

Exhibit to Agenda Item #1

Board Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting

Wednesday, January 20, 2021, immediately following Finance & Audit Committee Meeting, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

59th Street Reuse Project Objectives

SMUD's objective is to create a high-quality, revenue generating, state-of-the-art, sustainable, transit-oriented, mixed-use infill community at the 59th Street property.

SMUD intends that the reuse concept enhance the neighborhood and vitality of our community, include innovative energy and climate elements, and put the property to uses and include features responsive to the preferences of the community and occupants and users of the development.

Developer Selection Process

Request For Qualifications (RFQ) released on September 20, 2019

- Widely distributed
- Short list of developer teams identified and invited to submit proposals

Request For Proposal (RFP) released on March 3, 2020

- Two qualified developer teams invited to submit (more detailed than RFQ)
- Proposals received on June 4, 2020
- Developer presentations, public comment and Board direction provided at the Board Finance & Audit Committee on July 14, 2020

RFP Selection paused in August 2020

- Understand challenges with remediation and developer selection schedule
- Evaluate options for moving forward with process

SMUD decision in November 2020 to finalize selection and enter extended due diligence period

Overview of Proposals

Both proposals include:

- ✓ Single family, multi-family and affordable housing
- ✓ Neighborhood serving commercial with childcare opportunities
- ✓ Incorporation of elements supporting SMUD's energy and sustainability values
- ✓ Desire to relocate the light rail station onto the 59th Street property
- ✓ Similar development schedules
- ✓ Community engagement plans

StoneBridge Proposal

- Master developer
- 65 single family units, up to 700 multi-family units
- Adaptive reuse of warehouse and admin building
- Single family and multi family builders to be determined
- Community amenities to be determined



Conceptual multi-family residential



Conceptual single-family detached



Site Plan StoneBridge

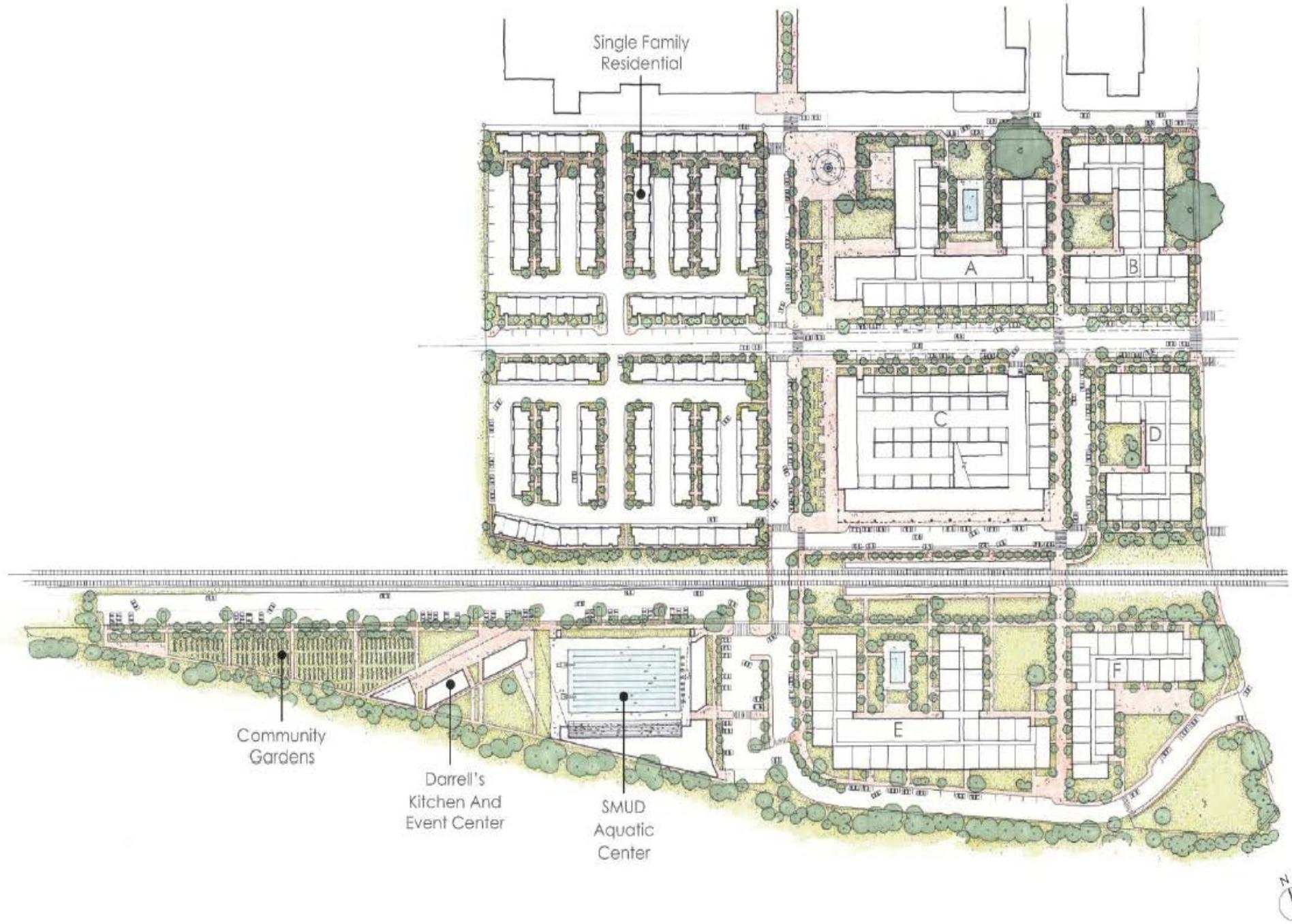


SKK / BlackPine Proposal

- Developer / Builder
- 108 single family residential units, up to 770 multi-family units
- Olympic swimming pool, community garden/event space, childcare center
- Central parking garage
- No reuse of existing buildings; architectural elements of buildings to be repurposed



Site Plan SKK / BlackPine



Summary of Key Elements Distinguishing Proposals

SKK / BlackPine

- Vertically integrated team (land development and builders of residential and nonresidential space)
- More specific and commitment for sustainability components, plus reuse of some building components.
- Significant value, certainty and investment in community enhancements/amenities
 - (Child-care facilities and funding commitment specified following Board meeting)
- More specific about community outreach and entitlement
- Higher Net Present Value (NPV) inclusive of profit sharing (upside)

StoneBridge

- Land development and subsequently resell to builder(s) to be identified in the future
- Reuse of the warehouse & admin buildings
- Less specific about sustainability components and commitment
- Less specific about community enhancements/amenities or investment
- Less specific about community outreach and entitlement
- Lower NPV and no profit sharing

Award Outcome

RFP NO. 200040.DJM					
Redevelopment of the former SMUD Corporation Yard					
Responsive Proposals Received	Pass/Fail	Technical Points	Commercial Terms/Price Points	Total Score	Proposer Ranking
		70	30	100	
SKK / BlackPine	Passed	51.1	26	77.1	1
StoneBridge	Passed	45.6	16.6	62.2	2

- How many companies attended the pre-brief? 21
- How many proposals or bids were received? 2
- Were there any non-responsive bids? 0

Selection Summary

- 1) A vertically-integrated and highly-experienced team able to take the project from development through to construction;
- 2) Specific details and commitments which provide certainty for what will be delivered in the project with outcomes closely aligned with SMUD's interests and values for sustainability and housing density; and.
- 3) Detailed community amenities in conjunction with capital investments which offer valuable benefits to the community (e.g., event center, child-care facility, swimming pool, community garden and light rail station relocation).

Conclusion: The SKK/BlackPine proposal represents the best opportunity and certainty in development, price (including an upside profit-sharing component), and enhancements for the redevelopment of the 59th Street property to realize SMUD's goals, objectives, and vision for the property

Action Request

Approve designation of SKK Developments/BlackPine Communities as Developer of the 59th Street Re-use Project.

Next Steps

- Enter into due diligence agreement with selected developer
- Continue site remediation efforts
- SMUD and developer collaborate on development plan and remediation solutions
- Development and Disposition Agreement
- Land planning, development, and construction