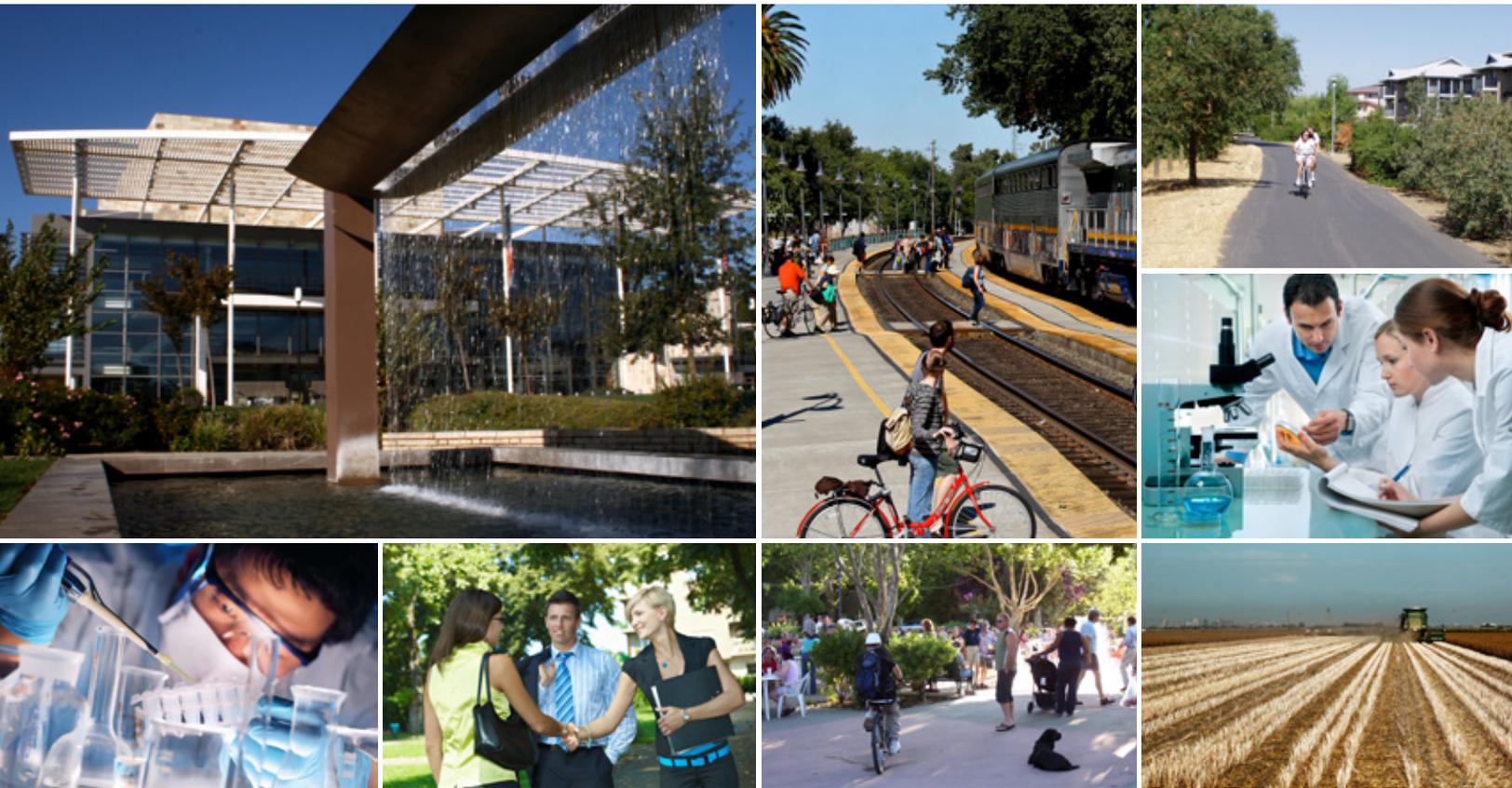


DAVIS

INNOVATION CENTER



STATEMENT
OF INTEREST

Submitted to:
City of Davis
Mr. Rob White, Chief Innovation Officer

Submitted by:
Hines
SKK Developments
June 23, 2014

Statement of Interest

June 23, 2014
City of Davis
Mr. Rob White
Chief Innovation Officer
23 Russell Blvd. Suite 1
Davis, CA 95616

Re: Request for Expression of Interest (RFEI)

Dear Rob,

We are pleased to submit this expression of interest in developing a Davis Innovation Center. We are excited about the innovation and economic opportunities this project would create, foster and attract. UC Davis has become a world leader in research and technology and the intellectual capital created at the campus can and should be harnessed to create sustainable economic growth for the City of Davis. Davis's cultural and recreational amenities, high quality neighborhoods and schools, historic downtown, and first-class bicycle and pedestrian trails, and agricultural roots have attracted innovation business owners and workers.

The development team presented in this RFEI is uniquely poised to address and deliver the unique and complex requirements of this potential project. Together, our team brings unparalleled experience and expertise in the development and delivery of innovation business centers, including all aspects of land development, planning and environmental, entitlements, sustainable site planning and building, revenue generation, and strategies for job growth and retention. We understand from experience the political, cultural, and physical attributes of Davis. We know that, beyond acknowledging these attributes, we must deliver holistic solutions that represent the values intrinsic to the community of Davis while building a world-class facility.

This project demands a team that can identify community needs, plan for and accommodate the changing space requirements of growing innovation companies in Davis, and approach community outreach with openness, sensitivity, and **the best ideas**.

The 207 acre site we propose for the Innovation Center, located near the corner of Highway 113 and Covell Boulevard, offers:

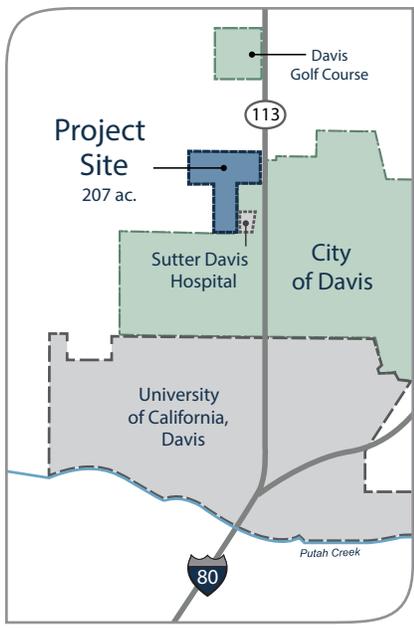
- Closest proximity to the University campus (1-mile) and UC Davis West Village;
- Primary access to the least impacted Highway 113;
- Relatively low-quality agricultural land for development (Class III/IV soil);
- Close proximity to underutilized Yolo County Airport and Sacramento International Airport; and
- Adjacency to Sutter Davis Hospital, which provides opportunities for health science and technology partnerships.

The proposed development entity would be controlled by Hines and SKK, and would include The Hodgson Company, AECOM, EPS, Cunningham Engineering and Pioneer Law Group. We bring significant experience working together on many successful and innovative projects.

Sincerely,

Nico Coulouras
Hines

Sotiris Kolokotronis
SKK Developments



The Davis Innovation Project site is 207 acres and in close proximity to many of Davis's unique amenities.

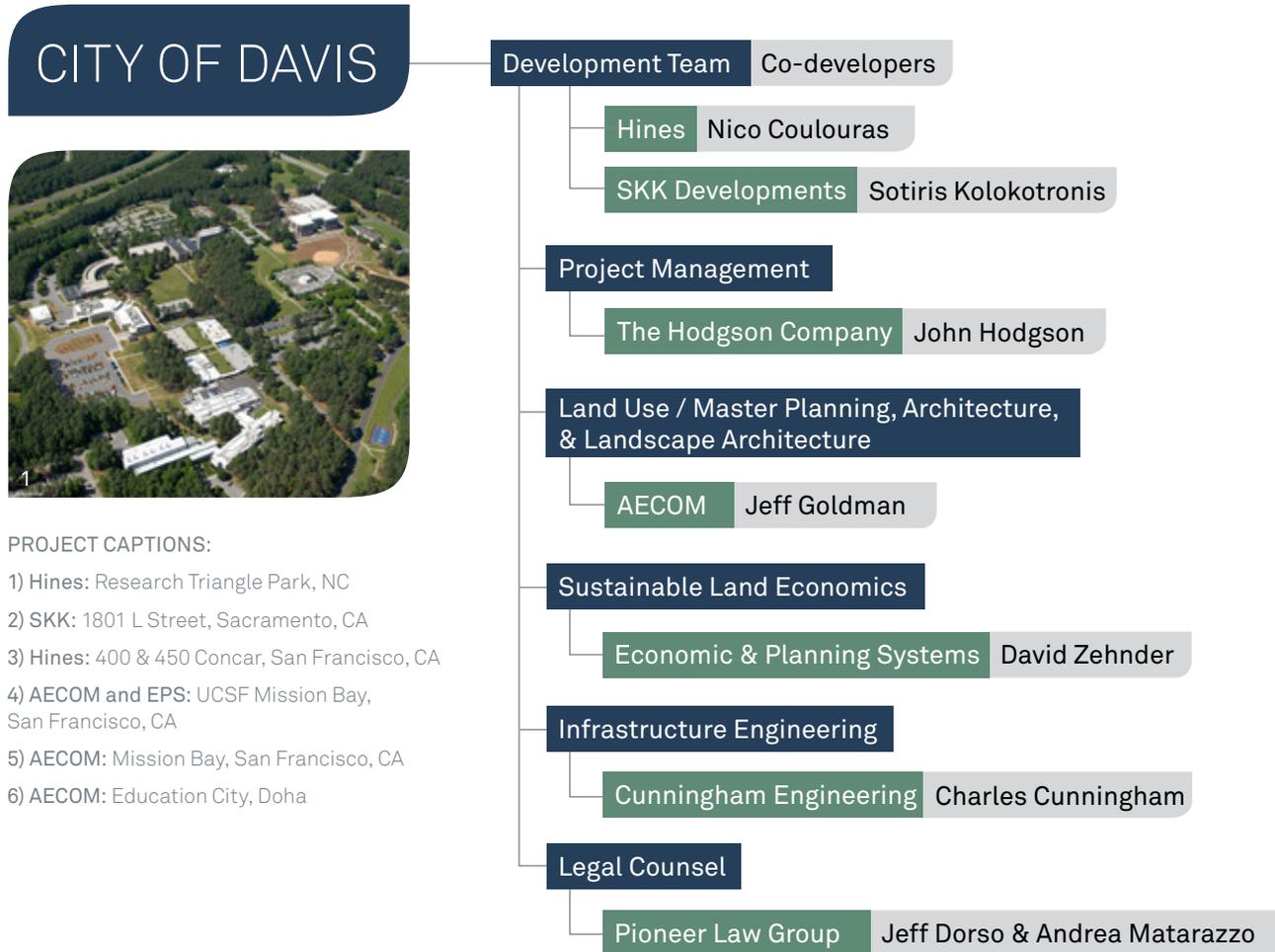
Contents

- Statement of Interest 1
- Team Qualifications 2
- Financial Performance Ability 6
- Statement of Control of Land 6
- Schedule 6
- Benefits to the Community 7
- Design Concepts 8
- Character Images 10



Team Qualifications

The proposed development entity would be controlled by Hines and SKK Developments, and would include the following team members:



Hines

Hines is a global commercial real estate developer, owner, and investor with 41 offices around the world and a large presence in the Sacramento region. In 1957, Gerald D. Hines founded Hines upon a simple premise: buildings of superior quality and architectural merit backed by responsive, professional management attract better tenants and retain their value longer despite the circular nature of the real estate cycle. These principles and our relationships and reputation as a global developer of high quality buildings will enhance the viability of a Research Park in the City of Davis.

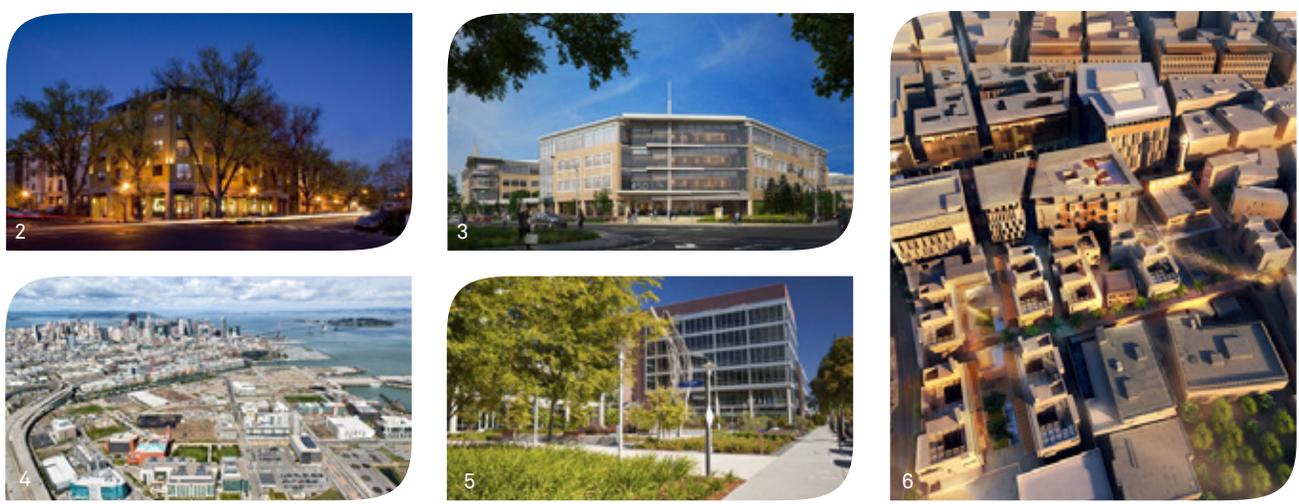
Hines is also serving as the master developer in a partnership with Duke University, the University of North Carolina and North Carolina State University to redevelop the Research Triangle Park, a 700 acre, 30 million square foot research park in Raleigh, North Carolina from a sprawling suburban campus to a mixed-use innovation center intended to generate and retain high quality jobs and companies in Raleigh. The City of Davis and Davis

Innovation Park project can benefit greatly from best practices being created by our team in North Carolina.

Hines brings a “hands-on” approach to every assignment with commitment to quality, cost effectiveness and sustainability- all critical factors for a large-scale project in Davis. Hines’ history of sustainability includes 199 LEED certified projects, 193 Energy Star buildings, and U.S. EPA Energy Star Awards for Partner of the Year for Sustained Excellence. Hines owns and manages over 3.5 million square feet of commercial space in the Sacramento Region, including Wells Fargo Center and 300 Capitol Mall, with a management team led by NICO COULOURAS.

Hines has relationships with major institutional capital partners and lenders as well as its own internal capital programs. With our numerous discretionary funds and other financing relationships, Hines has access to capital to support development projects with the potential scale of the Davis Research Park.

See www.hines.com



SKK Developments (SKK)

Owned and managed by SOTIRIS KOLOKOTRONIS, SKK is a real estate firm that specializes in land development and mixed-use projects. Since 1987 SKK has developed in excess of 7,000 residential home sites, constructed more than 1,500 single-family homes, 1,500 apartment units and 250,000 square feet of commercial buildings in Northern California, Colorado, Nevada, and Oregon valued at approximately \$900 million.

SKK has approached each development project with an eye on creating lasting, socially and environmentally responsible, sustainable communities that improve quality of life. We approach our development projects in terms of context to surroundings and are dedicated to delivering infrastructure, transportation, services and public spaces that invite human interaction and create opportunities for economic development.

SKK’s projects include Laguna West, nationally recognized for its neo-traditional design, as well as major urban core mixed use projects that started the renaissance of development in midtown Sacramento—the Fremont Building, 1801 L Street, and L Street Lofts.

SKK’s projects have been recognized by numerous, respected agencies and organizations for pioneering designs and incorporating principles of smart growth, including SACOG’s 2005 Regional Business of the Year Award.

Sotiris was the 2006 University of California, Davis Graduate School of Management Executive-in-Residence.

The Hodgson Company

The Hodgson Company is a Sacramento based real estate development, land use, and government advocacy firm that specializes in the entitlement and development of real estate and land use projects throughout Northern California. The Hodgson Company has been involved in some of the region’s most innovative residential and commercial developments, including master planned communities, infill development, and mixed-use projects. The Hodgson Company has a strong interest and

experience in urban revitalization, sustainable mixed-use development and energy efficiency.

JOHN HODGSON is Founder and President of The Hodgson Company and has served as land use attorney, advocate, and project manager for numerous property owner groups in the development of over 11,000 acres of mixed-use master-planned projects throughout the Sacramento region. Those mixed use master planned projects include the Laguna Ridge Specific Plan (City of Elk Grove), Folsom Area Plan (City of Folsom), Sunridge Specific Plan (City of Rancho Cordova) and the Elverta Specific Plan (County of Sacramento).

Mr. Hodgson served six years as Chair of the Capitol Area Development Authority (CADA) which is responsible for development of the 42 square blocks surrounding the State Capitol in Sacramento. In his capacity as CADA chair he is credited with contributing to the revitalization of midtown Sacramento. More recently, he has spent considerable time working on in-fill projects in midtown and downtown Sacramento as well as other urban centers in the region. He is a graduate of UC Davis and UC Davis School of Law (King Hall) and a former member of the Board of Trustees of the UC Davis Foundation.

With decades of experience and a distinguished portfolio of successful projects, the Hodgson Company strives to set the highest standard of quality for sustainable real estate development in the greater Sacramento region and beyond.

See www.thehodgsoncompany.com

AECOM

AECOM successfully integrates architecture, landscape architecture, planning, design, engineering, and environmental compliance into its approach to project development, including “turn-key” construction projects. Our AECOM team will be led by JEFF GOLDMAN, Planning and Design Principal in our Sacramento office, who will provide strategic oversight to a team of master planners, architects, landscape architects, workplace strategists, outreach specialists, and environmental planners.



7



8



9

7) Hines: VMware Campus, Silicon Valley, CA 8) Hines: CalPers Building, Sacramento 9) AECOM: Sandia Laboratories

AECOM works closely with clients to identify smart, sustainable decisions that address immediate project needs and provide for the long term community benefits. For example, many of our campus plans start from the premise of understanding how the campus may connect with the existing neighborhoods and provides an amenity not only for campus users but also add value to the larger community. AECOM has been involved in many campus planning and Business Park projects, such as Sandia National Laboratories in NM, McClellan Air Force Base Reinvestment Plan in CA, Education City in Doha, and NASA Research Park, Ames Campus that have focused on creating a community asset through implementation of smart and sustainable land planning. AECOM is also the lead architect and planning firm for the Sacramento Entertainment and Sports Center.

With countless sustainable design practices and technologies to choose from when planning communities, AECOM saw the need for a modeling platform to inform the most appropriate sustainable development program. The result is Sustainable Systems Integration Model (SSIM™), an AECOM proprietary whole systems model developed for multiple scales and complex sustainable community development. SSIM is designed to optimize aspects of economic, social and environmental health and: 1) optimize the environmental value of the sustainability program; 2) minimize cost relative to the benefits achieved; and 3) help achieve exemplary status as a sustainable community. AECOM has implemented SSIM tool in various land use planning projects, including the NASA Research Park in Ames, and Fairfield Train Station Specific Plan that includes a business park.

Our architects recognize that a design approach should respond to program, appropriateness of solution, and compatibility with contextual conditions. For examples, our architects are adept at designing buildings that reflect community preference for urban density and sustainable master plans that reduce building footprints, maximize open space, create opportunities for water sensitive urban design and natural stormwater management, and create “indoor-outdoor” collaborative environment for innovation. Our previous experience in

designing research facilities and laboratories also help us understand the finer details of space programming requirements unique to high-tech facilities. We also work with clients to achieve their goals for designing and constructing high-performance, energy-efficient buildings. Some of our LEED certified office buildings include the Skysong ASU-Scottsdale Innovation Center, La Jolla Commons Office Tower, and 2211 Michelson Drive office tower in the Irvine Business Complex.

AECOM’s interdisciplinary approach to landscape design creates innovative, cost-effective, built solutions for open area challenges. Our portfolio ranges from passive recreation to corporate campuses, including an office park and the El Camino Hospital in Silicon Valley.

AECOM provides workspace design and consulting services to many prototyping start-ups, app developers and software engineering firms to integrate modern office space planning concepts that allow for creative and engaging workspaces. For example, for the Pier 70 San Francisco project, our workplace strategy team conducted innovative research to understand what type of floor plates are demanded for these various uses. This research became a key element in the public outreach of the project to educate the city and the surrounding communities on the type of development that would make Pier 70 the next frontier.

AECOM’s public outreach programs have been highly successful in ensuring community participation in the planning process. The AECOM team is experienced in facilitation, public involvement, and conflict resolution. Because the average citizen often has difficulty visualizing improvements shown in plan view, on design projects we emphasize preparing 3-D sketches that will allow everyone to see how the improvements would look.

AECOM also has extensive experience in assessing the potential environmental impacts of projects and preparing environmental documents in compliance with CEQA, NEPA, and local, regional, state, and federal regulatory agency permitting requirements. With a thorough knowledge of site conditions, AECOM can both contribute constructively to a project design and assess



10) AECOM: NASA Ames Research Park 11) Cunningham Engineering: UCD Genome and Biomedical Sciences Facilities
12) Cunningham Engineering: West Village

the project’s environmental impacts. Some of our campus related environmental compliance works include the California Pacific Medical Center Long Range Development Plan EIR and San Francisco Veterans Affairs Medical Center, NEPA.

Finally, our previous experience in working with the Davis Innovation Hub Task Force (through our participation in the Urban Land Institute), and site planning study for the Binning Ranch Innovation Center will help us connect the project’s evolution and past efforts, to the community’s current interests. AECOM has significant project experience in the UC Davis Campus, including the Centennial Walk, Dairy Relocation, Memorial Union Renewal, Veterinary Medical Center Concept, Stormwater Master Plan, and other architectural projects within the UCD Campus, by core team architect DAVID MOORE. Some of our other work within the City of Davis also strengthens our understanding of the community context, including recent infrastructure projects, such as City of Davis Wastewater Treatment Plant Design Build.

See www.aecom.com

Economic & Planning Systems, Inc. (EPS)

EPS is a land economics consulting firm experienced in the full spectrum of services related to real estate development market analysis, public/private partnerships, the financing of government services and public infrastructure, land use and conservation planning, and government organization. Managing principal, DAVID ZEHNDER, and senior vice president, RUSS POWELL, would be lead EPS staff on this team.

EPS operates on the principle that real estate development and land use related to public policy should be built on realistic assessment of market forces and economic trends, feasible implementation measures, and recognition of public policy objectives, including provisions for required public facilities and services.

As the City of Davis seeks to retain and attract high value companies and employees EPS would provide systems to keep intellectual equity and innovation in Davis, create and

retain high-paying jobs, and increase tax and fee revenues to achieve long term financial sustainability. We would focus on quantifiable variables such as employment, value added, property values, public sector tax revenues and service costs, and real estate demand.

EPS projects include NASA Research Park, Moffett Field, California, UCSC Monterey Bay Education, Science, and Technology Center Business Plan, Fort Ord, California, and UCSF Mission Bay Campus and Hospital: Commercial Land Use Impacts, San Francisco, California.

See www.epsys.com

Cunningham Engineering

Founded in Davis in 1984 by CHARLES CUNNINGHAM, Cunningham Engineering has evolved over the recent decades into a multi-discipline, client-focused firm with civil engineers, landscape architects and project land planners collaborating to provide exceptional service and efficient designs to its clients, including numerous projects on the UC Davis campus including Genome and Biomedical Sciences Building, Veterinary Medicine, and West Village, as well as projects within the City of Davis limits including Sutter Davis Hospital (adjacent to proposed site), Mori Seki, and Interland, LLC.

Key staff for this potential project includes firm president, Charles Cunningham, project manager, Steve Greenfield, project manager, Brian Foster, project engineer, Mike Engle, senior landscape architect and Olga Garzòn, landscape designer.

Cunningham Engineering is very familiar with the City of Davis having worked extensively with City staff of numerous infrastructure and public financing projects. Cunningham Engineering is also active in the community. Members have served the community as President of the Davis Chamber of Commerce (multiple terms), served on the Safety and Parking Advisory Commission (11 years) and are active in many other local groups, organizations and endeavors.

See www.cecwest.com

Pioneer Law Group

Pioneer Law Group is a full service real estate and property development firm whose practice focuses on large-scale development and complex development projects. With particular interest in real estate and land use issues in California and the western United States, Pioneer Law Group assists private and public entities in all aspects of project permitting and entitlements, environmental compliance, and litigation, particularly in connection with environmental review under the California Environmental Quality Act (“CEQA”) and National Environmental Policy Act (“NEPA”). Team members for this project are managing partner, JEFFREY DORSO, and founding partner, ANDREA MATARAZZO.

Jeffrey Dorso’s practice focuses on land use, real estate, and developing public-private partnerships on large-scale projects. Some illustrative examples of past and current development projects in the region include the Bridge District in West Sacramento, Granite Regional Park, the Sacramento Railyards, the Entertainment and Sports Center (“ESC”) in downtown Sacramento, and representing the City of Livermore in the redevelopment of its downtown core. Additional legal issues in Jeff’s practice include public/private partnerships, development agreements, financing, due diligence, entitlements, and environmental review under the CEQA and the NEPA.



AECOM and Pioneer Law Group: Sacramento Entertainment and Sports Center

Andrea Matarazzo’s practice includes state and federal environmental law, including California planning and zoning law, endangered species regulations, air quality, water supply and water quality mandates, wetlands, and other regulatory requirements. Andrea has extensive experience litigating land use disputes. As a recent example, she was lead CEQA counsel for the developer of the Sacramento Railyards in its successful defense against three separate CEQA lawsuits challenging the project entitlements.

See www.pioneerlawgroup.net

Financial Performance Ability

Hines and SKK are able and willing to demonstrate financial ability to perform. Team members have established relationships with major institutional capital partners and lenders, and internal capital programs to support development of a project of this scale. Specific information can be provided confidentially.

Statement of Control of Land

SKK has a binding agreement to proceed with the development of this property. Verification can be provided confidentially.



Schedule

Our team will work closely with City of Davis and County leadership to establish a responsible timetable. We will present a proposal reflects the values and attributes outlined in this response. In collaboration with Davis City Council, numerous public meetings will be held inviting and receiving input from the community. We anticipate that this could include a vote of the citizens on the overall direction of the plan. Specific land use entitlements (including more detailed technical studies and environmental analysis) would then be prepared and submitted to the City. Additional public review would occur prior to being heard by the City Council.

Benefits to the Community

The Davis Innovation Center will provide a desirable place to serve young technology entrepreneurs engaged in the community and eager to locate and grow their discoveries, companies, and revenues. Creating a successful, world-class innovation center in the City of Davis positions the city to capture significant economic and community benefits, including:

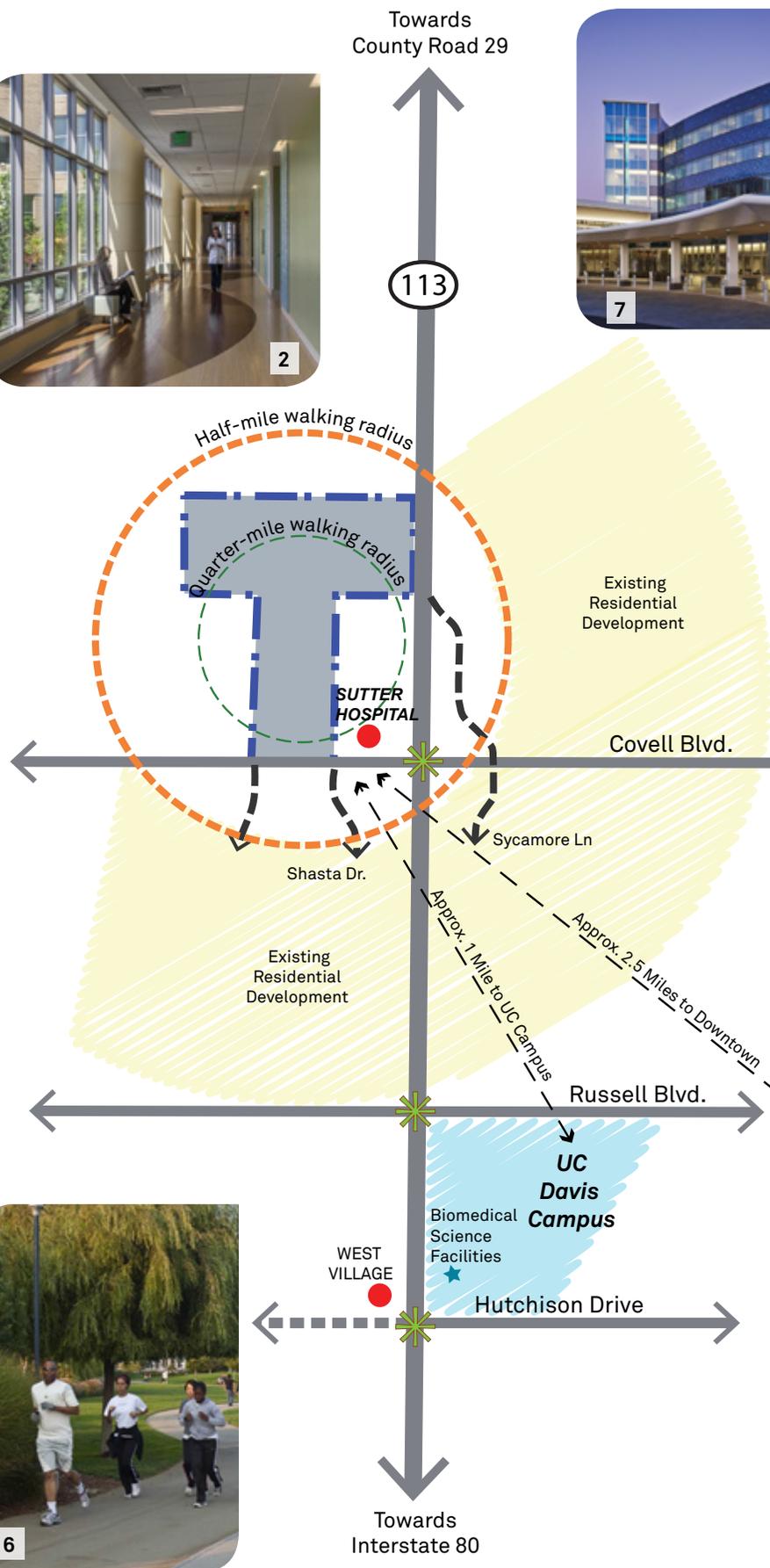
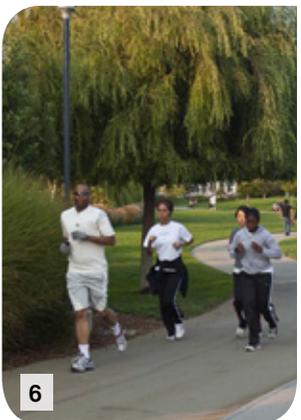


- Creation of new high-paying jobs that will attract and retain high-value employees—giving more highly qualified Davis residents opportunities to live and work in the community.
- Positive far-reaching impacts on the real estate market, affecting demand for residential, commercial, and office/R&D property and increasing property values.
- Technology transfer capture from UC Davis of both small startup business and growing mid-to-large size companies, reducing loss through out-migration.
- Long-term revenue generation to help balance and stabilize the city budget.
- Close proximity to UC Davis for natural collaboration between technology businesses and research experts.
- Increased opportunities for UC Davis students to obtain internships with technology companies in close proximity to the campus.
- Attraction of out of area technology businesses (including national and international) that desire close proximity to the intellectual, innovation and entrepreneurial resources at UC Davis.
- Adjacency to Sutter Davis Medical Campus encouraging additional technological collaboration between medical research firms and the hospital.
- Nominal traffic impacts due to close proximity to two Highway 113 interchanges—reducing regional traffic impacts and vehicle miles traveled (VMT).
- Proximity a short biking distance to UC Davis, Downtown Davis, existing single and multi-family housing, and neighborhood shopping—reducing greenhouse gas impacts.
- Capacity to support/expand utilities and communications infrastructure to improve services to surrounding areas.
- Opportunities to create public/open spaces close to the UC Davis campus and neighboring residential and commercial area for the enjoyment of all Davis residents.
- No development on high-quality agricultural land.
- Opportunities to integrate sustainable transportation concepts within the site and connect with the larger community context.
- Close proximity to underutilized Yolo County airport, Capitol Corridor train station and Sacramento International Airport.
- With no residential component in the project, employees will utilize existing real estate in the City.
- Additionally, the development team brings the expertise and ability to help the City address densification and repurposing of private and publicly owned assets in Downtown Davis.



Engaging Workplace and Placemaking Concepts

- Collaborative work environment - seamless flow between indoor and outdoor areas
- Warm and inviting interiors
- Outdoor gathering places
- Integration of alternative transit in site design





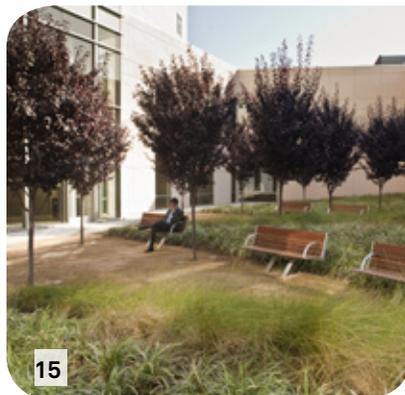
Building and Site Design Concepts

- Mix of building types and heights to meet user demands
- Achieve a minimum 1.0 FAR or greater
- Phased construction to encourage densification over time
- High performance building and site design to encourage LEED buildings, sustainable building materials, and water sensitive urban design through low-impact development techniques



Project Examples:

1. Clorox Plaza, CA
2. Kaiser Permanente, OR
3. Corporate Campus, Silicon Valley, CA
4. NASA Ames, CA
5. Loyola Marymount University, CA
6. Mission Bay, CA
7. Mercy Health, OH
8. NASA Ames, CA
9. El Camino Hospital, CA
10. Samsung center, Korea
11. ASU-Scottsdale Innovation Center (LEED)
12. Gundersen Lutheran, WI
13. Mission Bay, CA
14. Sandia National Laboratories, NM
15. El Camino Hospital, CA



Character Images

The following images represent valued qualities for Davis—collaborative “indoor-outdoor” workspaces, connectivity, alternative transit choices, and sustainable building design.

