Exhibit to Agenda Item # 4

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

Wednesday, August 14, 2019 scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room
Agenda

• Commercial Development Team
• What has SMUD done to promote development?
  – The Central City and SMUD’s Strategy
  – Developers Building in the Central City
  – High Visibility Projects
  – Projects Driving SMUD Infrastructure Upgrades
  – SMUD’s Infrastructure Strategy
• Closing Thoughts and the Future
SMUD Commercial Development Team

• Who Are We?

• Why Were We Formed?

• What Do We Do All Day?
SMUD Commercial Development Team

Rob Lechner
Director

Greg Hribar
Manager

Aaron Sussman
Representative

Heather Mendez
Analyst
Commercial Development: Our Role at SMUD

Our Mission:

SMUD is viewed by the commercial development community and by local jurisdictions as the best company in the region to do business with regarding commercial development.

Our Purpose:

To encourage commercial and mixed-use development within SMUD service territory, and to identify available SMUD infrastructure to stimulate economic investment.
What has SMUD Done to Promote Development?
The Uniqueness of the Central City

- Competing interest for limited space
- Desire for zero lot line construction
- High and rapid demand for housing
- Design and construction standards
- Dry and wet utility infrastructure
SMUD’s Central City Strategy

- Identify the developers *specializing* in central city development
- Establish and “grow” strong working relationships with these developers
- Create a specific central city task force of SMUD SME’s
- Conduct pre-application meetings with developers and the task force
- Engage and interact with key external stakeholders
- Conduct “Developer Satisfaction Surveys” – tell us what you think and what you need
- Create and implement the Development Fee Offset Program
- Create and complete the “vacant and under-utilized parcels project”
- Assess – and amend where possible - design and construction standards
Developers Building in the Central City
(Partial List)

- Anthem Properties
- Bardis Homes
- CFY Development
- CIM Group
- City of Sacramento
- Cresleigh Homes
- D & S Development
- Heller Pacific
- Hume Development
- LDK Ventures
- Miry Development
- Mohanna Development
- Ryan Heater Development
- SKK Development
- State of California - Department of General Services
- The Paragary Group
- The Republic
- Urban Elements
- Vrilakas Groen Architects
High Visibility Projects in the Central City
Hyatt House,
Roger Hume Development

Boutique Hotel
82,700 GSF
133 Rooms
Adaptive reuse of the historic Eastern Star Building

Northeast corner of 27th and K streets
Tower 301, CIM Group

730,000 GSF
33-story mixed-use tower
28 floors of office space
100 market-rate apartment units

Elevated park overlooking Capitol Mall Plaza’s, with water elements and landscaping. Retail spaces, restaurant and fitness center

Northeast corner of 3rd Street and Capitol Mall
Richards Boulevard Office Complex, Department of General Services

Four high-rise office buildings & one parking structure

Tower 1 (NW) 8 stories (184,000 GSF)

Tower 2 (NE) 8 stories (267,200 GSF)

Tower 3 (SW) 13 stories with Central Plant (460,000 GSF)

Tower 4 (SE) 13 stories (301,600 GSF)

Northwest corner of 7th Street and Richards Boulevard
The Railyards Lot 48, LDK Ventures

Mixed-use project at the southeast corner of 6th Street and Railyards Boulevard, east of the historic central shops and north of the Sacramento Valley Station. The project is 6 stories; 309 multi-dwelling units - 69 of which are income restricted - and 4,000 sq. ft. of ground floor retail.
Fort Sutter Hotel, The Paragary Group

Boutique Hotel
65,000 GSF
Six-stories, 105 guest rooms
Restaurant, private dining and fitness center

Southwest corner of 28th Street and Capitol Avenue
17 Central, D&S Development

Mixed-use, residential
111 units
1,800 sq. ft. commercial
At site of former Sacramento Ballet Building

Southwest corner of 17th and K Street
The Yamanee, Heater Development

14-stories
Mixed-use, 134 unit condominium project
14,134 sq. ft. retail

Southeast corner of 25th and J streets
Hyatt Centric, Presidio Companies

Boutique Hotel
103,979 sq. ft.
6,546 sq. ft. of ground floor retail
10 stories, 165 guest rooms

Historic renovation of the old Marshall Hotel

Northwest corner of 7th and L streets
19J, Mohanna Development

Mixed-use building
7,000 GSF
11 stories
173 small and smart units
Rooftop terrace

Partnership with Women’s Empowerment
Zip Car and bike-share programs

Northwest corner of 19th and J streets
The Vantage, Cresleigh Homes

Mixed-use project
9-stories
86 condominium units
1,600 sq. ft. of retail
Includes parking, and
a community garden

Southwest corner of
14th and N streets
The Fitzgerald, Trondheim/Vrilakas Groen

Five-story Mixed-use
51 market-rate apartments
7,543 sq. ft. of retail
No parking
Bike spaces
Rooftop deck

Northeast corner of 28th Street and Broadway
2417 J Street, Urban Elements

Mixed-use
12-unit condominium project
4,000 ground floor retail
300 sq. ft. courtyard

Located mid-2400 block of J street
Select Projects Driving SMUD Infrastructure Upgrades in the Central City
10K, Mohanna Development
800 K Street, CFY Development
Convention Center, City of Sacramento
O Street Office Building,
Department of General Services
P Street Office Building, Department of General Services
“Swing Space” Building, Department of General Services
SMUD’s Infrastructure Strategy
Agenda

- Central City Distribution System Overview
- Five-Year Load Forecast
- Capital Investment Plan Summary
- Sample Capital Improvement Projects
Central City Distribution System Overview

21 kV Radial Distribution System:
• 2 Substations
  o North City (Station E)
  o Station D
• 38 miles of feeder lines
• 129 MVA peak demand (2018)

12 kV Network System:
• 2 Substations
  o Station A
  o Station B
• 58 miles of feeder lines
• 67 MVA peak demand (2018)
Central City Distribution System Overview

21 kV System
- Traditional looped-radial system
- Typically requires less transformer space vs. network service
- Cost-to-connect varies based on service type (pad-mounted versus vaulted)
  - $50k - $500k
- Less maintenance and operating requirements

12 kV Network System
- Built-in redundancy
- Typically requires more transformer space
- Cost-to-connect is typically more expensive as compared to 21 kV service
  - $200k – $800k
- Higher maintenance and operating requirements
Central City Five-Year Load Forecast

- Central City annual load growth rate - 4.7%
  - 21 kV - 5.5%
  - 12 kV Network - 2.9%
- System-wide annual load growth rate - 0.8%
Proactive Actions

• Vacant land-use assessment
• Larger 21 kV and network transformer sizes to better accommodate larger developments
• Where appropriate, amendments to design and construction standards
Capital Investment Plan – Summary
~ $181M Investment Over 6 Years

Projects In Progress Per Year

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Capital Improvement Project
K&L 21 kV Line Extension

- Will serve 10K Development and 800 Block Development
- Work scope: construct and install 2,300 ft of 21 kV UG feeder from 14th to 8th St on L St
- 2020 Construction completion date
- Cost estimate: $3.4 million
Capital Improvement Project
Install 21 kV Feeder Loop Tie 12th and N St

- Will serve DGS Swing Space Development, 1215 O St DGS Development and Vantage Residence
- Work scope: construct and install 1,000 ft of 21 kV UG feeder from 14th to 12th St on L St
- 2020 construction completion date
- Cost estimate: $1.3 million
Capital Improvement Project
7th St 21 kV Extension

- Will serve 715 P St DGS Development
- Work scope: construct and install 1,400 ft of 21 kV UG feeder from O St to L St on 7th St
- 2021 construction completion date
- Cost estimate: $1.8 million
Capital Improvement Project
Station G & H

- Station G: 2021
  - Network
  - Replaces Station A
- Station H: 2024
  - 21 kV
  - Uses Station A site
Capital Improvement Project
Site Purchase for Future Substation J

- Will directly serve the Railyards and surrounding area
- 4 potential sites being assessed
- Substation need date is 2030+
Closing Thoughts and the Future
Closing Thoughts

- Relationships with developers, home builders and brokers has greatly improved
- This customer segment genuinely “drives” our regional economy
- SMUD is not afraid to “push back” - if we’re right, we’re right
- Mission critical for SMUD: continue to stay ahead of development
Next Steps

• Stay the course: maintain high level of responsiveness and interaction with this customer segment
• Look for new and innovative ways to assist
• Be the convener of other utilities - wet and dry