDWAY RISING

Land Overview		
Location		San Diego (Midway), CA
Property Condition		Sports Arena
Project Type		Master Planned Mixed-Use
Land Area SF / Acres	2,113,226	48.51
Building Size GSF / Actual FAR	6,157,650	2.91

Program Summary

Program	%	Land SF	Acres	Units	GSF	Parking
Sports Arena	8.2%	174,240	4.00	-	500,000	-
Parking Garage	10.3%	217,800	5.00	-	1,054,500	2,775
Retail/Entertainment	5.4%	113,839	2.61	-	250,000	750
Hotel	2.1%	43,560	1.00	200	155,714	196
Market Rate Multifamily	30.0%	633,968	14.55	2,000	1,947,436	2,454
Affordable Multifamily	30.0%	633,968	14.55	2,000	2,000,000	2,000
Moderate Multifamily	4.0%	84,529	1.94	250	250,000	250
Circulation	5.0%	105,661	2.43	-	-	-
Open Space	5.0%	105,661	2.43	-	-	-
Total	**100.0%**	**2,113,226**	**48.51**	**4,250**	**6,157,650**	**8,425**

Residential Unit Mix Assumptions

Market-Rate Residential	%	Units	Total SF	Avg. SF	Bedrooms
Studios	20.0%	400	194,000	485	400
1 Bed	50.0%	1,000	695,000	695	1,000
2 Bed	20.0%	400	390,000	975	800
3 Bed	10.0%	200	240,000	1,200	600
Total/Wtd. Avg.	**100.0%**	**2,000**	**1,519,000**	**760**	**2,800**

Affordable Residential	%	Units	Total SF	Avg. SF	Bedrooms
1 Bed	49.3%	986	690,200	700	986
2 Bed	26.7%	534	480,600	900	1,068
3 Bed	24.0%	480	528,000	1,100	1,440
Total/Wtd. Avg.	**100.0%**	**2,000**	**1,698,800**	**849**	**3,494**

Moderate Residential	%	Units	Total SF	Avg. SF	Bedrooms
Studios	20.0%	50	22,500	450	50
1 Bed	40.0%	100	68,000	680	100
2 Bed	30.0%	75	71,250	950	150
3 Bed	10.0%	25	27,500	1,100	75
Total/Wtd. Avg.	**100.0%**	**250**	**189,250**	**757**	**375**
Total Project		**4,250**	**3,407,050**	**802**	**6,669**

Average Affordability

Affordability	Units
80% AMI	165
60% AMI	431
50% AMI	459
40% AMI	490
30% AMI	430
Total (Excl. Manager)	**1,975**
Wtd. Avg. Affordability	**47.9%**

Affordable Allocation

Allocation	Units
Family	1,180
Senior	296
Special Need	499
Subtotal	**1,975**
Manager	25
Total	**2,000**

MASTER DEVELOPMENT BUDGET, SCHEDULE, & RETURNS

[redacted]

MASTER DEVELOPMENT RESIDUAL LAND VALUES & REVENUE

[redacted]

7 COST ESTIMATES

Midway Rising

[redacted]

Midway Rising - Community Plan, Parking Structure, and Pad Ready ROM
Prepared for Zephyr
ROM Estimate Date: 04/25/2022

Table of Contents

AECOM

Project: Midway Rising
Owner: Zephyr
Location: San Diego, CA
Estimate No.: T21013
Date: 04/25/2022
Estimate Type: Rough Order of Magnitude (ROM)

	TOTAL			
	QTY	UN	U/P	PRICE
AG PARKING - RECTANGULAR	517,440	GBSF	$ [redacted]	
AG PARKING - L SHAPE	418,815	GBSF	$	
SITEWORK	1,205,861	SF	$	
SUBTOTAL	**936,255**	**GBSF**	**$**	
MARKUP (GC, INSURANCE, TAXES, FEE)				
CONSTRUCTION CONTINGENCY				
PROJECT DEVELOPMENT CONTINGENCY				
GRAND TOTAL	**936,255**	**GBSF**	**$**	

[redacted]

[redacted]

AECOM

Project: Midway Rising
Owner: Zephyr
Location: San Deigo, CA
Estimate No.: T211013
Date: 04/25/2022
Estimate Type: Rough Order of Magnitude (ROM)

[redacted]

AECOM

Project:	Midway Rising
Owner:	Zephyr
Location:	San Deigo, CA
Estimate No.:	T211013
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Estimate Type:	Rough Order of Magnitude (ROM)

[redacted]

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[redacted]

[redacted]

AECOM

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Estimate No.:	**T211013**
Date:	**04/25/2022**
Estimate Type:	**Rough Order of Magnitude (ROM)**

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Location: San Deigo, CA
Estimate No.: T211013
Date: 04/25/2022
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[redacted]

Project: Midway Rising
Owner: Zephyr
Location: San Deigo, CA
Estimate No.: T211013
Date: 04/25/2022
Estimate Type: Rough Order of Magnitude (ROM)

[redacted]

AECOM

Project: **Midway Rising**
Owner: **Zephyr**
Location: **San Diego, CA**
Date: **4/25/22**
Subject: **Qualifications**

Midway Rising - Qualifications

General Qualifications & Assumptions

1- This estimate is based on the following documents:
- 1.00 Existing Arena Rehab - Program Summary
- 2.00 Midway_-_pacific_highway_community_plan_sept_2018_0

2- General Clarifications
- 1.00 The general conditions and general requirement costs are included.
- 2.00 A Construction Contingency of 3% has been included as part of the indirect costs.
- 3.00 A Project Development Contingency of 7% has been included as part of the indirect costs.
- 4.00 Budget is based on current market pricing (April 2022).
- 5.00 Prevailing wages are included.
- 6.00 One rectangular long span concrete parking structure is included with a total of 1,550 stalls.
- 7.00 One L-shaped long span concrete parking structure is included with a total of 1,266 stalls.
- 8.00 Sports Arena Boulevard and Kurtz Street scope of work per community plan.
- 9.00 Drive entrances from surrounding streets.

3- The following items are excluded:
- 1.00 Builders Risk Insurance and any related policy and deductible costs.
- 2.00 General Contractor Performance and Payment Bond premiums / cost.
- 3.00 All utility company fees and/or assessments.
- 4.00 All utility company consumptions including water and electric construction consumption cost.
- 5.00 The cost of permits and plan check fees.
- 6.00 Testing and inspection costs.
- 7.00 Architectural / Engineering Design Services and Fees.
- 8.00 FF&E and site furnishing.
- 9.00 Export of contaminated soils.
- 10.00 Owner furnished, contractor installed (OFCI) items.
- 11.00 Building Construction.
- 12.00 All on structure sitework.
- 13.00 The following scope from the community plan is excluded:
- 14.00 Dutch Flats Urban Village
- 15.00 Kemper Neighborhood Village
- 16.00 Rosecrans District
- 17.00 Camino Del Rio District
- 18.00 Channel District
- 19.00 Cauby District

20.00 Kurtz District
21.00 Lytton District
22.00 Hancock Transit Corridor
23.00 Kettner District

Budget Assumptions for Site

G10 - Site Preparation

1.00 Building demolition within project boundaries is included, except for existing sports arena.

2.00 Clear and grub of asphalt paving, site concrete, and landscape are included.
3.00 Erosion control is included.
4.00 12" overexcavation and recompaction is included.

G20 - Sitework

On Site Urban Path and Linear Park - Sports Arena Blvd. Per Community Report

1.00 New hardscape and landscape is included along Sports Arena Blvd. from the intersection of Hancock St. and Sports Arena Blvd. to the intersection of East Dr. and Sports Arena Blvd.

2.00 New sidewalk and park pathway is on average 20 feet wide.
3.00 Demolition of existing sidewalk and landscaping is included.
4.00 Sawcut of existing curbs is included.
5.00 Fine grading for new concrete sidewalks is included.
6.00 Concrete sidewalks are included as natural grey concrete.
7.00 Landscape and irrigation is included at park pathways. Landscaping includes small shrubs.

8.00 36" box trees are included at 30 feet spacing along Sports Arena Blvd.
9.00 Concrete curb and gutters are included.
10.00 Pathway lighting is included at park pathway.
11.00 Demolition of 20ea existing street lights is included.
12.00 Furnish and installation of 20ea new street lights is included.
13.00 Striping for new class 1 bike path is included.

On Site Connector Sidewalks - Kurtz St. Per Community Report

14.00 New hardscape and landscape is included along Kurtz St. from the intersection of Hancock St. and Kurtz St. to the intersection of Greenwood St. and Kurtz St.
15.00 New sidewalk and landscape is on average 7 feet wide.
16.00 Demolition of existing sidewalk and landscaping is included.
17.00 Sawcut of existing curbs is included.
18.00 Fine grading for new concrete sidewalks is included.
19.00 Concrete sidewalks are included as natural grey concrete.
20.00 Landscape and irrigation is included. Landscaping includes small shrubs.
21.00 36" box trees are included at 30 feet spacing along Kurtz St.
22.00 Concrete curb and gutters are included.
23.00 Pathway lighting is included.
24.00 Demolition of 2ea existing street lights is included.
25.00 Furnish and installation of 2ea new street lights is included.
26.00 Existing street lights at power lines are to remain.

Internal Streets

27.00 We have included internal streets at the following locations: 2ea streets along Hancock St., 4ea streets along Sports Arena Blvd., and 2ea streets along Kurtz St.

28.00 Each internal street has the following included: 6' wide sidewalks, 4' wide landscape areas, 18" curb and gutters, and two way streets with asphalt paving.
29.00 We have included a median at one internal street along Sports Arena Blvd with additional 18" curb and gutters and additional 6.5' wide landscape area.
30.00 Fine grading for site concrete and asphalt paving is included.
31.00 Landscape and irrigation is included. Landscaping includes small shrubs.
32.00 36" box trees are included at 30 feet spacing.
33.00 New lane striping is included.
34.00 Street lights every 100 feet are included.
35.00 New ADA ramps are included.

On Site Sitework

36.00 We have assumed 40% of the area will be concrete paving on grade.
37.00 We have assumed 60% of the area will be landscaping on grade.
38.00 We have included a miscellaneous metals allowance for site railings, fences, bollards, and small shade trellises.
39.00 We have included an allowance for water features and pools.
40.00 We have included an allowance for site drainage.
41.00 We have included an allowance for site lighting.

G30 - Site Mechanical Utilities

1.00 Utility distribution from the city street point of connections is included.
2.00 On site domestic water main lines with laterals to each building are included
3.00 On site fire water main lines with laterals to each building are included
4.00 On site fire hydrants are included every 300 feet along fire water main lines and laterals.
5.00 On site storm water and sewer main lines and laterals are included for internal retail and office buildings.
6.00 On site gas main lines with laterals to each building are included
7.00 Off site traffic control is included.
8.00 Demolition, sawcut, and patchback of the existing AC paving at wet utilities is included.

G40 - Site Electrical Utilities

1.00 An allowance of $50,000 for main Transformer and substation structure is included.
2.00 The main transformer and substation is assumed to be by SDG&E.
3.00 Power distribution lines from the SDG&E main is included. Power distribution is included at 25KV.
4.00 25ea 25KV to 480V transformers are included.
5.00 Transformer enclosures and pads are included.
6.00 25ea transformer switches are included.
7.00 480V distribution laterals to each building are included.

G70 - Offsite Work

Improvements to Sports Arena Blvd. Between Hancock St. and East Dr. Per Community Report

1.00 New street improvements are included along Sports Arena Blvd. from the intersection of Hancock St. and Sports Arena Blvd. to the intersection of East Dr. and Sports Arena Blvd.

Change existing road from 5 lanes to 6 lanes

2.00 Sawcut and demolition of the existing center dividers is included.
3.00 AC patchback at removed center dividers is included.
4.00 Sandblast of existing striping is included.
5.00 New 6 lane striping is included.
6.00 New striping for class 2 bike path is included.

7.00 Traffic control is included.

Intelligent Transportation System

8.00 Intelligent transportation system dynamic signage is included. A 30 feet wide by 10 feet tall LED sign supported by steel structure is assumed.

Traffic Control Improvements

9.00 Demolition of traffic signals at the intersections of Hancock St. and Sports Arena Blvd., Kemper St. and Sports Arena Blvd., Shopping Entrance and Sports Arena Blvd., and East Dr. and Sports Arena Blvd. are included.

10.00 Furnish and installation of new traffic signals at the intersections of Hancock St. and Sports Arena Blvd., Kemper St. and Sports Arena Blvd., Shopping Entrance and Sports Arena Blvd., and East Dr. and Sports Arena Blvd. are included.

ADA Ramps

11.00 Demolition of ADA ramps at the intersections of Hancock St. and Sports Arena Blvd., Kemper St. and Sports Arena Blvd., Shopping Entrance near Petco and Sports Arena Blvd., Shopping Entrance near Pieology and Sports Arena Blvd., and East Dr. and Sports Arena Blvd. are included.

12.00 New ADA ramps at the intersections of Hancock St. and Sports Arena Blvd., Kemper St. and Sports Arena Blvd., Shopping Entrance near Petco and Sports Arena Blvd., Shopping Entrance near Pieology and Sports Arena Blvd., and East Dr. and Sports Arena Blvd. are included.

Bus Pad

13.00 Sawcut and demolition of the existing bus pad along Sports Arena Blvd. between Kemper St. and the Shopping Entrance near Petco is included.

14.00 New concrete bus pad is included.

15.00 New concrete divider curb is included.

16.00 New striping is included.

17.00 Traffic control is included.

Improvements to Kurtz St. between Hancock St. to Greenwood St. Per Community Report

Intersection upgrades at Kurtz St., Sherman St., and Greenwood St.

18.00 Sandblasting of existing striping is included.

19.00 New striping is included.

20.00 Traffic control is included.

Pedestrian Bridge over I8 at Kurtz St. and Hancock St.

21.00 A 250 feet long by 10 feet wide pedestrian bridge with ADA ramps is included.

Class 3 bike route

22.00 Bike route signage is included.

Intelligent Transportation System

23.00 Intelligent transportation system dynamic signage is included. A 30 feet wide by 10 feet tall LED sign supported by steel structure is assumed.

Traffic Control Improvements

24.00 Furnish and installation of new traffic signals at the intersections of Sherman St. and Kurtz St., and Hancock St. and Kurtz St. is included.

Budget Assumptions for Parking

General

1.00 One rectangular long span concrete parking structure is included with a total of 1,550 stalls.

2.00 One L-shaped long span concrete parking structure is included with a total of 1,266 stalls.

A10 - Foundations

1.00 Slab-on-grade is included.

2.00 Horizontal waterproofing is included.
3.00 A deep pile foundation system is included under pile caps and spread footings.

B10 - Superstructure

1.00 The parking structures are include as concrete long spanned structure design. Concrete columns, shear walls, and suspended post-tensioned decks are included.

B20 - Exterior Enclosure

1.00 Full Height CMU walls are included where parking structures are adjacent to a building.
2.00 An allowance of $50/sf is included for skin areas that face the sports arena.
3.00 An allowance of $42/sf is included for spandrel walls.
4.00 Exterior plaster at elevator and stairway at rooftop is included.
5.00 Painted HM doors and painted frames are included.
6.00 Overhead roll-up doors are included at entrances.

B30 - Roofing

1.00 Roofing membrane with insulation is included.
2.00 Roofing membrane at the back side of parapet is included.

C10 - Interior Construction

1.00 Allowances are included for interior construction of parking structures.

C20 - Stairs

1.00 Photoluminescent nosing is applied to all egress stairs.
2.00 All egress stairs are included.

C30 - Interior Finishes

1.00 Allowances are included for interior finishes of parking structures.

D10 - Conveying

1.00 All passenger elevators are included in costs for parking structures.
2.00 A $40,000 cab finish allowance per passenger elevator is included.

D20 - Plumbing

1.00 Garage drains are included throughout the parking structures.
2.00 Storm drain piping systems are included throughout the parking structures.

D30 - HVAC

1.00 The rectangular parking structure has open ventilation, therefore an HVAC system is not included.
2.00 The L-shaped parking structure includes ventilation and exhaust for partially enclosed area.

D40 - Fire Protection

1.00 Wet-pipe fire suppression system is included.

D50 - Electrical

1.00 A complete main switchgear and power distribution system is included.
2.00 Rough-ins for electrical vehicle charging station are included.
3.00 Allowances for lighting fixtures and controls are included.
4.00 Fire alarm system is included.

5.00 Emergency DAS is included.
6.00 Cellular DAS is excluded.
7.00 Security camera and access control systems are included.
8.00 An emergency generator is included.
9.00 Temporary power and lighting for construction is included.

E10 - Equipment
1.00 Allowances for parking equipment per structure is included.

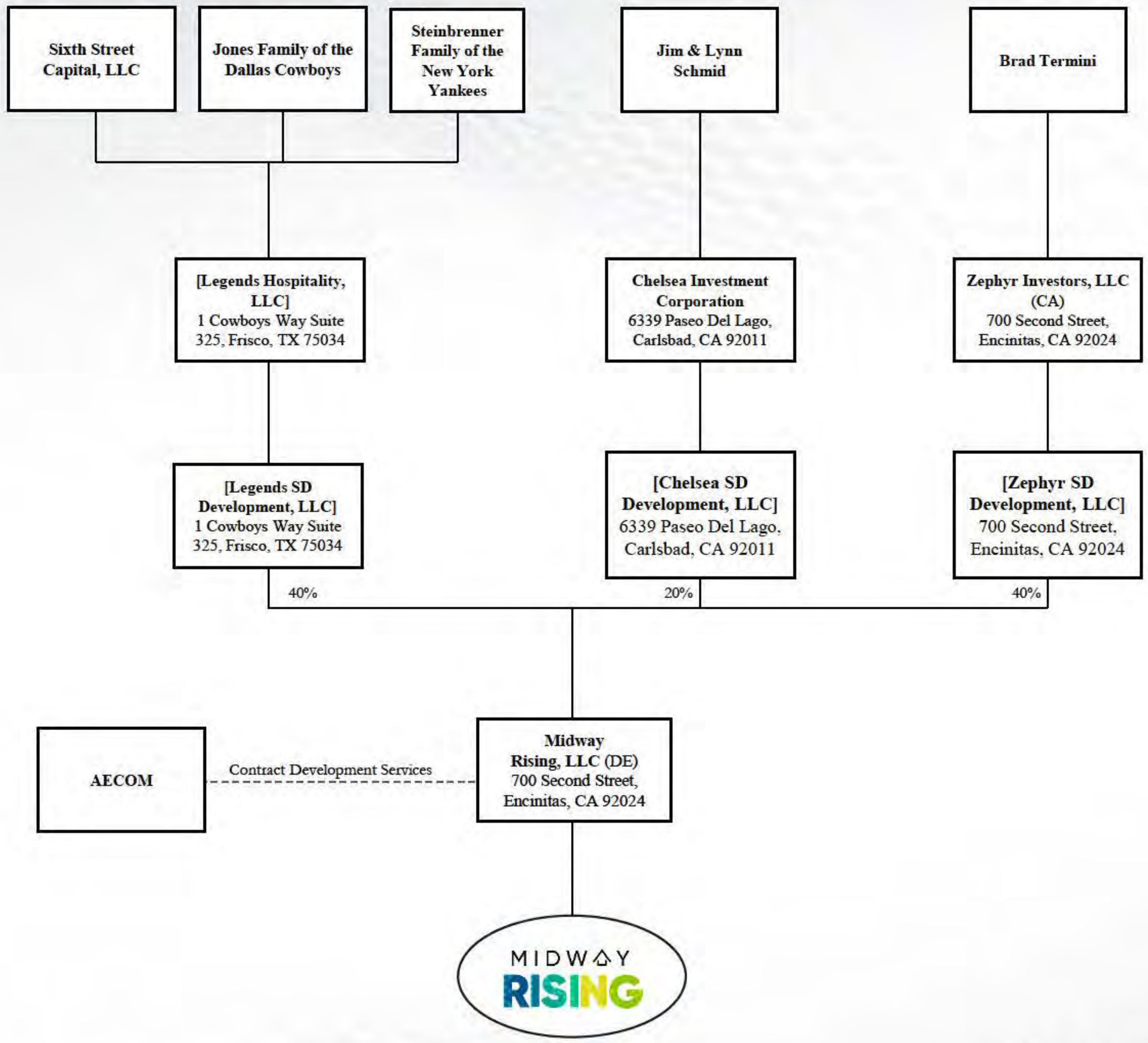
Z10 - General Requirements/Hoisting
1.00 General requirements and hoistings are included.

Project:	Midway Rising
Owner:	Zephyr
Location:	San Deigo, CA
Estimate No.:	T21013
Date:	Nov-21

[redacted]

8 TEAM STRUCTURE

PROPOSED STRUCTURE



*Ownership percentages subject to change
**Legends Hospitality CEO will be primary control person for Midway Rising, LLC

CHELSEA | ZEPHYR | AECOM | SAFDIE RABINES ARCHITECTS

9 SUPPORT LETTERS & APPENDIX

usbancorp.
Community Development Corporation
1307 Washington Ave, Suite 300
St. Louis, MO 63103

All of us serving you™

July 1, 2022

Chelsea Investment Corporation
James Schmidt
6339 Paseo Del Lago
Carlsbad, CA 92011

RE: Letter of Reference – Midway Rising RFP

To Whom It May Concern,

I am pleased to hear that Chelsea Investment Corporation (CIC) is working on a proposal to help redevelop Midway District Sports Arena into a vibrant mixed-use community. CIC's role in the partnership as the affordable housing developer will ensure that the mixed-use, mixed-income community includes high-quality, service-enhanced affordable housing that will remain an equitable asset in perpetuity.

CIC has been a long standing partner of US Bancorp Community Development Corp (US Bank CDC). This partnership has helped create approximately 900 units of much needed affordable housing. CIC has a strong track record of developing highly innovative projects, as supported by the numerous national and local awards and accolades it has received. It is this kind of forward thinking and ability to bring projects together that has made CIC a partner of choice for US Bank CDC.

US Bank CDC is one of the largest direct investors in the LIHTC program, with a proven track record of steady investment during varying market conditions. During US Bank CDC's extensive working relationship with CIC we have invested in a broad spectrum of projects developed by CIC across the City of San Diego and look forward to the opportunity to jointly continue our work.

Sincerely,

Sebastian Glowacki
Vice President
303-349-4132

THE RICHMAN GROUP
AFFORDABLE HOUSING CORP.

707 SW Washington Street, Suite 1510 Portland, Oregon 97205 | 503.459.8741

June 30, 2022

Chelsea Investment Corporation
Jim Schmidt
6339 Paseo Del Lago
Carlsbad, CA 92011

Re: Midway Rising / Sports Arena redevelopment

To Whom It May Concern,

Please accept this letter of reference on behalf of The Richman Group Affordable Housing Corporation. The Richman Group Affordable Housing Corporation (together with its affiliates, "TRGAHC") is a multifaceted real estate organization specializing in affordable housing, with expertise in investment banking, development, asset management and property management. TRGAHC has been a program sponsor, property manager, asset manager, and developer in the affordable housing industry since 1979.

With the capacity for a comprehensive set of activities, including equity investment, development, mortgage financing, asset management and property management, TRGAHC has a significant presence in both the affordable and market rental apartment housing sectors.

TRGAHC remains one of the nation's leading sponsors of low income credit ("Housing Tax Credit") programs. Since the creation of the Housing Tax Credit in 1986, TRGAHC has sponsored both public and institutional Housing Tax Credit funds, which have raised in excess of $20 billion in equity capital and have invested in approximately 1,700 Housing Tax Credit properties resulting in over 125,000 rental units. TRGAHC has syndicated over 40 transactions with Chelsea Investment Corporation (“Chelsea”) in over 20 years.

Chelsea is a very dependable and efficient developer of quality, award winning, affordable housing and we look forward to the opportunity to discuss partnering to help finance Affordable Housing with the Midway Rising phase into a mixed-use family community serving the residents and surrounding neighborhood.

I invite you to please contact me with any questions.

Sincerely,

Terry A. Gentry
Executive Vice President

July 1, 2022

VIA ELECTRONIC MAIL

Cheri Hoffman
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

To Whom it May Concern

Re: Midway Rising. Letter of Reference and Good Standing – Chelsea Investment Corporation.

To Whom It May Concern:

Citibank, N.A. ("Citi") is providing this letter in Chelsea Investment Corporation ("Chelsea") in response to the above captioned RFP.

Citi Community Capital ("CCC"), a line of business within Citi, finances both project finance and highly structured transactions for non-profit and for-profit affordable housing developers, Community Development Financial Institutions, and state and local government agencies. In 2021, CCC financed 204 developments representing 32,762 units, across 144cities in the United States. CCC was also ranked as the largest affordable housing lender in 2021 for the 12th consecutive year by *Affordable Housing Finance* magazine.

CCC values its long-standing partnership with Chelsea, providing both construction and permanent loans on a variety of projects from high rise permanent supportive housing for formerly homeless individuals and veterans, to affordable housing for master planned communities, to standalone affordable and mixed use projects throughout San Diego County and the State of California. Many of projects with Chelsea are complex with multiple layers of subordinate debt and project based subsidies. Chelsea has demonstrated their sophistication, competency, and attention to detail in all their projects. Their team is both responsive and responsible, and their projects are completed on time and on budget. I personally believe Chelsea is one of the best affordable housing developers in the country. CCC has provided financings for over 30+ Chelsea affordable housings projects since 2013, including 9 financings in the last 2 years. Their knowledge and passion for affordable housing development coupled with a consistently strong execution has kept our business relationship strongly intact.

This letter is not intended to be, and shall not constitute, a commitment to lend, syndicate a financing, underwrite or purchase securities, commit capital, or provide or arrange any portion of the financing for the Project. Such obligations would arise only under separate written agreements acceptable to Citi in its sole discretion. Furthermore, any such commitments would be subject to, among other things, (a) the satisfactory completion of Citi's customary due diligence review; (b) approval by Citi internal committees; (c) the receipt of any necessary governmental, contractual and regulatory consents or approvals in connection with the Project and the related financing; (d) the negotiation and documentation of the financing referred to above, including the terms and conditions of the financing, in form and substance satisfactory to Citi and its counsel; and (e) there not having occurred any disruption of or change in financial, banking or capital market conditions that, in Citi's judgment, could make it inadvisable or impractical to proceed with any portion of the financing of the Project.

Neither Citi nor any of its affiliates shall have any liability (whether direct or indirect, or in contract, tort or otherwise) to the Sponsor, the Project or any other person, claiming through the Sponsor or the Project, as the case may be, for or in connection with the delivery of this letter.

In connection with this transaction, Citi will be acting solely as a principal and not as your agent, advisor or fiduciary. Citi has not assumed a fiduciary responsibility with respect to this transaction, and nothing

in this transaction or in any prior relationship between you and Citi will be deemed to create an advisory, fiduciary or agency relationship between us in respect of the Project. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with the Project, if you have not already done so.

We appreciate the opportunity to provide this letter of support and would welcome the opportunity to work with Chelsea on this development.

Please feel free to contact me at (213) 239-1914 with any specific questions or concerns.

Sincerely,
Hao Li

Citibank, N.A.
Authorized Signatory

CC: Cheri Hoffman, Chelsea Investment Corporation

July 1, 2022

Chelsea Investment Corporation (CIC)
Cheri Hoffman
6339 Paseo Del Lago
Carlsbad, CA 92011

Reference Letter for Chelsea Investment Corporation

To Whom It Maybe Concern:

Banner Bank's relationship with CIC back to 2007. I have worked with CIC for 20+ years in previous financial institutions (US Bank and Bank of America). At USB, we have closed 15 projects with over $200MM in construction/term/equity financing with CIC. To date, we have closed four projects with CIC at Banner Bank and we are scheduled to close our 5th project in Poway with CIC. We have a very positive experience with CIC.

CIC has been identified as being among the top 50 affordable housing developers in the country. In 2018, CIC received Builder of the Year award from Building Industry Association of San Diego. CIC is the first company to ever receive this award twice. Should you have any questions, feel free to call me 619-518-2610.

Sincerely,

Waheed Karim

Waheed Karim
Banner Bank
Vice President
Affordable Housing California

Chelsea Investment Corporation: Midway Rising Project

Attachment #1: Potential Federal and State Funding Opportunities

July 1st, 2022

Introduction

This paper describes potential federal and state funding opportunities that could be available to the Midway Rising project. Given the wide range of issues that the project will address including low-income housing, citywide mobility, workforce training, climate change, broadband access, and utilities upgrades there could be numerous sources of funding available to the project. This paper provides an overview of those sources at both the federal and state level.

It should be noted that in many cases funding requires authorization and appropriation through the federal and state budget process and funds may also be competitively awarded in some cases. This means that some programs may be oversubscribed and that projects must compete for finite funds. It should also be noted that funding awards and the provision of funds, which can often be critical to the progression of a project, including local approvals, can be slowed or delayed by the application and budgeting cycles. This can slow progress on finalizing an entire funding package, especially if there are multiple applications for the project within it. All funding availability for the project is not guaranteed until notice of award and generally a public sector sponsor is required to be the recipient of the funds, although this is not always the case.

Additionally, federal grant funds often contain Buy America, Build America (BABA) provisions which require the use of U.S. made products and materials. These requirements can result in higher materials and labor prices, reduced availability, and a smaller supplier pool. Federal grant funds also come with a range of annual reporting and compliance requirements which can increase the administrative burden and cost to the project.

This paper does not include an exhaustive list of potential sources available to the project, but highlights those which show best alignment and potential accessibility. Each program contains a set of highly specific requirements for eligibility, and to comply with application protocols further work should be undertaken on an opportunity-by-opportunity basis to determine fit and eligibility.

Most importantly Federal Funds usually come with a matching requirement. This means that non-federal funds must be used to match the federal allocation. The match ranges can vary but this is usually between 60/40 to 80/20, federal to non-federal. These limits often apply when combined various federal funding sources, so it is important to carefully track the total federal to non-federal proportions within the entire funding package.

Federal funds are generally provided on a reimbursement basis. This means that costs are incurred and paid for with non-federal funds, then submitted to the federal agency for review and approval. Upon approval, the federal funds are provided back to the non-federal entity. This presents the need to carefully manage project cash as there can be some delay in expenditure and reimbursement.

Federal IIJA Funding

The Infrastructure Investment and Jobs Act (IIJA) (Public Law No: 117-58), also known as the Bipartisan Infrastructure Law (BIL), signed into law on November 15, 2021, is a $1.2 trillion investment in the nation's infrastructure intended to rebuild America's roads, bridges and rails, upgrade and expand public transit, modernize the nation's ports and airports, improve safety, address the climate crisis, advance environmental justice, and invest in communities that have too often been left behind. It intends to drive job creation and grow the economy sustainably and equitably. There are Federal Formula Funds in the IIJA, but most of the funding comes through existing and new discretionary grant programs.

Key elements of the Midway Rising Project that may be suitable for funding:

- Public Transit Connections
- Electric Buses and Intermodal Facilities
- Electric Vehicle Charging
- Affordable Housing
- Water Access
- Environmental Remediation
- Broadband Access
- Power Infrastructure
- Infrastructure Resilience
- Bicycle and Pedestrian Access
- Complete Streets

IIJA introduces the concept of Complete Streets | US Department of Transportation. Complete Streets are streets designed and operated to enable safe use and support mobility for all users. Those include people of all ages and abilities, regardless of whether they are travelling as drivers, pedestrians, bicyclists, or public transportation riders. The concept of Complete Streets encompasses many approaches to planning, designing, and operating roadways and rights of way with all users in mind to make the transportation network safer and more efficient. Complete Street policies are set at the state, regional, and local levels and are frequently supported by roadway design guidelines.

Complete Streets approaches vary based on community context. They may address a wide range of elements, such as sidewalks, bicycle lanes, bus lanes, public transportation stops, crossing opportunities, median islands, accessible pedestrian signals, curb extensions, modified vehicle travel lanes, streetscape, and landscape treatments. Complete Streets reduce motor vehicle-related crashes and pedestrian risk, as well as bicyclist risk when well-designed bicycle-specific infrastructure is included. They can promote walking and bicycling by providing safer places to achieve physical activity through transportation.

The following document, prepared by the White House, provides a comprehensive overview to the entire IIJA: Building a Better America | The White House

The following provides an identification and overview of individual programs, their sponsoring agencies, and alignment to Midway Rising scope.

Agency: Environmental Protection Agency (EPA)

Program: Brownfields Projects

Description: The Environmental Protection Agency's Brownfields Program provides funds to empower States, communities, Tribes, and nonprofit organizations to prevent, inventory, assess, clean up, and reuse brownfield sites. The Environmental Protection Agency provides technical and financial assistance for brownfields activities that protect human health and the environment, encourage sustainable reuse, promote partnerships, strengthen local economies, and create jobs. By providing funds and technical assistance to assess, clean up, and plan for site reuse, the Environmental Protection Agency enables communities to overcome the environmental, legal, and fiscal challenges associated with brownfields properties. The Environmental Protection Agency's investments in communities across the country help local leaders eliminate uncertainties, clean up contaminated properties, and transform brownfield sites into community assets. Eligible activities include, but are not limited to, conducting community engagement and planning at one or more brownfield sites, site assessments, site cleanup planning and direct site cleanup.

Potential Application to Midway Rising: Environmental Mitigation, Site Clean Up

Weblink: Brownfields | US EPA

Agency: United States Department of Transportation (USDOT)

Program: Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grant program

This program helps communities around the country carry out projects with significant local or regional impact. RAISE discretionary grants, which were originally created under the American Recovery and Reinvestment Act as TIGER grants, can be used for a wide variety of projects. Overall, USDOT has awarded $9.9 billion to more than 700 projects. The $1.5 billion in available funding for 2022 represents a 50 percent increase in available funds compared to last year, when applicants requested $10 in funding for every $1 available. In 2021, RAISE funded 90 projects in 47 states, the District of Columbia and Guam.

RAISE projects are rigorously reviewed and selected based on merit. Projects will be evaluated on statutory criteria of safety, environmental sustainability, quality of life, economic competitiveness and opportunity, state of good repair, partnership and innovation. New this year, under the Bipartisan Infrastructure Law, 2022 RAISE applications will also be evaluated on the criteria of mobility and community connectivity. The Department will assess projects for universal design and accessibility for travelers.

At least $15 million in funding is guaranteed to go towards projects located in Areas of Persistent Poverty or Historically Disadvantaged Communities. Under the Bipartisan Infrastructure Law, RAISE expands the number of communities eligible for 100 percent federal share of funding, specifically those in rural communities, Areas of Persistent Poverty and Historically Disadvantaged Communities. To help reach this goal, the Department has launched a tool that will allow applicants to determine if their project location is considered as a Historically Disadvantaged Community. The tool is available here.

As was the case last year, the Department is encouraging applicants to consider how their projects can address climate change, ensure racial equity, and remove barriers to opportunity. This year the Department is also encouraging applicants to consider how their projects can create workforce development opportunities. Applicants can be more competitive in the process if they are creating jobs with free and fair choice to join a union and good labor standards, creating jobs that underserved communities can access, or are supporting worker opportunities and training. Applicants are also encouraged to utilize registered apprenticeship and local and economic hire agreements. The RAISE program is one way the Bipartisan Infrastructure Law acts on President Biden's promise to bring good-paying jobs to local communities.

Potential Application to Midway Rising: Bus Station, Workforce Training, Active Transportation, Intermodal Mobility, Transit Orientated Development, Disadvantaged Communities

Weblink: RAISE Discretionary Grants | US Department of Transportation

Agency: National Telecommunications and Information Administration (NTIA), and the Federal Communications Commission (FCC)

Program: Broadband Programs (Multiple)

The IIJA includes the largest investment in broadband deployment and adoption in U.S. history, with billions of dollars available across multiple new programs. The new funding will be disbursed by the NTIA and FCC and the states, which will develop the specific rules and timeframes for each program. The summary below provides an overview of the IIJA's new broadband funding programs, including: (1) how much money will be available under each program; (2) how each program will work; and (3) the next steps in implementing each program. Relevant Programs:

- *State Broadband Deployment Grant Program*: $42.45 billion available with no end date. States will prioritize funding to projects involving unserved areas first (i.e., locations lacking access to 25/3 Mbps, low-latency broadband service), then underserved areas (i.e., locations lacking access to 100/20 Mbps, low-latency broadband service), and then community anchor institutions (i.e., schools, hospitals, and public safety entities). States also will prioritize funding to high-poverty areas and projects that provide higher-speed broadband services. Funding may be used for: (1) broadband deployment to unserved/underserved areas; (2) connecting eligible community anchor institutions; (3) broadband data collection, mapping, and planning; (4) installing broadband infrastructure or providing reduced-cost broadband in multifamily residential buildings (with priority to poor/unserved households); (5) broadband adoption (including providing internet-capable devices); or (6) any other NTIA-approved use.

- *Affordable Connectivity Program*: $14.2 billion with no end date. The Affordable Connectivity Program will replace the Emergency Broadband Benefit Program ("EBBP") established by the FCC last year to provide discounted broadband service and connected devices to qualifying low-income households (e.g., participate in Lifeline, Medicaid, and other specified government assistance programs). Nearly all broadband providers – including cooperatives – can participate in the new program. The FCC plans to allow broadband providers participating in the EBBP to also participate in the Affordable Connectivity Program without having to seek agency preapproval. Broadband providers that did not participate in the EBBP and that are not otherwise designated as eligible telecommunications carriers ("ETCs") for universal service funding programs will need FCC approval to participate in the new program.

- *Digital Equity Grant Program*: $2.75 billion distributed over five years. States will develop and implement "digital equity plans" to improve broadband access, affordability, and adoption among underserved "covered populations," including rural area residents. In doing so, states may award subgrants to broadband providers – including cooperatives – to complete digital equity projects on their behalf. States will develop their own rules and procedures for awarding broadband provider subgrants for digital equity projects in consultation with NTIA.

Note there is generally a focus on rural connectivity in the FCC programs but connectivity to underserved populations appears to have the potential for inclusion.

Potential Application to Midway Rising: Broadband Connectivity to Affordable Housing and Underserved Communities

Weblink: Emergency Broadband Benefit Program | Federal Communications Commission (fcc.gov)

***Agency: United States Department of Transportation (*USDOT)**

Program: Active Transportation Infrastructure Investment Program

The Active Transportation Infrastructure Investment Program is a new program, administered by the U.S. Department of Transportation (USDOT), that will provide competitive grants focused on connecting active transportation infrastructure. This program will provide larger grants, up to $25 million, to strategically invest in projects that connect active transportation networks, accelerating local and regional plans to create safe and convenient routes to everyday destinations.

Potential Application to Midway Rising: Transit-orientated mobility, walkable communities, exterior public parks and spaces.

Weblink: Active Transportation | US Department of Transportation / Federal Transit Administration (dot.gov)

CohnReznick

Agency: Department of Energy (DOE)

Program: Smart Grid Investment Matching Grant Program

Qualifying Smart Grid investments including for installation, that allow buildings to engage in demand flexibility or Smart Grid functions. Eligible investments include metering, control, and other devices, sensors, and software; communications and broadband technologies to support smart grid deployment; technologies and programs to integrate electric vehicles to the grid; devices and software for buildings support demand flexibility and other smart grid functions; operational fiber and wireless broadband communications networks enabling data sharing between distribution system components; and Advanced transmission technologies, including dynamic line rating, flow control devices, advanced conductors, and network topology optimization, to increase the operational transfer capacity transmission networks. $600,000,000 appropriated annually for fiscal years 2022 through 2026 (to remain available until expended).

Potential Application to Midway Rising: Inclusion of Smart Grid, Power, Solar Power, Broadband

Weblink: Deployment of Technologies to Enhance Grid Flexibility | Department of Energy

Agency: Federal Transit Administration (FTA)

Program: Strengthening Mobility and Revolutionizing Transportation Grants (SMART)

The Office of the Secretary's Strengthening Mobility and Revolutionizing Transportation Grant program provides supplemental funding grants to rural, midsized, and large communities to conduct demonstration projects focused on advanced smart city or community technologies and systems in a variety of communities to improve transportation efficiency and safety. In general, a Strengthening Mobility and Revolutionizing Transportation grant may be used to carry out a project that demonstrates at least one of the following: (i) Coordinate Automation (ii) Connected Vehicles (iii) Intelligent, sensor-based infrastructure (iv) Systems integration (v) Commerce delivery and logistics (vi) Leveraging use of innovative aviation technology (vii) Smart grid (viii) Smart technology traffic signals. $500,000,000 in funding available.

Potential Application to Midway Rising: Innovative streets, connected streets applications, complete streets

Weblink: BUILDING-A-BETTER-AMERICA_FINAL.pdf (whitehouse.gov)

Agency: Federal Transit Administration (FTA)

Program: Low or No Emission Bus Grants

IIJA expands this competitive program which provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities. FTA announced approximately $1.1 billion available for Fiscal Year 2022 grants to help modernize bus fleets and bus facilities across the country, including to help transit agencies purchase or lease low- or no- emission vehicles that use advanced technologies to help improve air quality and combat climate change. The FY22 grant opportunity is part of a larger package in FY22 competitive grant funds to help transit agencies purchase and rehabilitate buses, vans, and related equipment, and build bus facilities.

Potential Application to Midway Rising: Bus station / Connectivity

Weblink: https://www.transit.dot.gov/lowno

Agency: Federal Transit Administration (FTA)

Program: FTA Buses + Bus Facilities Competitive Program

The Grants for Buses and Bus Facilities Competitive Program (49 U.S.C. 5339(b)) makes federal resources available to states and direct recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants.

Potential Application to Midway Rising: Bus station / connectivity

Weblink: https://www.transit.dot.gov/bus-program

Agency: USDOT

Program: Safe Streets and Roads for All Grant Program

$5 billion in competitive grants to support local initiatives to prevent death and serious injury on roads and streets, commonly referred to as ''Vision Zero'' or ''Toward Zero Deaths'' initiatives.

An eligible project for funding from this program includes projects to develop a comprehensive safety action plan; to conduct planning, design, and development activities for projects and strategies identified in a comprehensive safety action plan; or to carry out projects and strategies identified in a comprehensive safety action plan. Eligible recipients include metropolitan planning organizations, political subdivisions of a state, federally recognized tribal governments, or a multijurisdictional group of entities described here. An Implementation Grant is given to recipients who have already developed an action plan and are ready to implement their action plan. Applications are due at on September 15, 2022.

Potential Application to Midway Rising: Pedestrian and Roadway.

Weblink: Safe Streets and Roads for All (SS4A) Grant Program | US Department of Transportation

Agency: Federal Highway Administration (FHWA)

Program: Transportation Alternatives Set-Aside

In enacting the IIJA, Congress increased the size of the TA Set-Aside from $850 million annually in the last years of the FAST Act (Pub. L. 114-94) which amounts to $1.38 billion in FY 2022 and increases to nearly $1.5 billion in FY 2025. This presents opportunities to fund many smaller-scale but critically important multimodal transportation projects at both the State and local level. The TA Set-Aside provides funding for a variety of transportation projects such as pedestrian and bicycle facilities; construction of turnouts, overlooks, and viewing areas; community improvements such as historic preservation and vegetation management; environmental mitigation related to stormwater and habitat connectivity; recreational trails; safe routes to school projects; and vulnerable road user safety assessments. With its eligibilities including bicycle and pedestrian facilities, safe routes to school projects, and vulnerable road user safety assessments, Transportation Alternatives is a key program for helping States build Complete Streets that are safe for all users and achieve safe, connected, and equitable on-and off-road networks.

Potential Application to Midway Rising: Pedestrian, Bike Paths and Roadways

Weblink: [Transportation Alternatives - Environment - FHWA (dot.gov)]

Federal opportunities for funding related to Water:

The majority of the water funding will move through the State Revolving Fund programs. Water utilities, non-profits, drinking water providers, and other potential recipients should begin to work with local stakeholders and State program contacts to identify potential projects, with a focus on prioritizing projects serving disadvantage communities. The Environmental Protection Agency and other agencies will provide technical assistance to help these disadvantaged communities overcome barriers to receiving loans and grants for water improvements. Potential recipients of the lead service line funding are also encouraged to accelerate the development and use of lead service-line inventories, which can help guide the design of replacement projects eligible for these funds. Additional national program guidance will be issued soon to State water primacy agencies.

The Western Water program provides substantial new funding that will help western communities fight drought by investing in new and expanded water storage, water efficiency, water reuse and dam safety projects throughout the west.

Note: There may be some opportunities for mitigating lead pipes (as needed) or upgrading existing water infrastructure on the site.

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State Funding

Resources:

The California Grants Portal presents a helpful summary Home - California Grants Portal of current active grant solicitations in a range of categories.

State of California's GoBiz Team Our Team (ca.gov) can provide assistance on identification and application to funding sources.

Agency: California State Transportation Agency (CalSTA)

Program: Transit and Intercity Rail Capital Program

The Transit and Intercity Rail Capital Program (TIRCP) was created by Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and modified by Senate Bill 9 (Chapter 710, Statutes of 2015), to provide grants from the Greenhouse Gas Reduction Fund (GGRF) to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. There have been four prior cycles of TIRCP funding, in which the California State Transportation Agency (CalSTA) has awarded $5.8 billion in funding to 73 projects throughout the state. The legislation of these bills is established in Sections 75220 through 75225 of the Public Resources Code (PRC). Assembly Bill 398 (Chapter 135) extended the Cap-and-Trade Program that supports the TIRCP from 2020 through 2030. SB 1 (Chapter 5) continues to provide a historic funding increase for transportation with funds directed to the TIRCP from the Public Transportation Account for new programming

The TIRCP was created to fund transformative capital improvements that modernize California's intercity rail, bus (including feeder buses to intercity rail services, as well as vanpool services that are eligible to report as public transit to the Federal Transit Administration), ferry, and rail transit systems (collectively referred to as transit services or systems inclusive of all aforementioned modes unless otherwise specified) to achieve all of the following policy objectives, as established in Section 75220(a) of the PRC:

- Reduce emissions of greenhouse gases
- Expand and improve transit service to increase ridership
- Integrate the rail service of the state's various rail operations, including integration with the high-speed rail system
- Improve transit safety

Additionally, Section 75221(c) of the PRC establishes a programmatic goal to provide at least 25 percent of available funding to projects that provide a direct, meaningful, and assured benefit to disadvantaged communities,

Potential Application to Midway Rising: Bus Station, Transit Connections

Weblink: [Transit and Intercity Rail Capital Program | CalSTA]

Agency: California Strategic Growth Council (CSGC)

Program: Affordable Housing and Sustainable Communities Program

Affordable housing loans and other capital grants for housing-related infrastructure, sustainable transportation infrastructure, transportation-related amenities, and related programs. Local agencies, public housing authorities, redevelopment successor agencies, transit agencies and operators, regional transportation planning agencies, local transportation commissions, congestion management agencies, joint powers authorities, school districts, facilities districts, university or community college districts, developers, program operators, and federally recognized Tribal governments. At least 50 percent of funds are invested in and benefit disadvantaged communities (with project location determined by the site of the affordable housing development). Project scoring and selection takes into account community engagement during the development process and how the project addresses community-identified needs. Applications through a statewide competitive process. $3,055.0 million allocated as of November 2021.

Potential Application to Midway Rising: Affordable Housing elements including exterior communal spaces. Bus Station.

Weblink: Affordable Housing and Sustainable Communities Program — California Climate Investments

Agency: California Strategic Growth Council (CSGC)

Program: Transformative Climate Communities Implementation Grant

The program objectives are to reduce greenhouse gas emissions, improve public health and the environment, and support economic opportunity and shared prosperity. TCC's unique, place-based strategy for reducing greenhouse gas emissions is designed to catalyze collective impact through a combination of community-driven climate projects in a single neighborhood. TCC Implementation Grants support an integrated set of projects within a neighborhood project area of approximately five square miles. Projects must reduce greenhouse gas emissions significantly over time, leverage additional funding sources, and provide health, environmental and economic benefits to the community.

Potential Application to Midway Rising: Affordable and sustainable housing developments; Transit stations and facilities; Electric bicycle and car share programs; Solar installation and energy efficiency; Water-energy efficiency installations; Urban greening and green infrastructure; Bicycle and pedestrian facilities; Recycling and waste management; Health and well-being projects; Indoor air quality projects; Community microgrids; and Brownfield redevelopment

Weblink: Transformative Climate Communities Implementation Grant - California Grants Portal

Agency: California Energy Commission

Program: Clean Transportation Program

The California Energy Commission's Clean Transportation Program (also known as the Alternative and Renewable Fuel and Vehicle Technology Program) provides funding to support innovation and accelerate the development and deployment of advanced transportation and fuel technologies. The Clean Transportation Program (also known as Alternative and Renewable Fuel and Vehicle Technology Program) invests up to $100 million annually in a broad portfolio of transportation and fuel transportation projects throughout the state. The Energy Commission leverages public and private investments to support adoption of cleaner transportation powered by alternative and renewable fuels.

The program plays an important role in achieving California's ambitious goals on climate change, petroleum reduction, and adoption of zero-emission vehicles, as well as efforts to reach air quality standards. The program also supports the state's sustainable, long-term economic development.

Potential Application to Midway Rising: Electric Vehicle Charging. Clean Transportation (e.g., zero emission bus)

Weblink: Clean Transportation Program Overview (ca.gov)

Agency: Workforce Development Board

Program: High Road Training Partnerships: Resilient Workforce Fund Program

The California Workforce Development Board (CWDB) is pleased to announce a rolling fund to advance a field of practice that simultaneously addresses urgent questions of income inequality, economic competitiveness, and climate change through regional skills strategies designed to support economically and environmentally resilient communities across the state.

The CWDB understands long-term, low-wage work is a significant problem for the future of California and seeks to build systems to promote access and advancement to better-paying jobs. This initiative will continue to tackle this issue by focusing on industry as an organizing principle, and building partnerships that develop skills employers need in ways that secure stronger economic opportunities for low-income workers. Furthermore, mitigating or adapting to climate disruption and environmental threat requires skill shifts not only through transportation, construction, and energy, but also in sectors such as healthcare, hospitality, information technology, and emergency services. Investments in a skilled workforce promote energy, water, and fuel efficiency, build and capture the value of low-carbon technology, and support healthy, economically resilient communities. This requires intentional, strategic, workforce development driven by collaborative regional training partnerships serving multiple employers in key industries.

Potential Application to Midway Rising: Bus Transit. Job accessibility. Job Training Resilient communities via affordable housing.

Weblink: High Road Training Partnerships: Resilient Workforce Fund Program - California Grants Portal

Agency: California Infrastructure and Economic Development Bank

Program: Infrastructure State Revolving Fund (ISRF)

The Infrastructure State Revolving Fund (ISRF) Program is authorized to directly provide low-cost public financing to state and local government entities. ISRF financing is available in amounts ranging from $50,000 to $25 million with loan terms for the useful life of the project up to a maximum of 30 years.

A few examples of ISRF financed projects include water and wastewater treatment plant upgrades or construction, venue or airport construction or street repair and upgrades. Eligible applicants must be located in California and include any subdivision of a local government, including cities, counties, special districts, assessment districts, joint powers authorities and nonprofit organizations sponsored by a government entity. Please note, while ISRF financing is available for many types of projects, housing is not allowed per our legislative statute.

Potential Application to Midway Rising: Non-housing elements

Weblink: Infrastructure Loans | California Infrastructure and Economic Development Bank (IBank)

July 1, 2022

Mr. James J. Schmid
Chief Executive Officer
Chelsea Investment Corporation
6339 Paseo del Lago
Carlsbad, CA 92011

Dear Mr. Schmid,

CohnReznick LLP is pleased to provide you with this letter which summarizes the federal funding programs within the Infrastructure Investment and Jobs Act that could be available to provide further funding to the Midway Rising Project. The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), signed into law on November 15, 2021, is a $1.2 trillion investment in the nation's infrastructure intended to rebuild America's infrastructure, upgrade and expand public transit, improve safety, address the climate crisis, advance environmental justice, and invest in communities that have too often been left behind. As such, having reviewed the scope of the Midway Rising Project, we believe that there are number of elements contained within it that may be suitable for funding through the IIJA. These elements include:

- Public Transit Connections
- Electric Buses, Intermodal Facilities and Bus Stations
- Electric Vehicle Charging
- Affordable Housing
- Water Access
- Environmental Remediation
- Broadband Access
- Power Infrastructure
- Infrastructure Resilience
- Bicycle and Pedestrian Access
- Complete Streets

The IIJA contains a significant amount of funding sources that are provided through federal formulas or through discretionary grant programs. We have undertaken work to identify the best aligned funding programs, primarily within the discretionary programs, for the Midway Rising Project which includes the following:

- Environmental Protection Agency (EPA) Brownfields Projects – *Environmental remediation*;
- United States Department of Transportation (USDOT) Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grant Program - *Bus station, workforce training, active transportation, intermodal mobility, transit-orientated development, disadvantaged communities;*
- National Telecommunications and Information Administration (NTIA), and the Federal Communications Commission (FCC) - State Broadband Deployment Grant Program – *Broadband connectivity;*

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- United States Department of Transportation (USDOT) Program: Active Transportation Infrastructure Investment Program - *Transit-orientated mobility, walkable communities, exterior public parks and spaces;*
- Department of Energy (DOE) Program: Smart Grid Investment Matching Grant Program - *Smart grid, power, solar power, broadband;*
- Federal Transit Administration (FTA) Strengthening Mobility and Revolutionizing Transportation Grants (SMART) - *Innovative streets, connected streets applications, Complete Streets initiative;*
- Federal Transit Administration (FTA) Low or No Emission Bus Grants - *Bus station / intermodal connectivity;*
- Federal Transit Administration (FTA) FTA Buses + Bus Facilities Competitive Program - *Bus station / Intermodal Connectivity;*
- United States Department of Transportation (USDOT) Safe streets and roads for all grant program - p*edestrian and roadway*; and
- Federal Highway Administration (FHWA) Transportation Alternatives Set-Aside - *Pedestrian, bike paths and roadways.*

While each of these programs comes with individual requirements, timing of release and submissions of applications, non-federal match, and authorization and appropriation, we believe that a one or a combination of some of the above-listed programs can meaningfully enhance the funding profile of the project and enhance the community benefits that it will deliver.

Should you require any further information, please do not hesitate to contact me.

Sincerely,

Christopher Livingstone
Managing Director
Project Finance & Consulting
Chris.Livingstone@CohnReznick.com
310.359.2105

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A REASONABLENESS OPINION OF:

LOW INCOME HOUSING TAX CREDIT (LIHTC) DEVELOPMENT ASSUMPTIONS

A REASONABLENESS OPINION OF VARIOUS LIHTC DEVELOPMENT ASSUMPTIONS RELATED TO:

MIDWAY RISING

3220, 3240, 3250 and 3500 Sports Arena Boulevard
San Diego, San Diego County, California 92110

Effective Date: July 1, 2022
Report Date: July 1, 2022

Prepared For:
Jim Schmid
Chief Executive Officer
Chelsea Investment Corporation
6339 Paseo Del Lago
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July 1, 2022

Jim Schmid
Chief Executive Officer
Chelsea Investment Corporation
6339 Paseo Del Lago
Carlsbad, CA 92011

Re: Reasonableness Opinion of LIHTC development assumptions for Midway Rising Redevelopment

Dear Jim Schmid:

Pursuant to your request, Novogradac Consulting LLP completed an analysis of various inputs and assumptions included in the development pro forma for the proposed redevelopment of a 48.5-acre site in San Diego, CA. Per the agreed upon scope of work, our analysis centered around inputs associated with the development and operating budgets for approximately 2,000 units of affordable housing to be developed at the Subject site over a 10-year period.

Our analysis included the following scope of work:

- Review model inputs and test for key assumptions related to potential income and operating expenses.
- Evaluate key assumptions including vacancy/collection loss, absorption rates, income growth and expense rates, etc.
- Evaluate construction costs and construction schedule relative to comparable data and industry benchmarks.
- Evaluate eligible basis and the reasonableness of the costs included in basis.
- Evaluate capital stack for consistency and reasonableness in comparison to industry benchmarks including both permanent debt, soft debt, and tax credit equity, as appropriate.
- Evaluate developer fees relative to industry benchmarks.
- Evaluate Capitalization rate, discount rate and IRR determinations and determine reasonableness based on industry standards and benchmarks.

Note: Analysis or an opinion of the likelihood of obtaining LIHTC or other soft sources of funding is outside the scope of our analysis. However, the Client has a track record of having executed numerous projects with traditional funding sources similar to what is proposed. Therefore, while we cannot opine on the likelihood of receiving funding allocations based on TCAC tie-breakers and soft funding source scoring, the funding plan is expected and plausible.

We understand that the Client will use this document for as part of your submission to the City of San Diego (the “Stated Purpose and Use”). Any other use or user is inappropriate. We can amend this document for other users or uses under a separate agreement.

You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated

Purpose. Without limiting the general applicability of this paragraph, our Report may not be used in advertisements, solicitations and/or any form of securities offering.

We appreciate the opportunity to be of assistance. Please do not hesitate to contact us if we can be of any other help in the future.

Respectfully submitted,
Novogradac Consulting LLP

Brad Weinberg

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Manager

TABLE OF CONTENTS

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

On September 21, 2021, the San Diego City Council declared the 48.5-acre site located at 3220, 3240, 3250 and 3500 Sports Arena Boulevard in the Midway-Pacific Highway Community, which includes the existing Sports Arena, as surplus land under the Surplus Land Act (SLA) and related guidelines issued by the California Department of Housing and Community Development (HCD).

Per the SLA guidelines, a Notice of Availability (NOA) was issued by the City to entities registered with HCD as affordable housing sponsors and government agencies. The NOA included a "Development Condition" that the "future development include renovation or replacement of the City's current sports arena on the Property as a regional entertainment venue and operation of that venue for concerts, sports, and other events, consistent with similar arenas in large cities in the United States." According to public information available online, the respondents were:

- Discover Midway
- HomeTown SD
- Midway Rising (the respondent to which the Client is a party)
- Midway Village +
- Neighborhood Next

As part of the 90-day negotiating period with the five respondents, the City met with all parties to discuss priority areas associated with SLA, specifically the greatest number of affordable units being proposed below 80% Average Median Income (AMI) and the deepest level of affordability for the proposed affordable housing units. The Client's respondent party proposes to construct the largest number of affordable housing and has the deepest affordability.

It is within this context we have been asked to review the Client's current development and operating proformas for the above-referenced 2,000 units of affordable housing to determine the reasonableness of various assumptions. We bifurcated our analysis between two categories: development and operations. The assumptions tested for the two categories are summarized in the tables below:

Development	Operations
Construction costs	**Income**
Eligible basis	Rent affordability levels
Capital stack	Revenue growth
Loan terms	**Operating expenses**
Debt service coverage ratio	Expenses per unit
Developer Fee	Expense growth
	Vacancy
	Absorption

Purpose of the Assignment

The purpose of this assignment is to assess the reasonableness and market orientation of the above-listed assumptions made in the Client's development and operating proforma for proposed affordable housing to be developed in San Diego, CA.

We understand that the client will use this document as part of their submission to the City of San Diego. Any other use or user would be inappropriate. We can amend this document for other users or uses under a separate agreement. This report shall not be used for advertising purposes.

Specific Assumptions

We were not asked to evaluate the likelihood any of the proposed phases of affordable housing obtain LIHTC or other sources of funding. However, the Client has a track record of having executed numerous projects with traditional funding sources similar to what is proposed. Therefore, while we cannot opine on the likelihood of receiving funding allocations based on TCAC tie-breakers and soft funding source scoring, the funding plan is expected and plausible.

Client Documents Relied Upon

We relied upon numerous documents and forecasts for the purposes of our analysis. These documents include:

- Midway Rising Affordable Master.xlsx
- Midway Rising Dashboard.xlsx
- Sports Arena Phasing and AMI.xlsx

ANALYSIS OF LIHTC DEVELOPMENT ASSUMPTIONS

Analysis of Proposed Construction Costs

Per Client-provided information, the construction costs associated with the proposed LIHTC developments at the site are summarized below:

[redacted]

As shown on the previous page, total costs in California vary considerably. When focusing in on Southern California (the Los Angeles and San Diego markets), the top end of the range decreases but the average and median increase.

According to the California Tax Credit Allocation Committee, in 2021 the average initial total project per unit was approximately $500,000 for new construction LIHTC tax credit projects, although costs vary considerably throughout the state. Costs are particularly high in the Bay Area, where state housing data shows seven projects exceeding a cost of $1,000,000 per unit with another six proposed projects expected to exceed that figure. The following table shows the average cost per unit by geographic area for 2021 9% tax credit projects.

AVERAGE COST PER UNIT BY REGION
2021 9% LITHC ALLOCATIONS

Region	
East Bay Region	$867,213
San Francisco County	$863,259
South and West Bay Region	$773,380
Central Coast Region	$644,518
City of Los Angeles	$623,148
Balance of Los Angeles County	$551,242
Orange County	$524,009
Inland Empire Region	$520,101
San Diego County	$501,660
Northern Region	$496,473
Rural	$413,320
Central Valley Region	$363,236
Capital Region	$358,977
Statewide Average	**$499,474**

Source: California Tax Credit Allocation Committee 2021 Annual Report Data

The Client's proposed construction costs fall within the range of our internal data and is slightly above the average for San Diego County published by CTCAC's 2021 annual report. It is important to note the data presented, both our internal data and the CTCAC data, are historical amounts. And the recent increases in cost have been well publicized. The table below illustrates the PPI changes for building materials just from the end of 2021 through the first month of 2022.

PPI Changes for Common Building Materials, January 2022

Material	PPI Change in January 2022 from December 2021
Softwood Lumber	25.4%
Ready-Mix Concrete	1.4%
Gypsum Products	3.4%
Steel Mill Products	-1.9%
Paint	9.0%

Source: National Association of Home Builders; Novogradac

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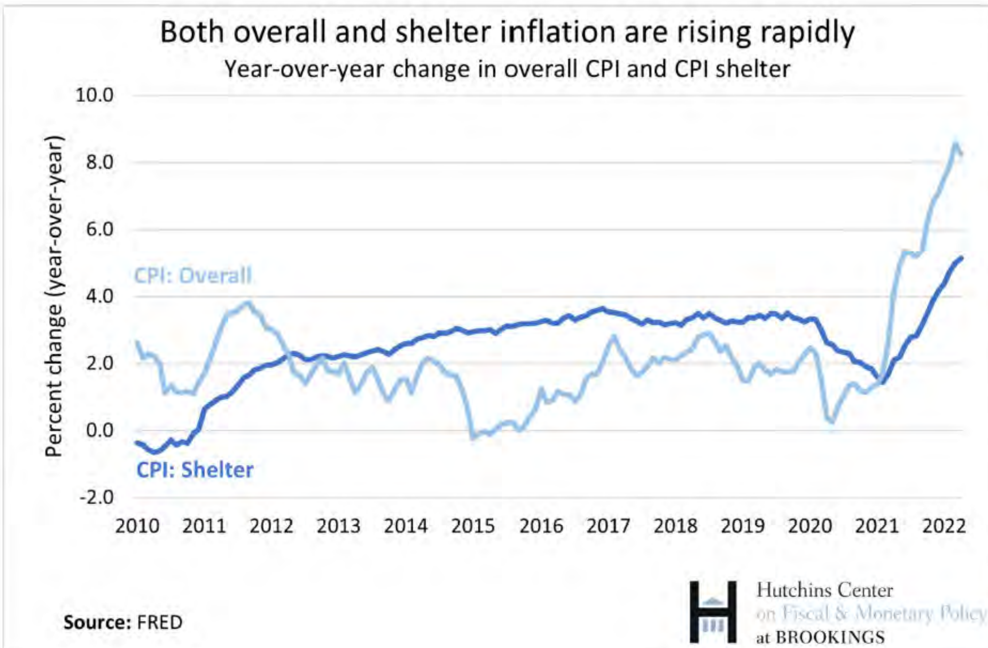
More recent information suggests inflation has accelerated during the first half of the year with CPI and Shelter CPI increases substantially, as illustrated in the graph below:



Main drivers of the rising costs to develop affordable housing since the onset of the COVID-19 pandemic include inflation, supply-chain issues, and worker shortages. However, costs have been rising since well before the pandemic. From 2008 to 2019, the average inflation-adjusted cost per unit of LIHTC new construction rose from $411,000 to $480,000, an increase of over 17 percent. The main factor influencing this increase is hard construction costs, which increased 40 percent in that period. In addition, affordable housing projects in California are often subject to stricter environmental and labor standards than market-rate projects. A study by the Terner Center for Housing Innovation at UC Berkeley found that union-prevailing wage requirements added $53,000 to the price per unit and stricter environmental building requirements added $17,000 per unit.

The first phase of the Client's proforma begins in 2025 and those estimated future amounts per unit range from $595,518 to $628,194 per unit. When considering the increase in construction costs even prior to the pandemic, with additional consideration of recent supply chain and labor shortage impacts, we believe the proposed construction cost fall within a reasonable range of the available data.

Analysis of Financing Sources

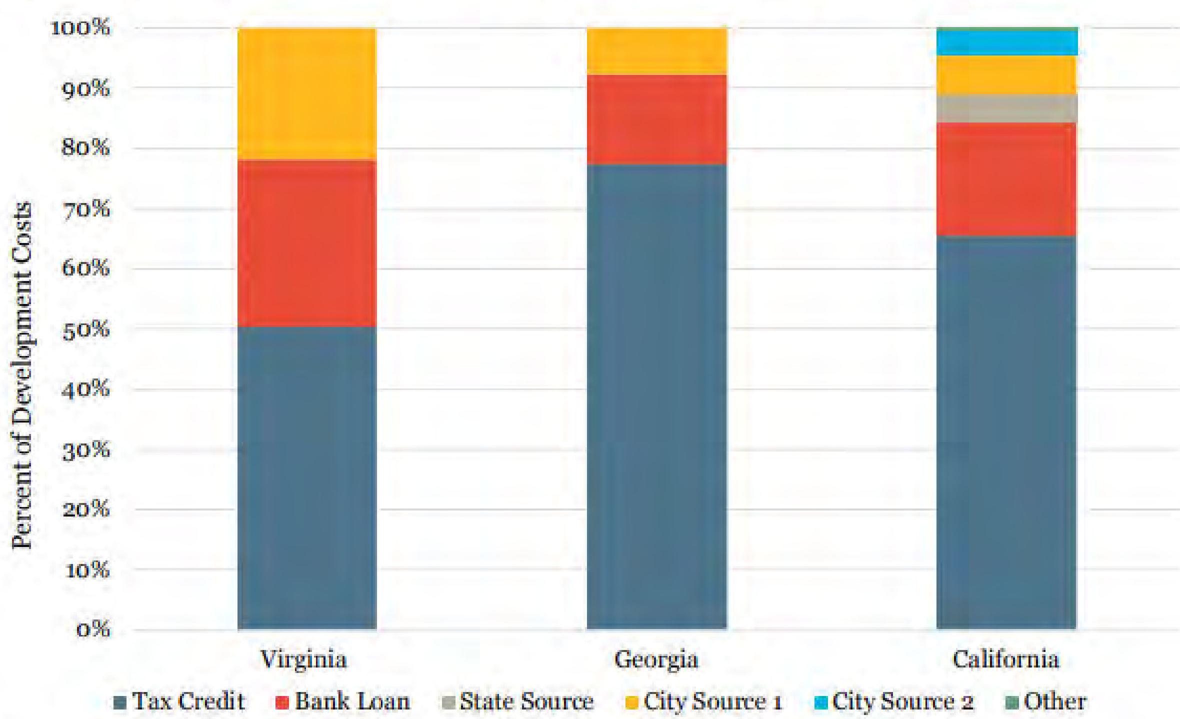
The Client-provided development pro forma include various sources for use in development of the various proposed phases of LIHTC development. These sources generally consist of the following:

- Tax Credit Equity
- Permanent Loan
- San Diego Housing Commission loan
- California Department of Housing and Community Development Multifamily Housing Program loan
- Developer Equity

A white paper recently published in April 2021 by the Terner Center for Housing Innovation of UC Berkley addressed the complexities associated with financing LIHTC projects. The following excerpts from *The Complexity of Financing Low-Income Housing Tax Credit Housing in the United States* speak to the issues compiling necessary capital and the amount of sources typically seen:

> *"….the equity generated from the tax credit is rarely sufficient to close the gap between the costs of development and the rents that would be affordable to households with low to moderate incomes. Since the program's inception, developers have made LIHTC work through a complex system of financing, where multiple sources of funding are "stacked" to make a deal financially feasible. Analysis in the early years of the program found that nearly a third of LIHTC developments had six or more separate sources of funding in their "capital stack."2 Decades later, our analysis of LIHTC properties in California found that between 2008 and 2019, 80 percent of developments layered between four to eight sources of funding (including equity), while another almost 9 percent relied on more than eight funding sources"*

Figure 4. Capital Stack Composition for Three 9% New Construction Large Family Properties Awarded in 2019



Source: Data scraped from applications posted online. State and federal tax credits have been combined into one category to represent total tax credit equity.

As shown, the California project analyzed in the graph above include six sources of financing, with three soft sources from the state and city. The various phases of development proposed are consistent with this configuration and appear reasonable.

ANALYSIS OF EQUITY TERMS

Low Income Housing Tax Credit

Novogradac has tracked low income tax credit pricing over the years and our data is presented in the graph below.

Source: Novogradac, June 2022

We supplemented the Novogradac survey data with data from the Housing Tax Credit Monitor Fund Watch, a report that appears quarterly in The Tax Credit Advisor. The report provides insight into LIHTC market transactions and includes data on the expected size of current transactions, net tax credit price as well as yields to the investor in LIHTC funds, and the number of properties in the current fund offerings. The March 2022 Fund Watch report illustrates a range a median LIHTC price of $0.884 with yields ranging from 3.25 percent to 7.2 percent. In general, the funds with the lowest yields and highest pricing include properties located in the mid -Atlantic and California where CRA competition appears to be greatest.

Tax Reform and Impact on Pricing

The graph shown earlier illustrates adjustments to credit pricing that occurred in 2016 and later. From 2010 through 2016, the LIHTC market was generally stable. However, in 2016, the market experienced significant upheaval after the presidential election, due to potential tax reform. After a slight pause, investors re-entered the market with decreased pricing reflecting a range of corporate tax rate ranging from 15 to 30 percent in anticipation of a lower corporate tax rate.

On December 22, 2017, the Tax Cuts and Jobs Act was passed and reflected a number of key provisions with the most significant being the decrease in the corporate tax rate from 35 percent to 21 percent. A significant decrease in pricing occurred as a result of the tax changes and the market stabilized at near the current pricing level in mid-2017. There was a general upward trend occurring until the onset of the COVID 19 pandemic in early 2020. The COVID 19 pandemic began in early 2020 and caused significant turmoil and uncertainty. In response, governments across the globe took dramatic efforts to reduce the strain on health care systems. Governments implemented significant economic stimulus packages to help with this economic disruption.

On November 19, 2021 the U.S. House of Representatives passed the Build Back Better Act, a $1.7 trillion bill that includes an expansion of the Low-Income Housing Tax Credit (LIHTC). This expansion would extend the 12.5 percent increase in the 9 percent LIHTC allocations that began in 2018 through 2024, adding a 10 percent increase, and an annual inflation adjustment. The legislation would also temporarily lower the 50 percent test for rental housing financed with private activity bonds (PABs) to 25 percent until 2026, which would free the bond cap and likely result in an increase in 4 percent LIHTCs. In addition, the bill would establish a 50 percent basis boost for extremely low-income housing, making such housing eligible for additional credits, and provides a 30 percent basis boost for LIHTC properties in tribal areas. Although the Build Back Better Act was passed by the House, the bill has yet to be passed by the Senate of the date of this report. As of the date of this report, pricing appears to have stabilized.

Information provided by the client indicates a price of $0.90 for the tax credit equity. Pricing in the recent Fund Watch report ranges from $0.84 to $0.97 with an average of $0.884 for all national funds and $0.908 for California funds. The client's pricing of $0.90 is at the lower end of the range of these trends. Given the Subject's location in San Diego, we believe this pricing at the upper end of the range is appropriate. Overall, we find the client estimate conservative and therefore reasonable with upside potential.

ANALYSIS OF ELIGIBLE BASIS

The hard costs and soft costs associated with the individual projects is typical of affordable housing developments and are consistent with the determination for eligible basis. More unique to the project is the additional basis associated with broader infrastructure requirements, as denoted in the models as Acquisition of Infrastructure Allocation. Information below provides information related to the reasonableness for inclusion of infrastructure costs in eligible basis.

Impact fees paid for water, sewer, roads and education facilities are capitalized and included in eligible basis. The IRS concluded in Revenue Ruling 2002-9 that these costs are capitalized as indirect costs under IRC 263A and therefore are includable in a development's eligible basis. It is reasonable to conclude that these costs incurred under a master development plan can be charged as a development impact fee and included in a LIHTC development's eligible basis on the theory that they are tantamount to impact fees that are includable in eligible basis under Revenue Ruling 2002-9. The overall infrastructure costs incurred by the developer of the master development will be used as a baseline to determine the reasonableness of the development impact fee charged to the LIHTC development.

Dedicated infrastructure improvement costs are includable in eligible basis when the improvements are required by a state or local government as a condition of obtaining building permits. The offsite capital improvements must be intended for general public use and are necessitated by the new development. Upon delivery, the state or local government will own and maintain the off-site capital improvements. The IRS has issued multiple private letter rulings allowing taxpayers to include these costs ineligible basis. It is reasonable to conclude that offsite costs mandated by the local governments should be included in eligible basis on the theory that they are also tantamount to impact fees that are included in eligible basis under Revenue Ruling 2002-9.

The treatment of on-site roads is different from off-site collector streets that connect to the on-site roads. The cost of on-site roads generally should be includable in eligible basis as land improvements are depreciable assets and roads are included as land improvements under Revenue Procedure 87-56.

ANALYSIS OF LOAN TERMS

Interest Rate

The client model illustrates estimated interest rates of 5.0 and 6.0 percent. Based upon a review of affordable lenders, the general range of interest rates, reported publicly is 4.88 to 6.35 percent for typical affordable housing lenders. This range is supported by interviews with lenders and a review of recent client assignments, which narrows our reported range of 5.00 to 6.00 percent.

Term and Amortization

Market Term and Amortization seems to be consistent within the marketplace with lenders stating 15-to-18-year terms with an amortization of 30 to 35 years.

Debt Service Coverage Ratio (DSCR)

The Client model illustrates a debt service coverage ratio (DSCR) of 1.15x. Based upon a review of published underwriting standards of affordable housing lenders the reported a DSCR range is 1.15 to 1.25. This is the publicly reported range and not necessarily reflective of actual DSCR rates. In general, a higher debt service coverage ratio is expected for properties that are rehabilitations, conversions, or are in less robust markets. Properties estimated at the low end would be more similar to the Subject, for example they would include new construction in active, demand heavy markets. Therefore, a DSCR of 1.15 is considered reasonable.

Analysis of Developer Fees

Per the California Code of Regulations for the California Tax Credit Allocation Committee, which implements the federal and state LIHTCS, a developer fee is defined as:

> *All Funds paid at any time as compensation for developing the proposed project, to include all processing agent fees, developer overhead and profit, construction management oversight fees if provided by the developer, personal guarantee fees, syndicator consulting fees, and reserves in excess of those customarily required by multi-family housing lenders*

In Section 10327(c)(2), the parameters surrounding Developer Fees is as follows:

<u>9% Competitive Credit New Construction</u>

> *The maximum developer fee that may be included in project costs and eligible basis for 9% competitive credit new construction, rehabilitation only, or adaptive reuse applications applying under Section 10325 of these regulations is the lesser of 15% of the project's unadjusted eligible basis and 15% of the basis for non-residential costs included in the project allocated on a pro rata basis or two million two hundred thousand ($2,200,000) dollars. The maximum developer fee that may be included in project costs and eligible basis for a 9% competitive credit acquisition/rehabilitation application is the lesser of 15% of the project's unadjusted eligible construction related basis plus 5% of the project's unadjusted eligible acquisition basis and 15% for the basis for non-residential costs included in the project allocated on a pro rata basis or two million two hundred thousand ($2,200,000) dollars.*

<u>4% Non-Competitive Credit New Construction</u>

> *The maximum developer fee is the sum of 15% of the project's unadjusted eligible basis and 15% of the basis for non-residential costs included in the project allocated on a pro rata basis. All developer fees in excess of two million five hundred thousand ($2,500,000) dollars plus $20,000 per unit for each Tax Credit unit in excess of 100 shall be deferred or contributed as equity to the project.*

[redacted]

[redacted] Further, while the Developer Fees for the 4% projects appear to adhere the maximum allowed 15 percent of the project unadjusted eligible basis. As the allocation of costs into the appropriate basis categories appears in line with industry standards, the calculation and allocation of developer fee also appears reasonable.

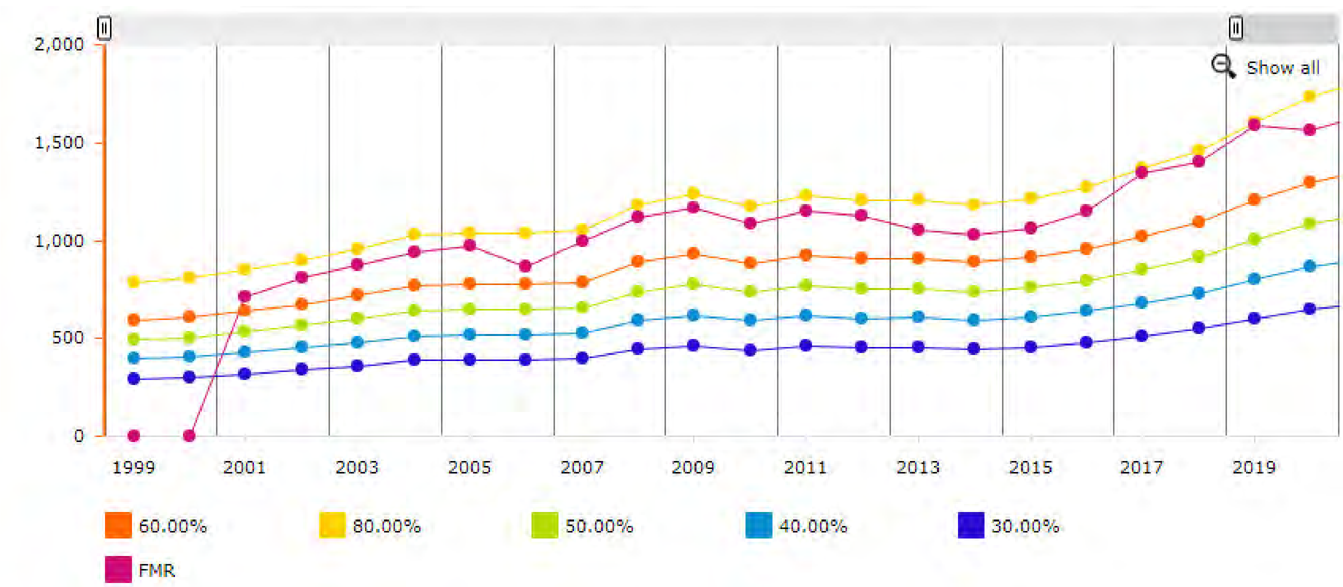
ANALYSIS OF LIHTC OPERATING ASSUMPTIONS

Analysis of Rent Affordability Levels

The Subject's units are restricted to those earning 80 percent of AMI or less. The proposed 80 percent AMI rents are set at $1,951 for a one-bedroom, $2,342 for a two-bedroom, and $2,707 for a three bedroom. These are consistent with current HUD Income Limits data, as shown below. Similarly, the Subject's proposed 60 percent, 50 percent, 40 percent, and 30 percent AMI rents are consistent with the current HUD Income Limits data.

LIHTC Rent Limits for 2022
(Based on 2022 MTSP/VLI Income Limits)

Bedrooms (People)	Charts	60.00%	80.00%	50.00%	40.00%	30.00%	FMR
Efficiency (1.0)		1,366	1,822	1,138	911	683	1,573
1 Bedroom (1.5)		1,464	1,952	1,220	976	732	1,739
2 Bedrooms (3.0)		1,756	2,342	1,463	1,171	878	2,232
3 Bedrooms (4.5)		2,030	2,707	1,691	1,353	1,015	3,099
4 Bedrooms (6.0)		2,265	3,020	1,887	1,510	1,132	3,795
5 Bedrooms (7.5)		2,499	3,332	2,082	1,666	1,249	



Average Increase (30.0%): 4.0%/year
Average Increase (50.0%): 4.0%/year
Average Increase (80.0%): 4.0%/year
Average Increase (40.0%): 4.0%/year
Average Increase (60.0%): 4.0%/year

We also compare the Subject's highest proposed rent, the proposed rents at 80 percent AMI rents, to the average San Diego market rent, as provided in CoStar's most recent San Diego – CA Multi-Family Market Rent Report. As shown in the table below, the Subject's proposed rents at 80 percent AMI range offer a market rent advantage of 5.9, 6.1 and 13.8 percent of the average San Diego market rents for the one, two, and three-bedroom units, respectively. Considering the Subject proposed 80 percent rents offer a market advantage, this indicates the rents for all units appear reasonable and consistent with affordability levels.

Comparison of Highest Affordable Rent at Subject with Market Rents

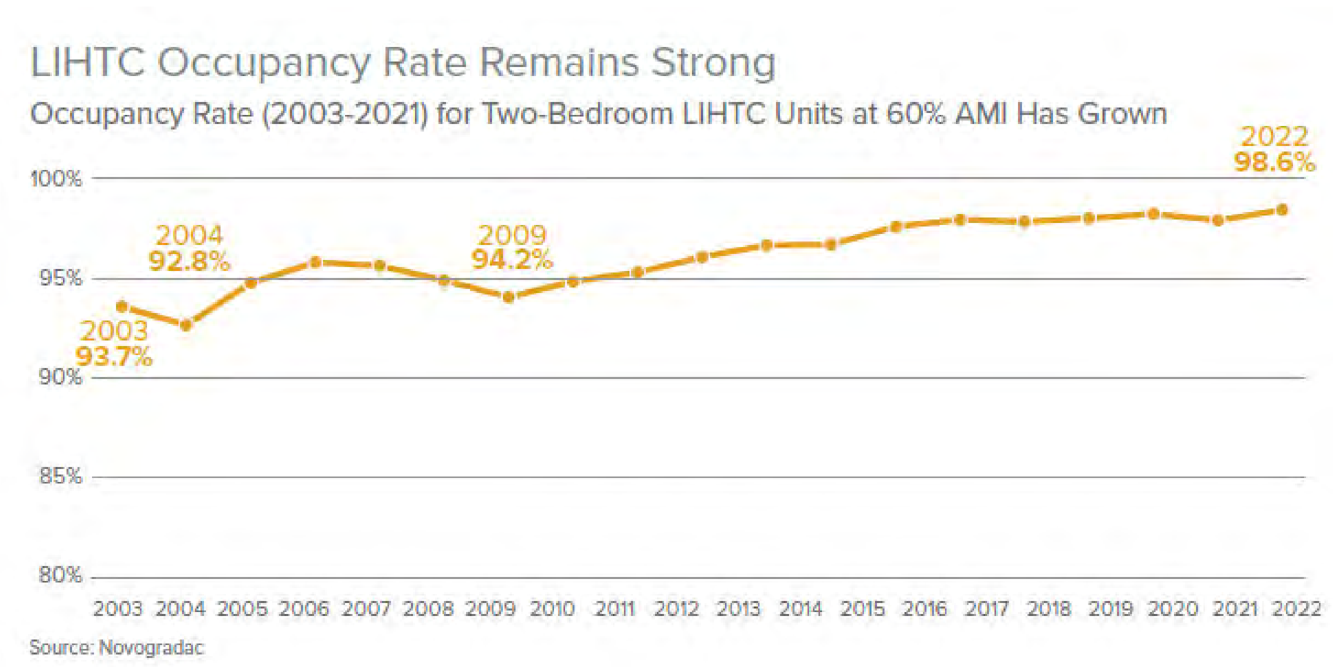
Unit Type	Subject's Proposed 80% Rents (Gross)	Average Market Rent	Market Advantage
1BR	$1,952	$2,074	5.9%
2BR	$2,342	$2,493	6.1%
3BR	$2,707	$3,139	13.8%

Source: Client-provided information, CoStar.com (Retrieved June 2022)

Analysis of Vacancy Rate

Income restricted properties like those funded through the LIHTC program generally out-perform the general market in terms of occupancy because they offer a scares resource at a below market rental rate.

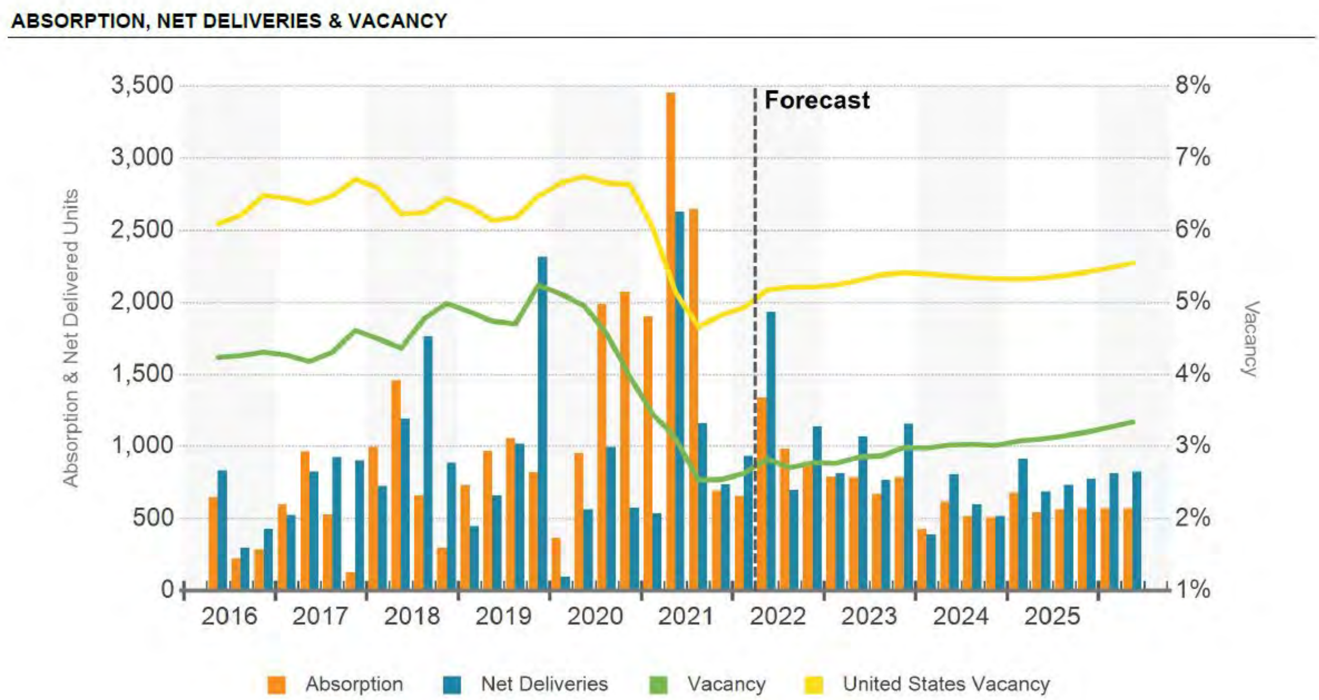
Novogradac Consulting studies the performance of LIHTC and affordable properties in general. We track performance of the portfolio and illustrate the long-term stability in terms of occupancy in the graph below.



In general, affordable rental housing maintains occupancies above 97 percent once stabilized.

The broader market within San Diego is reportedly supply constrained. The Costar San Diego Market Report estimates the market had a 2.5 percent vacancy rate in 2021, which is consistent with the 2.5 percent estimate for 2020.

The below graph illustrates their historic estimates and projections for the whole market.



Source: Costar San Diego Multifamily Market Report – downloaded June 2022.

The projection for overall market vacancy is for a slightly increasing vacancy rate up to approximately 3.5 percent in mid-2026. This is optimistic given the demand growth already discussed elsewhere. However, a 3.5 percent overall vacancy still reflects a supply imbalanced market. We expect affordable vacancies to remain below that of the overall market and there to be consistent demand over the short and medium terms.

In addition to analyzing market data, we have also conducted interviews with multifamily properties in San Diego in order to determine vacancy rates. The following table summarizes the average vacancy rate of these properties within the last six months.

OVERALL VACANCY RATE - SAN DIEGO, CA

Program	Total Units	Vacant Units	Vacancy %
LIHTC/Section 8	6,204	23	0.4%
Market	8,359	87	1.0%
Overall Total	**14,563**	**110**	**0.8%**

We interviewed 105 multifamily properties in San Diego, CA, with a combined total of 14,563 LIHTC/Section 8 and market units. The LIHTC/Section 8 properties reported an overall 0.4 percent vacancy rate, and the market properties reported a 1.0 percent overall vacancy rate. This further supports our expectation of affordable vacancies remaining below that of the overall market.

Analysis of Operating Expenses

[redacted]

The above table compares the proposed operating results to a benchmark report and four actual statements from four properties located in San Diego (2020 data). Novogradac publishes the Multifamily Rental Housing Operating Expense Report annually. This report compiles operating statements from LIHTC properties from across the country. The above compares the proposed operating results to an aggregation of property statements from large metropolitan cities such as San Diego.

The proposed operating expenses fall within the range of the comparable range and are near the Novogradac benchmark. Therefore, the expense pro forma is reasonable.

Analysis of Rent and Expense Growth Assumption

The Client-provided operating projections include growth assumptions of 2.0 percent for revenue and 3.0 percent for expenses. When forecasting results for LIHTC properties, valuation and underwriting professionals commonly use 3.0 percent annual growth for operating expenses and 2.0 percent growth for revenues as benchmarks.

Regarding revenue growth, the compounded annual growth rate (CAGR) from 2011 to 2021 of the national area median income (AMI) is 2.2%. By comparison, the CAGR on two-bedroom LIHTC properties in Novogradac's data set for the same time period is 3.0%. Finally, the CAGR from 2011 to 2021 for market-rate rents is 3.4%, according to CoStar Group. AMI is a critical component to revenue growth as AMI is used to set rents for LIHTC properties. Therefore, as AMI increases, so do rents.

In terms of expenses, data from the Novogradac Multifamily Rental Housing Operating Expense Report has historically found this to be an accurate rate of growth. However, in the 2021 edition of the report, Novogradac's data shows that expenses increased by 5.4%. The consumer price index (CPI) for housing grew at a compounded growth rate of 2.2% from 2010 through 2020, according to the Novogradac 2021 Multifamily Rental Housing Operating Expense Report. This measure captures the prices of rents, fuels and utilities, nd household furnishings and operations. By comparison, the report found that LIHTC properties' expenses grew at a compounded rate of 3.0% from 2010 through 2020. Over time, LIHTC expense growth has slightly outpaced CPI for housing in every year from 2010 through 2020.

Given the historic data regarding LIHTC rent and expense growth, the 2.0 revenue and 3.0 percent operating expense growth assumptions appear reasonable.

ANALYSIS OF ABSORPTION

Midway Rising will deliver 2,000 affordable units over the nine-year period between 2026 to 2035. This represents an absorption pace of approximately 18.5 units per month. There are no comparable 2,000-unit properties to which we can compare the Subject. However, it will be delivered as fifteen individual properties that will operate independently. Therefore, it is fair to view the absorption pace as typical for properties in the 75-to-160-unit size range.

We collected the following data from recently completed apartment developments in downtown San Diego.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Keeler Court Apartments	LIHTC	Family	2021	71	26
The Jackson	Market	Family	2019	36	8
Bluewater Apartments	LIHTC	Family	2019	80	40
BLVD North Park	Market	Family	2019	164	16
Avia 1 & 2	Market	Senior	2019	207	15
Vida North Park	Market	Family	2018	118	10
The Evelyn	Market	Family	2018	12	6

Source: Novogradac, June 2022

The above property absorption rates illustrate a broad range, but not surprisingly the two LIHTC properties have the fastest leasing pace. Further, the smaller, less professionally managed properties have the slowest absorption pace.

The Costar San Diego Multifamily Market Report states the following regarding the San Diego housing market:

> *Annual net absorption has moderated from its historically strong level in 2021, and the vacancy rate is trending at 2.6% with occupancy in 1 & 2- and 3-Star inventory averaging above 98 across the entire county. Maintaining that torrid pace from last year was unsustainable given how few units are available. With the level of recent demand, asking market rent growth is soaring, and it is trending near its highest level in two decades. Performance has been driven by midtier and 4- & 5-Star inventory where rents are rising 16.6% and 15.8%, respectively, year over year. More than half of San Diego submarkets have recorded double-digit rent growth in the past 12 months and asking market rents have grown by an average of more than 16% year over year among the region's most expensive submarkets, where average rents sit near $2,900/month.*
>
> *Across all of San Diego, trailing 12-month net absorption is trending at 5,100 units. That compares to the five-year annual average of 4,500 units. The overall vacancy rate is 2.6%, compared to the five-year average of 4.1%, while the stabilized vacancy rate has settled at an all-time low of 2%. However, demand has begun moderating as the region is becoming increasingly fully occupied. Just last year, annual net absorption reached 10,000 units.* ***New buildings that delivered in 2021 have averaged an absorption rate of more than 28 units/month during lease up.*** *That doubled the average monthly absorption for buildings that delivered between 2018 and 2020. New buildings, on average, are stabilizing in less than four quarters compared to the prior three-year period, when it was roughly five and a half quarters to stabilize on average.*

Costar mentions that the trailing five-year average is 4,500 units absorbed per annum. Further, they state that this may be slowing as a result of limits to supply growth. The Subject will represent approximately 222 units annually or 5 percent of this historic annual absorption. Costar quotes typical absorption of new buildings delivered in 2021 is 28 units per month. Again, the projected absorption pace of 18.5 is well below that benchmark. Therefore, we believe the Subject’s estimated absorption pace is reasonable.

ADDENDUM A

Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. Client provided development forecasts and other information, which we relied extensively upon in the formulation of all analyses. We reviewed these documents and other relevant documents.

2. All documents were reviewed as of June 30, 2022. We assume final versions will be essentially the same. If the final documents are substantively different than the draft documents, our conclusions may be invalid.

3. The Financing Structure and terms as supplied by Client are assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and transferable.

4. All information contained in our report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.

5. Possession of our report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of our report, or copy thereof, shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the author. Nor shall the author, firm, or professional organizations of which the author is a member be identified without written consent of the author.

6. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the subject property unless satisfactory additional arrangements are made prior to the need for such services.

7. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.

8. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the author work-file.

9. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. Acceptance of and/or use of this report constitutes acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

ADDENDUM B
QUALIFICATIONS

Brad Weinberg, MAI, CVA, CRE, CSPO

Brad is a partner in the San Francisco office of Novogradac and currently splits his time between the Government Consulting and Valuation Advisory Services (GoVal) group and the Data Analytics Group. Brad has extensive experience in providing business and real estate valuation services, transaction support and economic impact analysis services to both public- and private-sector interests. Prior experience includes working at the local, state, and federal levels related to P3 projects. Brad worked extensively with the DoD to provide consulting services on P3 projects including BRAC sites and site re-use through the enhanced use leasing program (EUL).

In recognition of the importance of technology and automation in professional services, Brad also established the Data Analytics Group (DAG). DAG specializes in automation, data science, and technology, within the professional services industry. DAG has built custom software solutions as well as integrated off the shelf software tools for both the firm and firm clients.

Brad's previous experience includes working as a manager in the Washington, D.C., office of Ernst & Young LLP and as a consultant to Kenneth Leventhal and Price Waterhouse Coopers. He received a bachelor's degree in urban planning and a master's degree in accounting and financial management from the University of Maryland. He holds the CVA business valuation designation, is a certified real estate appraiser and is a designated member of both the Appraisal Institute, holding the MAI designation, and the Counselors of Real Estate, holding the CRE designation. Mr. Weinberg is also a Certified Scrum Product Owner.

H. Blair Kincer, MAI, CRE (LEED)

Blair is a partner in the metro Washington, D.C., office of Novogradac in the company's GoVal group, where he specializes in four primary practice areas: market analysis and appraisal of various types of mixed-income and affordable housing properties, new markets tax credit (NMTC) industry consulting, historic tax credit (HTC) industry consulting, and market analysis and appraisal in the renewable energy industry. In the HTC and NMTC arena, Blair specializes in various analyses involving evaluating debt and real and financial asset value. Further, he has significant experience in analyzing commercial real estate assets involved in NMTC and or HTC redevelopment. His experience in the renewable energy industry includes solar and wind-generation facility appraisals and impact analyses of renewable energy services provided to affordable housing. Mr. Kincer, a certified LEED Green Associate, brings to his practice a broad understanding of green building technologies, best practices and the LEED Rating System. Blair is also a member for the Counselors of Real Estate and of the Appraisal Institute. Before joining Novogradac, Blair was vice president of acquisitions for a regional developer, where he specialized in financial and economic feasibility analysis. His responsibilities included finding and processing potential acquisitions for rehabilitation using tax credit and tax-exempt bond financing. Blair served as a manager with Ernst & Young LLP, where he performed portfolio valuations, market analysis and loan pool performance reviews. He also previously held a position with PKF's Hospitality Group. His areas of specialization included portfolio review, retail, and hospitality. Blair received his bachelor's degree from West Virginia University and his master's degree from Duquesne University. He is a member of the Appraisal Institute and a certified general appraiser in approximately 15 states.

Mathew A. Yunker

Matt is a manager in the Cleveland office of Novogradac in the company's GoVal group, where he specializes in valuation services, reasonableness testing, and economic impact analysis. Matt's expertise includes providing reasonableness testing for proposed commercial, institutional, or mixed-use projects for proposed developments using the NMTC and RTC equity sources. He also has extensive experience with economic impact for a wide range of multifamily and commercial developments. Matt's prior experience includes working as an associate developer with experience in both commercial and multifamily development. Matt received his bachelor's degree from The Ohio State University.

10

LEGAL DISCLOSURES

LEGAL DISCLOSURES

1. Been a debtor in a voluntary or involuntary bankruptcy or insolvency creditor's action or proceeding? No.
2. Been involved in a property foreclosure or deed in lieu? No.
3. Had any judgments against them? No.
4. Been involved in any forbearance/modification agreement? See response B below.
5. Been in default or been given relief by a lender under the terms of any mortgage loan or other obligation (including any discounted payoff or debt forgiveness)? See response B below.
6. Have any real estate taxes, personal taxes, bonds, or assessments outstanding? No.
7. Been arrested or convicted of any crime? No.
8. Been under investigation by any governmental agency? No.
9. Been audited by the IRS or the California franchise tax board? No.
10. Had any tax liens (other than property tax or assessments imposed against real property) filed? No.
11. Been a party to any potential claims, lawsuits, pending lawsuits (civil or criminal) or arbitration, foreclosures, repossessions, or regulatory actions? See responses A, B, and C below.

A. Legends Hospitality, LLC ("Legends") is a global food & beverage provider which has had employment claims commensurate with those of a company with similar scope and scale in the hospitality industry. That being said, Legends has never been found culpable for any claims made against it by any court of competent jurisdiction. Additionally, over the last seven years, Legends has not had any material instances which would require an affirmative response.

B. Zephyr was previously involved in a partnership dispute that was successfully resolved and settled. There are no outstanding claims or remaining actions related to the matter.

C. Whitby, et al vs. Chelsea Investment Corporation, et al. This case involved complaints about management's requirement that children be supervised in common areas and enforcement of safety-related restrictions. Chelsea denied all claims of wrongdoing and entered into a settlement on February 9, 2017, to avoid cost of future litigation. CIC, et al. has been engaged in various landlord/tenant disputes commensurate with the size of our portfolio of residential units. These are ongoing and not material in amount and have no impact on our ability to perform our obligations for this redevelopment.

MIDWAY RISING

A MIDWAY FOR ALL

THANK YOU

EXHIBIT D
TO
EXCLUSIVE NEGOTIATION AGREEMENT

Midway Redevelopment

PROPOSED DEVELOPMENT DESCRIPTION REQUIREMENTS

1. Total site area
2. Building(s) square footages, heights and number of floors
3. Areas devoted to individual Programmatic Components
4. Number of hotel rooms
5. Number of residential units (market-rate and affordable)
6. Arena square footage, seating capacity and venue programming
7. Building materials to be used and type of construction
8. Parking details and locations
9. Vehicle site access
10. Public open space and parks
11. Conceptual public access and activation plan demonstrating how the Proposed Development will provide and manage access and activation to the general public throughout the Site, including areas and/or amenities offered to the general public free-of-charge, at low cost and market-rate
12. Location and type of any other public amenities and proposed infrastructure improvements
13. Utility improvements and facilities, including electric power, natural gas, water, wastewater, stormwater, solid waste, telecommunications and renewable energy
14. Construction information, including the length and phasing of demolition
15. Construction or development and anticipated import and export of dirt, including disposal site(s)
16. Stormwater BMPs
17. Shoring (temporary or permanent)
18. Number of construction-related parking spaces
19. Estimated number of daily vehicle and truck trips anticipated to occur at the height of construction
20. Construction laydown areas and locations and haul routes

21. Conceptual drawings for the overall Proposed Development and each Programmatic Component in sufficient detail to clearly illustrate the Proposed Development and each Programmatic Component, including, at a minimum, all the following:

21.1. Site/Floor Plans. A site plan illustrating a comprehensive overview with sufficient detail to understand the scope of the entire Proposed Development and, at a minimum, clearly identifying locations and size of building footprints for each Programmatic Component, areas proposed for public space, and parking area layouts with estimated parking space counts and vehicular and pedestrian access. The site plan should clearly distinguish area allocations among commercial uses, residential uses, service/parking, circulation and public areas. Site plan and floor plans for each Programmatic Component, as applicable, that includes levels (do not duplicate identical floor plans) and roof plans. Detailed floor plans are not required; however, general outlines and perimeter information to collaborate illustrated elevations must be provided (locations of windows, doors, shear walls, etc.).

21.2. Elevations. Colored architectural exterior elevations providing a comprehensive view of the entire Proposed Development and illustrating proposed building massing, height, materials and colors and related architectural elements. Elevations must match rendering on perspective drawings. Elevations for each building face and enlarged elevations for all building frontages shall be included. All elevations should identify base datum used in height, measurements, colors and materials.

21.3. Context/Perspective Drawings. Three to five colored renderings and drawings approximately thirty inches (30") by forty-two inches (42") and hard backed providing a representative illustration of the Proposed Development, clearly showing massing and the relationship of the Proposed Development in context to its surrounding environment with the adjacent buildings and masses roughed in. Context elements do not need to be photo realistic but must accurately convey the bulk, scale and character of the surrounding area. Developer shall provide a minimum of one nighttime rendering for the overall Proposed Development.

21.4. Digital Format. All conceptual drawings described in this EXHIBIT D shall also be submitted in high-resolution digital format(s) in addition to or as an alternative to the format(s) described above.

21.5. General Requirements. All conceptual drawings, including site plans/floor plans, elevations and sections must be legible, drawn to scale and be fully labeled and dimensioned and shall include the date of plan preparation. Plans should typically orient north up, one plan, one elevation or perspective per sheet (other than those floor plans noted as "typical").

21.6. Additional Drawings. City reserves the right to request additional and more detailed drawings as necessary to conduct environmental review under CEQA for the Proposed Development and to clearly identify any changes to the Proposed Development during the Negotiation Period.

EXHIBIT E
TO
EXCLUSIVE NEGOTIATION AGREEMENT

Midway Redevelopment

PRO FORMA REQUIREMENTS

1. Proposed Development:

1.1. Market-Rate Housing: gross square feet, number of units, unit mix (including number of bedrooms)
1.2. Affordable Housing: gross square feet, number of units, unit mix (including number of bedrooms) by affordability level
1.3. Retail/office: gross square feet, net leasable square feet
1.4. Hotel: gross square feet, number of rooms
1.5. Arena: gross square feet, number of seats, venue programming
1.6. Open space by type
1.7. Parking: Include assumptions used for parking requirements for each use and number of spaces, square footage by type (surface, structured, below grade) and any planned shared parking arrangements
1.8. Infrastructure scope

2. Development Phasing:

2.1. Proposed phasing and development program assumed in each phase
2.2. Phasing priority and sequence
2.3. Planned timing for each phase, including assumed durations for pre-development construction and lease-up periods

3. Sources and uses for each programmatic component for pre-development, construction and stabilized periods, including as applicable:

3.1. Sources and uses for infrastructure financing, as applicable
3.2. Assumed public financing, subsidies or grants (sources of fund outside of private capital)
3.3. Equity and debt assumptions, including assumed rates/returns

4. Proposed Development budgets for each Programmatic Component and infrastructure, including:

4.1. Pre-development and construction phases
4.2. Direct costs, such as site improvements, site building costs, tenant improvements, demolition costs, furniture/fixtures/equipment, amenities and parking
4.3. Indirect costs, such as architecture/engineering, entitlement costs, permitting and fees, legal, taxes, insurance and Developer overhead and Developer fees

4.4. Financing costs, such as loan fees, interest during construction and lease-up and any costs associated with equity financing

4.5. Confirmation and detail related to whether site improvements and infrastructure costs are planned to be allocated to vertical development uses or whether certain site or infrastructure costs will be financed separately

4.6. Capitalized ground rent expenses (if applicable)

4.7. Identification of any temporary facilities or transition spaces proposed

5. Proposed ground rent to be paid to City, including:

5.1. Assumed ground lease term

5.2. Basis for proposed ground rent including but not limited to factor of land value, revenue participation, etc.

5.3. Commencement of ground rent payments

5.4. Escalation of ground rent payments

5.5. Consideration relating to capital events, such as refinancing or sale of improvements

6. Annual cash flow projections for each Programmatic Component that cover pre-development, construction and the first 10 years of operations, including:

6.1. Pre-development and construction expense outflows

6.2. Identification of stabilized year for each Programmatic Component

6.3. Clear escalation, lease-up revenue, operating expenses, capital reserve assumptions, exit and target developer and investor return targets

6.4. Operating subsidies (e.g., project-based vouchers)

6.5. Ground rent payments

6.6. Calculated net operating income net of ground rent payment

6.7. Calculated debt service payments

6.8. Capital reserve funding

6.9. Valuation/sale events and related proceeds

6.10. Calculated levered and unlevered internal rates or returns or other return metrics targeted by Developer, such as cash multiples or return on investment/cost