CITY OF RANCHO CORDOVA

CITY COUNCIL MEETING
Tuesday, September 23, 2025

4:00 PM — Special Meeting
David B. Roberts Council Chambers

City Hall
2729 Prospect Park Drive, Rancho Cordova

How to Observe or Listen to the Meeting:

- Online via Zoom: https://cityofranchocordova.zoom.us/j/81630466928
- Webinar ID: 816 3046 6928
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Public Comment

Members of the public who wish to address the City Council may do so in person during the meeting by completing and submitting a Speaker Card to the City Clerk.

Members of the public who wish to provide public comment via email will need to submit comments to CityClerk@cityofranchocordova.org no later than 1:00 p.m. on Tuesday, September 23, 2025. Written comments received no later than 1:00 p.m. will be distributed to the Council, filed in the record, and will not be read aloud. All comments submitted later than 1:00 p.m. will be distributed to the Council.

If you have questions related to the City Council Meeting, please contact the City Clerk's Office at (916) 851-8720 before Tuesday, September 23, 2025, at 1:00 p.m.

AGENDA

1. 4:00 PM SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Joe Little, David Sander, and Mayor Siri

Pulipati

2. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any item not on the agenda.

3. ADJOURN TO CLOSED SESSION

Mayor Pulipati will adjourn the meeting to closed session.

4. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Joe Little, David Sander, and Mayor Siri Pulipati

5. CLOSED SESSION

Council will meet in closed session to discuss the following item:

5.1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to Government Code Section 54956.8: Property: 2875 Kilgore Road, Rancho Cordova APN: 072-0490-024-0000. City Negotiators: Micah Runner, City Manager, and Adam U. Lindgren, City Attorney. Under Negotiation: Price and Terms of Payment.

6. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in closed session.

7. ADJOURN TO SPECIAL MEETING

Mayor Pulipati will adjourn closed session to the Special meeting.

8. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Council Members Linda Budge, Garrett Gatewood, Joe Little, David Sander, and Mayor Siri Pulipati

9. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any item not on the agenda.

10. 5:30 PM OR SOON THEREAFTER - SPECIAL MEETING ITEM

10.1. **Subject:** AI & Robotics Ecosystem Authorization to Enter into a Professional Services Agreement with Human Machine Collaboration Institute (HMCI), Budget Appropriation of $5 Million, and Enter into a Memorandum of Understanding with NVIDIA and HMCI.
Recommendation: Adopt the Resolution authorizing the City Manager, or designee, to execute a Professional Services Agreement with HMCI, subject to approval as to form by the City Attorney, including final scope of work as deemed consistent with the Resolution by the Advisory Group, timelines, governance, and payment schedule, and compliant with all applicable provisions of state and local law; and approve budget appropriation for an amount

not to exceed $5,000,000 to fund activities in support of the AI & Robotics Ecosystem; and authorize the City Manager to enter into a Memorandum of Understanding (MOU) with NVIDIA Corporation and HMCI to operationalize NVIDIA's platforms, curriculum, and certification pathways at the regional level.

11. 6:30 PM OR SOON THEREAFTER - SPECIAL MEETING ITEM

11.1. **Subject:** Economic Development and Participation Agreement: 2875 Kilgore Road and Parcels: 072-0490-024-0000, 072-0223-004-0000, 072-0223-001-0000, 072-0223-003-0000, 072-0223-002-0000, 058-0530-001-0000, 058-0530-002-0000, and 072-0490-004-0000, and California Environmental Quality Act (CEQA) Exemptions.
Recommendation: Review, discuss and adopt the Resolution approving the Economic Development and Participation Agreement (EDPA) and approve the CEQA exemptions. The EDPA is exempted from the California Environmental Quality Act pursuant to CEQA Guideline section 15004 (b)(4) as the EDPA is for financing only. The EDPA is also consistent with the provisions of CEQA Guidelines section 15183.

12. ADJOURNMENT

ADDITIONAL INFORMATION

Special Meetings listed below are subject to change/cancellation without further notice.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 24 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on 24 hours prior to the Special City Council Meeting.

UPCOMING MEETINGS

October 6, 2025	4:00 PM Special Meeting/5:30 PM Regular Meeting
October 20, 2025	5:30 PM Regular Meeting
October 28, 2025	5:30 PM Special Meeting/Work Session
November 3, 2025	4:00 PM Special Meeting/5:30 PM Regular Meeting
November 17, 2025	5:30 PM Regular Meeting
November 25, 2025	5:30 PM Special Meeting/Work Session
December 1, 2025	4:00 PM Special Meeting/5:30 PM Regular Meeting
December 9, 2025	5:30 PM Special Meeting/Work Session

If you have any technical questions related to the agenda items, please contact City Hall at (916) 851-8700.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Stacy Leitner, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the September 23, 2025, Special Meeting of the Rancho Cordova City Council was posted and available for review on September 22, 2025, at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranchocordova.org.

Signed September 22, 2025, at Rancho Cordova, California.

Stacy Leitner

Stacy Leitner, CMC
City Clerk

MEMORANDUM

ITEM 10.1.

DATE: September 23, 2025

TO: Honorable Mayor and Council Members

FROM: Laura Fickle, Economic Development Manager

SUBJECT: **AI & ROBOTICS ECOSYSTEM AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH HUMAN MACHINE COLLABORATION INSTITUTE (HMCI), BUDGET APPROPRIATION OF $5 MILLION, AND ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH NVIDIA AND HMCI**

RECOMMENDATION

Adopt the Resolution authorizing the City Manager, or designee, to execute a Professional Services Agreement with HMCI, subject to approval as to form by the City Attorney, including final scope of work as deemed consistent with the Resolution by the Advisory Group, timelines, governance, and payment schedule, and compliant with all applicable provisions of state and local law; and approve budget appropriation for an amount not to exceed $5,000,000 to fund activities in support of the AI & Robotics Ecosystem; and authorize the City Manager to enter into a Memorandum of Understanding (MOU) with NVIDIA Corporation and HMCI to operationalize NVIDIA's platforms, curriculum, and certification pathways at the regional level.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would approve the budgetary authority in an amount not to exceed $5,000,000 to fund activities in support of the AI & Robotics Ecosystem, authorize the City Manager to enter into a Professional Services Agreement with HMCI, subject to approval as to form by the City Attorney, including final scope of work as deemed consistent with this Resolution by the Advisory Group, timelines, governance and payment schedule, with acceptable terms and in compliance with all applicable provisions of the Government Code and other applicable law and authorize the City Manager to enter into a joint Memorandum of Understanding (MOU) with NVIDIA Corporation and HMCI to operationalize NVIDIA's platforms, curriculum, and certification pathways at the regional level.

BACKGROUND

In March 2025, the City of Rancho Cordova executed a Letter of Intent (LOI) with HMCI to explore the establishment of an AI & Robotics Ecosystem. HMCI has served as a primary convener and technical advisor in developing the initiative, leveraging their relationships with industry leaders, local companies, and educational institutions.

During the May 14, 2025, Work Session, staff received formal direction from the City Council to, collectively with HMCI, pursue the concept of an AI & Robotics Ecosystem for the purposes of

fueling innovation, economic prosperity, and scientific discovery. Further support for this initiative was established at the September 2025 Technology Subcommittee meeting, which consists of HMCI representatives, two Council members, the City Manager, Economic Development, and the Chief Technology and Innovation Officer.

The City's Economic Development Strategic Plan, adopted by the City Council in November 2024, identifies Business Development, Placemaking & Real Estate, and Workforce Partnerships as its three central goal areas. The AI & Robotics Ecosystem advances all three by focusing on a high-growth knowledge base contributing to innovation across industries, catalyzing reinvestment in real estate and infrastructure, and strengthening workforce pipelines in emerging technologies. The Strategic Plan also establishes guiding principles of Economic Resiliency, Sustainable Growth, Innovation, and Diversity & Inclusivity. These principles are mirrored in the AI & Robotics Ecosystem's objectives to diversify the economy, promote inclusive workforce pathways, and leverage innovation as a driver of sustainable economic growth.

Rancho Cordova is uniquely positioned to emerge as a leader in artificial intelligence and robotics research and development, building on a foundation of exceptional local assets. These include Solidigm's global leadership in data storage innovation, FarmGPU's advanced neocloud services for high-performance computing, and HMCI's cutting-edge AI research and expertise. Together, these strengths anchor an innovation ecosystem that is further supported by a robust network of data centers, reliable fiber infrastructure and power, and turnkey Class A office campuses designed to meet the needs of high-growth companies. Complementary advantages – such as flexible zoning that accelerates investment, a school district distinguished by its International Baccalaureate program, and a centrally located business park with a strong emphasis on cleanliness, safety, and accessibility – position Rancho Cordova to attract global investment while promoting a resilient, future-ready local economy.

In addition to these local assets, NVIDIA Corporation is proposing a Memorandum of Understanding (MOU) to be strategically aligned with initiatives specific to this endeavor due to a relationship cultivated by HMCI. The company's global leadership in AI platforms and curriculum development is being localized in Rancho Cordova, where NVIDIA-certified programs are being proposed to be integrated into schools, community colleges, and workforce systems.

The AI & Robotics Ecosystem is designed not only to attract global investment and high-tech employers but also to deliver tangible benefits to Rancho Cordova residents and businesses. By aligning advanced research and industry partnerships with workforce training and education, the Ecosystem will expand opportunities for local students and working professionals to access high-quality, future-ready jobs. The initiative emphasizes inclusivity, ensuring pathways into high-demand fields for historically underrepresented communities.In addition to workforce benefits, the Ecosystem will stimulate reinvestment in the community through adaptive reuse of office parks, infrastructure upgrades, and placemaking efforts that enhance safety, cleanliness, and accessibility. These improvements will strengthen Rancho Cordova's position as a regional hub for innovation while creating a more vibrant, connected, and prosperous community for current and future residents.

ANALYSIS

A sole-source professional services agreement with HMCI is appropriate given their early role in conceptualizing the initiative, the March 2025 LOI, Council direction in May 2025, and their

exclusive relationships with industry partners, schools, and other institutions critical to the success of the Ecosystem. In addition, HMCI has developed and owns proprietary intellectual property, including the Innovation Revenue & Reinvestment (IR2) Model and the Orchestration Management Platform (OMP) that are unique, trade-secret protected tools essential to the structure, financing, and coordination of the Ecosystem. These proprietary frameworks are not available from any other provider. Continuity is essential to advancing the initiative without delay, and HMCI is the only entity legally and technically capable of delivering these integrated services.

The City Council understands that HMCI is uniquely positioned to carry out the professional services agreement, and agrees that the Master Professional Services Agreement will designate HMCI as the intended “provider of services” under Taxpayers Action Network v. Taber Construction, Inc., (“Taber”) (2019) 42 Cal.App.5th 824, and is not “entrusted with ‘transact[ing] on behalf of the Government.’” (People v. Superior Court (Sahlolbei) (2017) 3 Cal.5th 230.) The City Council further understands and agrees that HMCI may be involved in, or have a financial interest in, subsequent phases of the project, and wishes this to be reflected in the Master Professional Services Agreement.

FISCAL IMPACT AND FUNDING SOURCE

Approval of this item authorizes budget appropriation in an amount not to exceed $5,000,000. Funding will be provided from the Community Enhancement and Investment Fund Legacy Fund balance.

ATTACHMENT(S)

1. Resolution
2. Proposed Scope of Work
3. Memorandum of Understanding - NVIDIA/HMCI
4. Presentation

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, APPROVING BUDGETARY AUTHORITY FOR $5 MILLION, AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HMCI TO ADVANCE THE AI & ROBOTICS ECOSYSTEM, AND AUTHORIZE THE CITY MANAGER TO ENTER INTO A JOINT MEMORANDUM OF UNDERSTANDING WITH NVIDIA AND HMCI

WHEREAS, In March 2025, the City of Rancho Cordova entered into a Letter of Intent (LOI) with Human Machine Collaboration Institute (HMCI) to explore the establishment of an Artificial Intelligence (AI) & Robotics Ecosystem; and

WHEREAS, In May 2025, staff received formal direction from the City Council during the Fiscal Year 2025-27 Budget Work Session to, collectively with HMCI, pursue an AI & Robotics Ecosystem to fuel innovation, inspire economic prosperity, and scientific discovery in an amount not to exceed $5 million; and

WHEREAS, HMCI has cultivated partnerships with local companies positioned to anchor the Ecosystem, as well as with educational institutions and workforce training providers, ensuring alignment with both immediate and long-term talent development needs; and

WHEREAS, The City's Economic Development Strategic Plan, adopted by the City Council in November 2024, identifies Business Development, Placemaking & Real Estate, and Workforce Partnerships as its three central goal areas. The AI & Robotics Ecosystem advances all three by enabling a high-growth industry cluster, catalyzing reinvestment in real estate and infrastructure, and strengthening workforce pipelines in emerging technologies; and

WHEREAS, The Economic Development Strategic Plan also establishes guiding principles of Economic Resiliency, Sustainable Growth, Innovation, and Diversity & Inclusivity, which are reflected in the AI & Robotics Ecosystem's objectives to diversify the local economy, promote inclusive workforce pathways, and leverage innovation as a driver of sustainable prosperity; and

WHEREAS, Rancho Cordova possesses unique regional and global assets that position it for leadership in artificial intelligence and robotics research and development, including Solidigm's global leadership in data storage innovation and FarmGPU's neocloud services supporting high-performance computing; and

WHEREAS, together, these assets anchor an innovation ecosystem supported by a robust network of data centers, reliable fiber infrastructure, and turnkey Class A office campuses designed for high-growth companies, while complementary advantages – including flexible zoning that accelerates investment, a school district distinguished by its International Baccalaureate program, and a centrally located business park with a strong emphasis on cleanliness, safety, and accessibility – position Rancho Cordova to attract global investment, facilitate innovation, and build a resilient, future-ready local economy.; and

WHEREAS, the NVIDIA Corporation has proposed a Memorandum of Understanding between them, the City and HMCI to expand NVIDIA's curriculum, certification pathways, and AI platforms across local educational institutions and workforce systems, with HMCI serving as

the ecosystem orchestrator to align power providers, employers, educators, and public agencies in delivering scalable and inclusive AI readiness programs; and

WHEREAS, The AI & Robotics Ecosystem will provide broad community benefits by creating inclusive workforce pathways into high-demand industries, strengthening local schools and training programs, and supporting placemaking and infrastructure improvements that enhance quality of life, safety, and accessibility for Rancho Cordova residents.; and

WHEREAS, the City Council further recognizes that a sole-source professional services agreement with HMCI is appropriate due to their established expertise in artificial intelligence, their exclusive relationships with core private-sector partners and institutions, their ownership of proprietary intellectual property – including the Innovation Revenue & Reinvestment (IR2) Model and the Orchestration Management Platform (OMP) – which are unique and trade-secret protected tools essential to the Ecosystem's structure and success, and the continuity required to successfully advance the work initiated under the March 2025 LOI; and

WHEREAS, in consideration of HMCI's exclusive expertise, technology, and relationships, the City Council anticipates and agrees that HMCI, as the sole-source professional service provider for the City's AI and Robotics Ecosystem, is not transacting on behalf of the City, but is rather a provider of services that may perform or have a financial interest in multiple, or each, phase of the project, and wishes this to be reflected in the Master Professional Services Agreement; and

WHEREAS, Advancing the AI & Robotics Ecosystem initiative will catalyze economic growth, attract investment, and cultivate workforce pipelines in high-demand industries, consistent with Rancho Cordova's long-term vision to be a regional hub for economic opportunity; and

WHEREAS, the City will form an Advisory Group consisting of City and HMCI representatives to provide oversight, review progress, and ensure activities align with the adopted Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The City Council authorizes the City Manager, or designee, to execute a Professional Services Agreement with HMCI, subject to approval as to form by the City Attorney, including final scope of work as deemed consistent with this Resolution by the Advisory Group, timelines, governance, and payment schedule, and compliant with all applicable provisions of state and local law.

2. The City Council of the City of Rancho Cordova hereby approves budgetary authority in an amount not to exceed $5,000,000 from the Community Enhancement and Investment Fund Legacy Fund balance to implement activities in support of the AI & Robotics Ecosystem initiative.

3. The City Council authorizes the City Manager, or designee, to enter into a joint Memorandum of Understanding with NVIDIA and HMCI.

4. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 23rd

day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Siri Pulipati, Mayor

Stacy Leitner, CMC
City Clerk

SCOPE OF WORK

The City will establish an Advisory Group, comprised of representatives from both the City and HMCI, to review progress, provide feedback and ensure activities align with the adopted Resolution. The City shall retain authority for policy direction, oversight, and final acceptance of activities and deliverables.

With final direction and guidance from the City, HMCI shall serve as the lead implementer of the Ecosystem activities, with responsibility for day-to-day management and execution. This sole-source professional services agreement is authorized under California Government Code §§ 37103 and 53060, recognizing HMCI's unique expertise and proprietary intellectual property (including the IR2 Model and Orchestration Management Platform). The Parties will develop a written framework to clarify roles and responsibilities, ensuring accountability and transparency while avoiding unnecessary delays to implementation.

These are proposed Scopes of Work for a number of initiatives relative to the formation and implementation of the AI & Robotics Ecosystem, and the related activities and deliverables. Final Scopes of Work may be adjusted and will be detailed in a Master Professional Services Agreement subject to approval as to form by the City Attorney, including final scope of work deemed consistent with the adopted Resolution by the Advisory Group, timelines, governance and payment schedule, and compliant with all applicable provisions of state and local law.

1. Digital Twin

Scope of Work (What/How)

- Determine zone for digital twin
- Collect baseline infrastructure data (energy capacity, fiber, transportation, land use).
- Develop a digital twin model representing current conditions.
- Simulate multiple growth and infrastructure scenarios.
- Provide recommendations for phased infrastructure upgrades.
- Deliver technical documentation and training for City staff.

Timeline & Deliverables (f*inal timelines & deliverables to be established in the MSA)*

- Month 6: Baseline Infrastructure Report.
- Month 12: Digital Twin Model v1.0.
- Month 18: Scenario Analysis & Upgrade Roadmap.
- Month 24: Final Report & Presentation.

Outcomes (Why/Results)

- Enables smarter, data-driven city planning.
- Improves transparency and community engagement by allowing staff to visualize scenarios.
- Strengthens resilience through infrastructure scenario modeling.
- Builds City capacity to manage future growth effectively.

2. Orchestration Management Platform (OMP)

Scope of Work (What/How)

- Design the custom architecture and workflows for the OMP.
- Develop and deploy a dashboard for project tracking and stakeholder updates.
- Integrate reporting and analytics features for City oversight.
- Train City staff and partners on OMP usage.
- Maintain and update the OMP during the contract period.

Timeline & Deliverables (f*inal timelines & deliverables to be established in the MSA)*

- Month 1-6: OMP System Design & Specifications.
- Month 6-12: Beta Version.
- Months 18-24: Quarterly Performance Reports & Continual updates and partner additions
- Month 20-24: Training Package and hand off to city staff

Outcomes (Why/Results)

- Creates coordination and transparency among all ecosystem partners.
- Ensures accountability through performance dashboards.
- Builds City capacity to manage ecosystem activities with efficiency and visibility.
- Provides a scalable governance model for replication in other cities.

3. Workforce Development, in alignment with NVIDIA

Scope of Work (What/How)

- Partner with local education institutions, and training providers.
- Design curriculum pathways for AI/robotics and infrastructure trades.
- Facilitate internships, apprenticeships, and employer partnerships.
- Support outreach and recruitment of diverse participants.
- Develop metrics for enrollment, completion, and job placement.

Timeline & Deliverables (f*inal timelines & deliverables to be established in the MSA)*

- Month 1-6: Assess needs, resources, and final partnership with employers and educational providers
- Month 6-12: Workforce Framework & Curriculum Outlines.
- Month 12-24: Pilot Training Program Launch.
- Month 12: Annual Progress Report.
- Ongoing: Quarterly Performance Reports.

Outcomes (Why/Results)

- Builds a pipeline of job-ready local talent for AI, robotics, and infrastructure sectors.
- Expands opportunities for underrepresented groups, ensuring equity and inclusion.
- Supports regional employers with skilled workforce.
- Demonstrates measurable impact through enrollment, completion, and placement metrics.

4. IR2 Model Pilot

Scope of Work (What/How)

- Engage at least two participating companies to pilot the IR2model. Work with stakeholder partners to establish governance structure and standard operating procedures (SOPs) for collection and remittance of funds.
- HMCI shall deliver a framework for partner agreements outlining recommended terms, rates, and reinvestment flows, to be used by the City and its partners in negotiation and execution of final agreements.
- Monitor and report financial and operational outcomes.
- Recommend adjustments for broader scaling.

Timeline & Deliverables (f*inal timelines & deliverables to be established in the MSA)*

- Months 1-6: Develop MSA
- Months 6-12: Real-estate Assessed & Onboard
- Months 12 – 18: Infrastructure Enablement/ Standardization
- Months 18-24: 2-3 Business Established in the Ecosystem
- Month 24: Final Pilot Report with Recommendations.
- Ongoing: Quarterly Performance Reports.

Outcomes (Why/Results)

- Demonstrates a self-sustaining funding model for the ecosystem.
- Creates reinvestment loops that channel economic growth back into the community.
- Establishes Rancho Cordova as a flagship model for IR2.

5. Business Marketing, Recruitment, and Ecosystem Programming

Scope of Work (What/How)

- Develop a marketing and recruitment strategy.
- Execute branding, collateral, and digital campaigns.
- Organize hackathons, networking sessions, and workshops.
- Support company attraction, retention, and expansion.
- Track and report ecosystem engagement metrics in OMP.

Timeline & Deliverables (f*inal timelines & deliverables to be established in the MSA)*

- Month 1-6: Marketing & Recruitment Strategy.
- Month 6-12: Branding Package.
- Months 6–12: At least three Ecosystem Events.
- Month 12-18: At least three Ecosystem Events.
- Month 24: Final Report with Recommendations for continuity of activities.

Outcomes (Why/Results)

- Attracts new companies and talent into Rancho Cordova's AI and Robotics Ecosystem.
- Retains and supports growth of existing companies.
- Builds community identity as a hub for innovation.
- Strengthens partnerships between business, government, and education.

6. Program-Level & Governance (Overhead / Orchestration)

Scope of Work (What/How)

- Provide overall ecosystem orchestration and program management.
- In partnership with the City and Ecosystem stakeholders, establish governance frameworks through HMCI's IR2 model and OMP.
- Deliver impact measurement and reporting across all initiatives.
- Manage technical specifications and economic impact reports.

Outcomes (Why/Results)

- Ensures coordinated execution across all pillars.
- Builds trust through governance, transparency, and measurable impact.
- Provides City and partners with clear, trackable returns on investment.
- Establishes a foundation for long-term scalability of the Ecosystem.

7. Research & Development

Scope of Work (What/How)

- Conduct applied research on AI, robotics, and infrastructure technologies relevant to municipal services, economic development, and workforce readiness.
- Develop white papers and technical briefs in partnership with UC Davis, Sac State, and other research collaborators.
- Pilot test emerging technologies (e.g., AI agents, robotics applications, clean energy systems) in controlled environments before potential citywide deployment.
- Maintain HMCI's research library and disseminate findings to the City, partners, and community.

Timeline & Deliverables *(final timelines & deliverables to be established in the MSA)*

- Months 3–6: Establish Research Agenda aligned with the ecosystem goals and objectives
- Month 12-24: First research project established and kicked-off (in collaboration with university partners).
- Months 12–24: Ongoing research and iteration.
- Ongoing: Annual Research & Innovation Impact Report.

Outcomes (Why/Results)

- Positions Rancho Cordova as a regional leader in AI and robotics research.
- Ensures the ecosystem remains at the forefront of technological innovation, not just implementation.
- Creates direct pathways for university collaboration, student engagement, and workforce innovation.
- Strengthens HMCI's role as the intellectual backbone of the Ecosystem, ensuring the City benefits from proprietary, cutting-edge research.

Memorandum of Understanding for Collaborative Business Engagement

This Memorandum of Understanding for Collaborative Business Engagement ("MOU"), effective as of the date last signed ("Effective Date"), is by and between NVIDIA Corporation, a Delaware corporation, on behalf of itself and its affiliates ("NVIDIA"), Human Machine Collaboration Inst., a California corporation ("HMCI") and the City of Rancho Cordova, a California municipal corporation ("Rancho Cordova"). NVIDIA, HMCI and Rancho Cordova are each a "party" and collectively the "parties."

The parties agree as follows:

1. Non-binding Nature of Collaborative Business Engagement. This MOU is intended to facilitate the collaborative relationship described in Exhibit A. The parties agree Exhibit A is non-binding and no legal obligations or liabilities exist or will exist related to Exhibit A. Neither party is required to enter into any binding agreement related to Exhibit A.

2. MOU's Binding Provisions. The parties agree that Sections 1 through 14 of this MOU are binding and enforceable.

3. Intellectual Property Ownership; No Licenses. Under this MOU, there is no intellectual property transfer and no party grants to any other party any intellectual property license or right, express, by implication, estoppel or otherwise. Additionally, the parties do not intend to jointly create any intellectual property under this MOU. If, during the term of the MOU, joint intellectual property development appears possible, the parties will discuss an agreeable mechanism to resolve ownership of any jointly developed intellectual property. If NVIDIA hardware, software or services are described in Exhibit A, they may be separately obtained if and as available subject to the applicable terms and conditions.

4. Costs and Non-Exclusive Agreement. The parties will each bear their own costs associated with activities described in this MOU. Any benefit offered in connection with this MOU is not conditioned on any exclusivity. Subject to a party's confidentiality obligations regarding another party's confidential information, nothing in this MOU prevents a party from participating in similar arrangements with third parties.

5. Confidentiality. The parties Multi-Party Non-Disclosure Agreement effective July 3, 2025 is incorporated in this MOU by reference governs the parties' confidentiality obligations for confidential information disclosed under this MOU. Confidential information includes the existence of this MOU and its terms; however, each party may share this MOU and related information on a confidential basis with its professional advisors, including lawyers, accountants and external auditors.

6. Publicity. A party will not make any public statements about this MOU or the parties' activities under this MOU without prior written approval from the other two parties. If the parties choose to pursue joint marketing or communications related to the activities in Exhibit A, the parties will mutually agree in writing to a go-to-market plan or positioning document (as applicable).

7. LIMITATION OF LIABILITY. EXCEPT FOR BREACHES UNDER SECTION 5 (CONFIDENTIALITY) OR SECTION 6 (PUBLICITY), TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL A PARTY BE LIABLE FOR ANY (I) INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR (II) DAMAGES FOR THE (A) COST OF PROCURING SUBSTITUTE GOODS OR (B) LOSS OF PROFITS, REVENUES, USE, DATA OR GOODWILL ARISING OUT OF OR RELATED TO THIS MOU, WHETHER BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, AND EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF A PARTY'S REMEDIES FAIL THEIR ESSENTIAL PURPOSE. EXCEPT FOR BREACHES UNDER SECTION 5 (CONFIDENTIALITY) OR SECTION 6 (PUBLICITY), EACH PARTY'S TOTAL CUMULATIVE AGGREGATE LIABILITY FOR ANY AND ALL LIABILITIES, OBLIGATIONS OR CLAIMS ARISING OUT OF OR RELATED TO THIS MOU WILL NOT EXCEED FIVE U.S. DOLLARS (US$5).

8. Term, Termination and Survival.
   a. Term. This MOU has a duration of one (1) year starting from the Effective Date ("Term"), unless terminated earlier in accordance with its terms.

b. Termination for Convenience. Either party may terminate this MOU at any time with ten (10) days' advance written notice to the other party.

c. Effect of Termination. Upon any expiration or termination of this MOU, each party will promptly return, delete or destroy the other parties confidential information within its possession or control, and, upon request, will certify in writing that it has complied with this obligation.

d. Survival. Sections 1 through 7, 8 c. and 8 d., and 9 through 14 will survive the MOU's termination or expiration.

9. Governing Law and Jurisdiction. This MOU will be governed in all respects by the laws of the United States and the laws of the State of California, without regard to conflict of laws principles or the United Nations Convention on Contracts for the International Sale of Goods. The state and federal courts residing in Santa Clara County, California will have exclusive jurisdiction over any dispute or claim arising out of or related to this MOU, and the parties irrevocably consent to personal jurisdiction and venue in those courts; except that, either party may apply for injunctive remedies or an equivalent type of urgent legal relief in any jurisdiction.

10. Trade and Policy Compliance. The parties agree to comply with all applicable export, import, trade and economic sanctions laws and regulations, including the Export Administration Regulations and Office of Foreign Assets Control regulations. These laws include restrictions on destinations, end-users and end-use. The parties each acknowledge that its use of the products and technology of the other parties under this MOU will be consistent with NVIDIA's Human Rights Policy.

11. Independent Contractors. The parties are independent contractors, and this MOU does not create a joint venture, partnership, agency or other form of business association between the parties. No party will have the power to bind any other party or incur any obligation or expense on its behalf without the bound party's prior written consent.

12. Entire Agreement. Regarding the subject matter of this MOU, the parties agree that (i) this MOU and its exhibits constitute the entire and exclusive agreement between the parties and supersede all prior and contemporaneous communications and (ii) any additional or different terms or conditions, whether contained in purchase orders, order acknowledgments, invoices or otherwise, will not be binding on the receiving party and are null and void.

13. Amendment. Any amendment to this MOU must be in writing and signed by authorized representatives of the parties.

14. Counterparts and Electronic Signature. The parties may execute this MOU in counterparts, which taken together will constitute one agreement. Each party agrees that this MOU and any MOU exhibits may be electronically signed, and that any electronic signatures appearing on this MOU or MOU exhibits are the same as handwritten signatures for the purposes of validity, enforceability and admissibility.

The parties, by signature of their authorized representatives, have executed this MOU as of the date signed below.

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

By: _____

Name: _____

Title: _____

Date: _____

NVIDIA Corporation
2788 San Tomas Expressway
Santa Clara, CA 95051 U.S.A.

By: _____

Name: _____

Title: _____

Date: _____

Human Machine Collaborative Inst.
10850 Gold Center Drive Suite 185A
Rancho Cordova, CA 95670

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A
Description of Non-binding Collaborative Engagement between NVIDIA, the City of Rancho Cordova, and the Human Machine Collaborative Institute

Rancho Cordova, in strategic collaboration with HMCI and NVIDIA, are aiming to establish the Rancho Cordova AI & Robotics Ecosystem [the Ecosystem] as a flagship model for AI-powered economic development. This initiative builds upon and complements the existing NVIDIA–State of California MOU by operationalizing its goals at the regional level, accelerating the adoption of AI infrastructure, workforce development, and applied innovation across the Greater Sacramento region.

The collaboration leverages power infrastructure, scalable real estate, fiber connectivity, and proximity to institutions such as UC Davis and regional community colleges. These assets position Rancho Cordova to attract and support AI and robotics companies, enabling predictable energy, workforce pipelines, and innovation-enabling environments.

This collaboration is designed to activate and expand NVIDIA's curriculum, certification pathways, and AI platforms across educational institutions and workforce systems. HMCI, serving as the orchestrator, may lead coordination with power providers, employers, educators, and public agencies to enable scalable, inclusive delivery of AI readiness programs.

The Rancho Cordova AI & Robotics District is a critical node within California's broader innovation strategy, demonstrating how cities can activate regional talent, infrastructure, and public-private coordination to accelerate AI deployment. The initiative supports equitable growth, economic mobility, and long-term competitiveness throughout the Greater Sacramento region, while aligning directly with NVIDIA's global developer and California's leadership in emerging technology sectors.

In the event the parties wish to pursue a project or initiative outlined in this Exhibit A, the parties will negotiate a definitive binding agreement specifying the rights and obligations of each party, and a party will not be bound until such definitive agreement is fully executed.

1. Objectives

Workforce Development
Prepare regional residents for careers in AI-driven sectors through industry-recognized credentials, employer-aligned training, and job placement. Rancho Cordova may support hiring pipelines and municipal workforce coordination, while HMCI may lead program design, employer engagement, and skills validation in sectors like robotics, healthcare, and advanced manufacturing.

Educational Excellence
Integrate NVIDIA DLI curriculum and teaching kits across regional colleges and workforce programs to expand AI literacy and job readiness. HMCI may coordinate curriculum alignment and delivery, while Rancho Cordova may support access through community platforms and digital infrastructure.

Research and Innovation Capacity
Strengthen applied AI research through coordinated public-private partnerships, pilot projects, and translational R&D. HMCI may facilitate research design and partnerships, while Rancho Cordova may provide access to public use cases and civic infrastructure for innovation and prototyping.

Community and Economic Impact
Launch inclusive Ecosystem that connects underserved communities to AI careers, startups, and public benefit technologies. Rancho Cordova may drive zoning and permitting alignment and host outreach campaigns, while HMCI may lead activation, equity strategies, and reinvestment planning tied to the Ecosystem.

2. Strategic Initiatives

NVIDIA may participate in the following areas, subject to the relevant NVIDIA DLI offerings' availability, eligibility requirements and grant awards, applicable fees, terms and conditions:

AI Skills Training:

- Providing Rancho Cordova with access to AI training materials, SDKs, and NVIDIA DLI resources; and
- Facilitating hands-on learning using NVIDIA's technologies, including AI frameworks and tools aligned with high-demand applications in healthcare, robotics, manufacturing, and data science.

Customized Curriculum Collaboration:

- Collaborating with Rancho Cordova and HMCI to refine educational programs focused on AI, robotics, and GPU-accelerated computing; and
- Curriculum alignment with industry needs in healthcare, advanced manufacturing, robotics, data science, and cybersecurity; and
- Providing NVIDIA DLI teaching kits for faculty integration into academic and workforce training programs.

Faculty and Student Training:

- Delivering NVIDIA-certified workshops and training sessions for educators; and
- Preparing students with practical, industry-aligned skills through targeted training initiatives.

AI Expertise and Industry Collaboration:

- Providing NVIDIA subject matter experts for strategic guidance in implementing AI across regional industries; and
- Facilitating knowledge transfer through workshops, guest lectures, and mentoring sessions; and
- Supporting joint research and applied innovation projects by connecting Rancho Cordova with industry partners and, where resources allow, offering NVIDIA's expertise to guide these initiatives.

Certification and Career Pathways:

- Collaborating with Rancho Cordova and HCMI to develop certification pathways aligned with industry-recognized standards; and
- Working with Rancho Cordova and HCMI to integrate practical AI applications into curricula to prepare students for local workforce opportunities.

City of Rancho Cordova may consider the following contributions:

AI Infrastructure and Implementation Support:

- Expediting local planning, permitting, and zoning approvals to facilitate rapid deployment of AI infrastructure; and
- Collaborating with power company for scalable energy allocations for the AI Ecosystem and
- Supporting right-of-way and public asset utilization to enable fiber, grid, and compute readiness; and
- Aligning Rancho Cordova IT departments and public-sector systems with AI-readiness initiatives for smart government transformation.

Curriculum Integration and Program Expansion:

- Coordinating local educational institutions to adopt and integrate NVIDIA DLI resources and AI certifications into their curricula; and
- Facilitating partnerships with local school boards, higher education institutions, and workforce boards to align programming with city economic development goals; and

- Promoting awareness of AI learning programs through city-operated platforms, public campaigns, and digital signage.

Student Engagement and Career Pathways:
- Developing local career pathways linked directly to industry and employer needs in AI and robotics; and
- Partnering with public employers and local vendors to host internships and AI-related job placement programs; and
- Identifying opportunities for city-sponsored apprenticeships and civic tech pilot programs tied to AI upskilling.

HMCI may consider the following contributions:

AI Infrastructure and Implementation Support:
- Managing operational and coordination within the AI & Robotics Ecosystem; and
- Providing strategic oversight of infrastructure readiness and digital twin deployment; and
- Leading development of innovation ecosystem specifications and tenant onboarding protocols; and
- Supporting system integration across power, compute, connectivity, and workforce layers.

Curriculum Integration and Program Expansion:
- Leading curriculum adaptation and integration of NVIDIA-developed AI modules across educational and training programs; and
- Working with postsecondary institutions and workforce boards to align offerings with industry-recognized credentials; and
- Ensuring curricular scalability across multiple disciplines and delivery formats (credit, non-credit, apprenticeships).

Faculty Development and Instructional Leadership:
- Encouraging qualified local faculty to be certified NVIDIA DLI University Ambassadors, enhancing their capacity to deliver advanced AI instruction. Faculty candidates must meet prerequisites defined by the Ambassador Program; and
- Coordinating professional learning communities across regional faculty to sustain instructional quality; and
- Hosting annual instructional convenings to surface best practices and identify continuous improvement needs.

Student Engagement and Career Pathways:
- Orchestrating mentorship and internship programs to enable robust industry engagement and employment outcomes; and
- Connecting regional employers with certified learners through cohort-based placement models; and
- Developing AI capstone and work-based learning frameworks tied to local demand signals.

Community Outreach and Inclusive Engagement:
- Providing equitable access to AI training and employment opportunities through community-focused outreach initiatives; and
- Engaging community-based organizations and trusted messengers to boost participation from underrepresented groups; and
- Producing multilingual outreach materials and holding public forums across neighborhoods within the ecosystem.

Research Collaboration and Innovations:

- Facilitating collaborative research initiatives and partnerships to drive local innovation and economic growth; and
- Supporting the development of translational research projects, innovation fellowships, and joint IP initiatives; and
- Convening annual regional research and industry summits to showcase outcomes and strengthen stakeholder alignment.

3. Joint Commitments

Federal, State, Philanthropic, and Local Grants:
Rancho Cordova, HMCI, and NVIDIA may jointly pursue grant funding opportunities to support innovative AI infrastructure, workforce programs, and educational initiatives across the Greater Sacramento region, to support the long-term sustainability of the partnership.

Continuous Feedback Loop:
This collaboration may establish a feedback loop involving representatives from Rancho Cordova, HMCI, NVIDIA, and key regional stakeholders. This may enable programs to remain responsive to industry demands, workforce needs, and educational outcomes, promoting continuous improvement.

Expanding Access to Opportunities:
This collaboration aims to enhance access to AI education and job opportunities for residents from various backgrounds, including those facing economic challenges, across the Greater Sacramento region.

Infrastructure and Ecosystem Alignment:
The parties may collaborate to enable infrastructure development, power allocation, and zoning policies within the Rancho Cordova AI & Robotics Ecosystem and they are aligned with long-term workforce and innovation objectives, including the use of dedicated surcharges to reinvest in growth.

Regional Economic Development Coordination:
The collaboration may coordinate with local and regional economic development agencies to align tenant attraction, startup support, and business recruitment strategies with the goals of the AI & Robotics Ecosystem, maximizing regional impact and sector growth.

4. Governance

Steering Committee: A joint steering committee may be formed with representatives from Rancho Cordova, HMCI, and NVIDIA. This committee may oversee the collaboration's implementation and progress, supporting strategic alignment among all parties, and address operational or policy challenges that arise during execution.

Key Outcomes and Metrics

Workforce Development and Job Placement
Key Outcome: Learners across the Rancho Cordova region, particularly from underserved communities, may secure AI-aligned employment in high-demand sectors such as robotics, healthcare, cybersecurity, and advanced manufacturing.

Metrics:
- Number of learners placed in AI and technology-related jobs within five years
- Percentage of graduates working in priority industry sectors aligned to regional economic plans
- Growth in job placement outcomes for underrepresented or economically disadvantaged populations

Student Enrollment and Graduation in AI Programs

Key Outcome: The collaboration may drive steady increases in enrollment and graduation rates in AI-aligned education and workforce training programs.

Metrics:
- Year-over-year increase in enrollment in AI, robotics, and data science programs
- Graduation and completion rates for NVIDIA-aligned credentials or programs
- Representation of underserved learners in AI program enrollment and completion

Industry Certifications and Credentials Awarded
Key Outcome: Learners and faculty may earn industry-recognized AI certifications, including NVIDIA DLI credentials, supporting career and instructional advancement.

Metrics:
- Number of NVIDIA DLI certificates awarded to learners and instructors
- Growth in the number of certified DLI instructors and Ambassadors across institutions
- Increase in credential completion rates across technical and non-degree pathways

Curriculum Integration and Program Development
Key Outcome: Regional institutions may embed NVIDIA-developed curriculum into degree, non-credit, and workforce programs in fields aligned to local employer demand.

Metrics:
- Number of new or revised courses incorporating NVIDIA AI modules
- Number of academic departments adopting GPU-aligned content
- Ongoing curriculum updates based on labor market feedback and industry consultation

Research and Innovation Output
Key Outcome: The collaboration may lead to joint applied research projects and innovation pilots that drive regional problem-solving and commercialization.

Metrics:
- Number of collaborative research projects initiated with academic or industry partners
- Number of publications, prototypes, patents, or innovations developed
- Total external funding secured for AI research from state, federal, or private sources

Community Engagement and Inclusivity
Key Outcome: Community-centered outreach and programming may promote AI awareness, literacy, and access to opportunities for historically excluded groups.

Metrics:
- Community participation in AI workshops, summits, and outreach events
- Stakeholder feedback on local impact, access, and program design
- Expansion of multilingual, community-based, or high school outreach initiatives

Faculty Development
Key Outcome: Faculty across participating institutions may be trained and supported to deliver NVIDIA-aligned AI instruction and lead learner engagement.

Metrics:
- Number of faculty earning NVIDIA DLI Ambassador or instructor certifications
- Faculty participation in NVIDIA-led workshops, summits, or instructional networks
- Faculty contributions to research, curriculum co-design, or mentorship programs

Economic Impact and AI Startups
Key Outcome: The AI & Robotics Ecosystem may catalyze new business formation, economic reinvestment, and startup activation.

Metrics:
- Number of AI startups launched or attracted to the Ecosystem
- Surcharge revenue allocated to workforce and infrastructure reinvestment
- Estimated economic impact in terms of jobs created, revenue growth, and sector transformation

Research Capacity Building
Key Outcome: Participating institutions and partners may expand their capacity to conduct AI-aligned research, compete for funding, and lead applied innovation.

Metrics:
- Number of AI-related research grants secured by regional institutions
- Number of research outputs including white papers, conference presentations, and tools
- Growth in research centers, cross-sector collaborations, and infrastructure investment
- Number of faculty and students participating in NVIDIA-supported research programs
- Measurable expansion of AI-related personnel, labs, and resources across the region

Key Relationship Contacts:

City of Rancho Cordova: Laura Fickle, Economic Development Manager, Amanda Norton, Economic Development Director

Human Machine Collaboration Institute: Sadie St Lawrence, CEO. J.P. Morgan, Chief Innovation Officer

NVIDIA:
Tiffani Alvidrez, Louis Stewart

AI & Robotics Ecosystem

September 23, 2025

RANCHO CORDOVA CALIFORNIA

CityOfRanchoCordova.org

Introduction

- What is the Rancho Cordova AI & Robotics Ecosystem?
- Why does it matter to Rancho Cordova?
- Why now and why here?

Contents

1. Background
2. Deliverables
3. Outcomes
4. Recommendation
5. HMCI Presentation
6. Council Recommendation

Background

AI & ROBOTICS ECOSYSTEM TIMELINE

A snapshot of key dates

NOVEMBER 2024
Council approved Economic Development Strategic Plan

MARCH 2025
City entered into a Letter of Intent (LOI) with HMCI

MAY 2025
Council gave formal direction to collectively pursue the initiative with HMCI

SEPTEMBER 2025
Support garnered from Tech Subcommittee

Outcomes

Community Benefits

- New Jobs & Career Pathways
- Access to Training
- Business Attraction and Expansion
- Future-Ready Infrastructure
- Branded as a Hub for AI & Robotics Research and Development, and Innovation

Recommendation

Adopt Resolution to:

- Authorize City Manager to enter into a sole-source Professional Services Agreement with HMCI
- Appropriate $5 Million from the Community Enhancement and Investment Fund Legacy Fund Balance
- Authorize City Manager to sign joint MOU with NVIDIA and HMCI

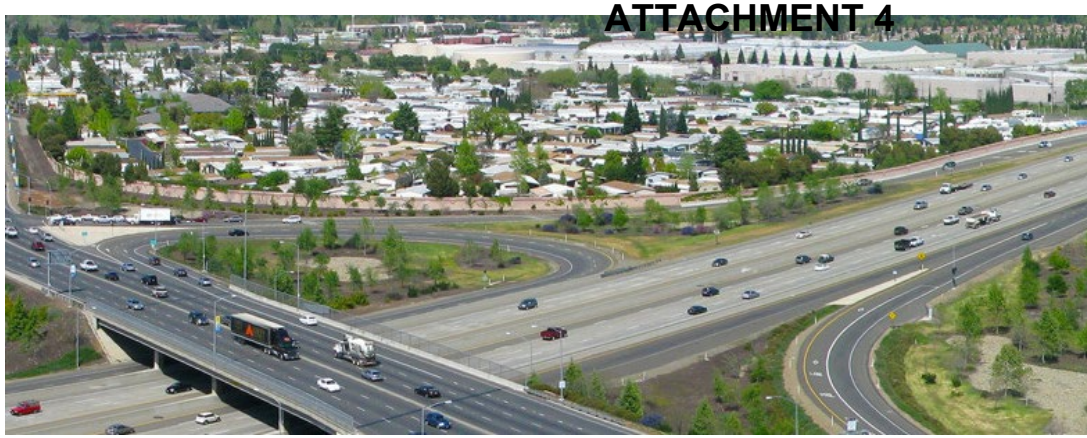
Prepared for: RANCHO CORDOVA CALIFORNIA

AI & Robotics Ecosystem

September 23, 2025

Prepared by: Human Machine Collaboration Institute

Rancho Cordova has the chance to be the first city in the nation to turn the AI wave into a community-first opportunity.



Human Machine Collaboration Institute®

Problem/Need

Human Machine Collaboration Institute

Small and mid-size cities lack an integrated way to turn AI-era demand, especially from power-intensive, job-light facilities, into broad local value; without coordinated power, places, people, and capital, they are structurally locked out of the AI economy.

Small and mid-size cities are structurally locked out of the AI economy without integrated approaches.

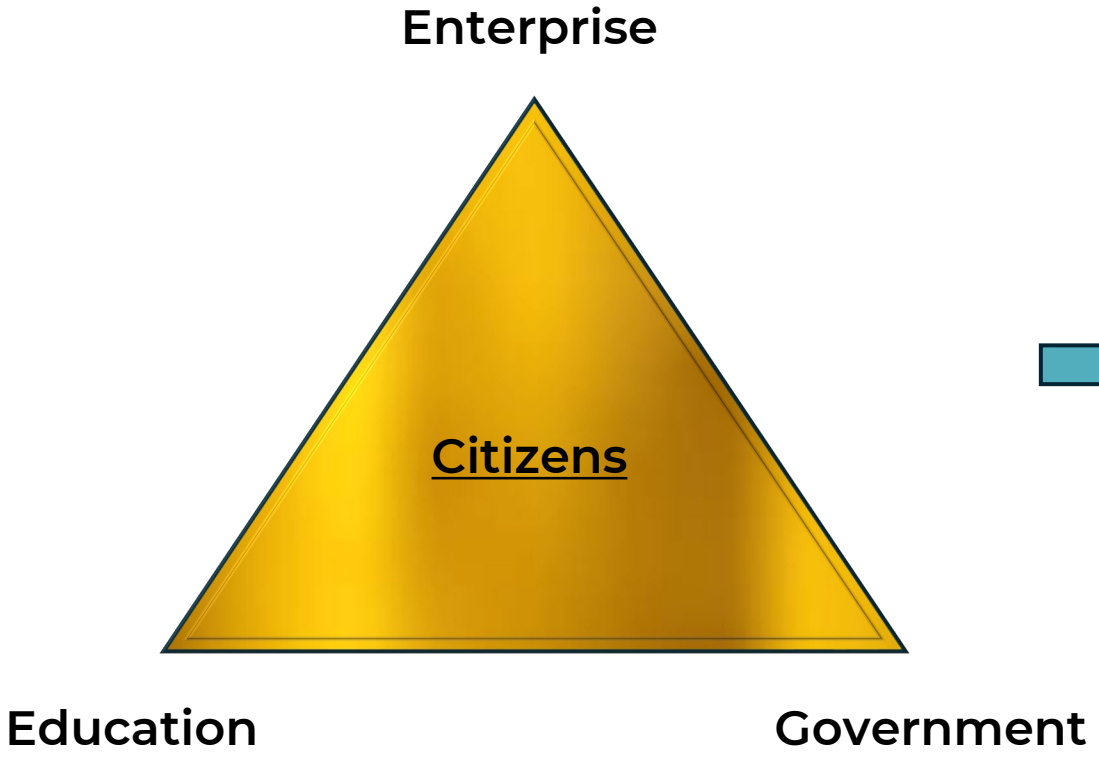
Today's facilities are power-intensive, job-light, and the benefits leave the community.

Rancho Cordova risks being left behind unless it establishes a coordinated strategy.

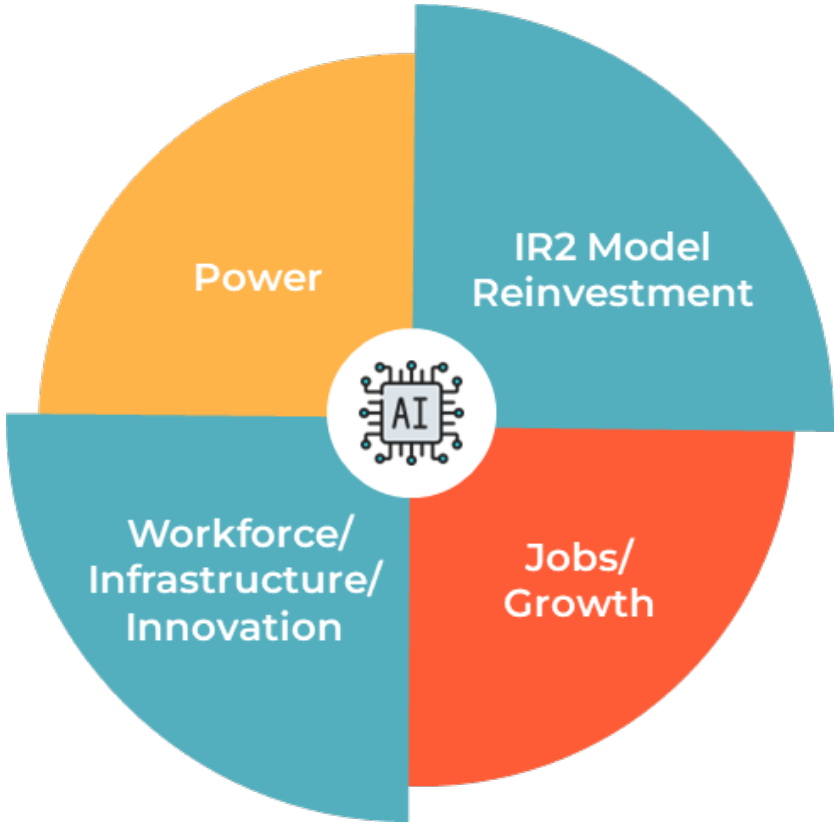
Solution Overview

Human Machine Collaboration Institute

Ecosystem Partnerships



Ecosystem Flywheel



Phase I Ecosystem Collaborators

Human Machine Collaboration Institute

A coalition of major players supporting and investing in Rancho Cordova.

- **NVIDIA –** Ecosystem flagship partner and curriculum partner.
- **SMUD –** Energy provider.
- **Solidigm –** Local tech leader, advanced storage/memory innovation.
- **FCUSD/Folsom Lake College –** Local education partner.
- **FarmGPU –** Local partner for GPU compute for projects.
- **UC Davis Center for Analytics and Technology (CATs) –** Research Partner.

More Than Chips: NVIDIA's Global AI Ecosystem Strategy

Human Machine Collaboration Institute

NVIDIA's Global Moves (2025):

- **United Kingdom Partnership →** Billions invested to build a *national AI infrastructure* that creates jobs and secures future economic growth.
- **Intel Collaboration ($5B) →** Building the *next generation of computers* to power everyday business, education, and government services.
- **Ecosystem Expansion →** Investing in *education, research, and infrastructure* to capture the multi-trillion-dollar AI economy.

Why This Matters for Rancho Cordova:

- Our AI & Robotics Ecosystem aligns with NVIDIA's global strategy, putting Rancho Cordova on the map alongside world leaders.
- Through the IR² Model™, energy savings are reinvested directly into *local schools, workforce training, and community innovation*.
- Anchored by NVIDIA + SMUD + Solidigm + UC Davis + Folsom Lake College + FCUSD, we will:
  - ✓ **Create jobs of the future for local residents**
  - ✓ **Build education pathways from K-12 to careers**
  - ✓ **Strengthen our local economy by attracting new businesses**

NVIDIA®

Takeaway:
Rancho Cordova + NVIDIA +HMCI = A national model for innovation, jobs, and community growth.

Pillar 1: Sustainability

Human Machine Collaboration Institute

What It Is

Focus on governance, infrastructure, and efficient energy use.

Set up an Innovation Revenue Reinvestment (IR2) Model™ pilot (a proprietary model that turns power into funding)

Benefits

- Attracts AI businesses with power.
- Creates a self-sustaining fund for community reinvestment.
- Aligns with regional green tech goals.

Sustainability Key Projects

Human Machine Collaboration Institute

Key Projects

Program Orchestration & Governance: Execute MSAs/MOUs, set up Project Management Office, and launch oversight committees with transparency portals.

Orchestration Management Platform (OMP) Development: Build and enhance a custom platform for tenant management, billing integrations, dashboards, and finance modules.

IR2™ Activation & Infrastructure Upgrades: Assess real estate, publish technical specs, certify AI-ready sites, and optimize tenant opt-ins.

Impact Framework: Define Key Performance Indicators (KPIs), automate reporting, and publish annual reports for ongoing measurement.

Pillar 2: Workforce

Human Machine Collaboration Institute

What It Is

Building local talent pipelines (K-12 through adult upskilling).

Benefits

- New career pathways for students and adults.
- Access to training + apprenticeships.
- New high paying jobs and career advancement opportunities.
- Rancho Cordova becomes a magnet for tech jobs and opportunities for residents.

Workforce Key Projects

Human Machine Collaboration Institute

Key Projects (Part of the Nvidia MOU)

K-12 Pathways & Needs Assessment: Map STEM gaps, design AI/robotics curricula, pilot programs, and expand with partners.

Community Skills Bootcamps & Apprenticeships: Assess in-demand skills, deliver training (e.g., AI fundamentals, robotics), and secure employer partners for hiring and development

Outreach & Events: Build engagement plans, host hackathons/meetups/summits, and sustain 1,000+ annual interactions to convert leads into jobs.

Measurement & Iteration: Track outcomes (e.g., 400+ program completions), refresh curricula, and conduct quarterly KPI reviews for continuous improvement.

Pillar 3: Innovation

Human Machine Collaboration Institute

What It Is

Driving breakthroughs through partnerships & tools.

Key Projects

Digital Twin Initiative: Scope, build minimum viable product, integrate with OMP for scenario planning, deploy production version, and provide training for optimization.

Business Attraction & Marketing: Support City to develop value props, customer relationship management (CRM) pipelines, conduct outreach/roadshows, and close deals to establish 2-3 businesses.

Collaborative Research & Development (R&D): Map themes, design 1-2 pilots, execute 2-3 sprints with partners (e.g., NVIDIA, UC Davis), and launch tech transfer/demo days.

Economic Impact Modeling: Design dashboards, automate updates, and provide expansion recommendations based on key performance indicators like jobs and taxes.

Community Benefits

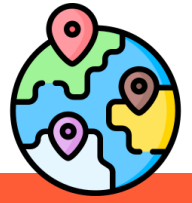
Human Machine Collaboration Institute

For Citizens:

- New career pathways for students and adults.
- Access to training + apprenticeships.
- New high paying jobs

For the City:

- Attraction of new businesses.
- Revitalization of office/industrial space.
- Increased tax base.



For the Region:

- Rancho Cordova as the model for how mid-size cities can lead in the AI economy.

Key Milestones

Human Machine Collaboration Institute

	Months 1-6	Months 6-12	Months 12-18	Months 18-24
SUSTAINABILITY	• Foundation/ Governance – MSA – Platform Enablement	• Real-estate Assessed & Onboard	• Infrastructure Enablement/ Standardization	• 2-3 Business Established in the Zone with IR2
WORKFORCE	• Assess needs/ opportunities – Education – Community	• Build pathways • Community Engagement & Events	• Facilitate training • Measure and Iterate	• 400+ completed ED program • 1000 participants for community engagement
INNOVATION	• Digital Twin Project Kickoff	• Digital Twin Launch & Optimization	• Research Project partners selected and scoped	• 2-3 Research and Development Projects Launched

Ecosystem Key Deliverables

Human Machine Collaboration Institute

1. Custom Orchestration Management Platform (OMP)
2. Infrastructure Readiness and Standardization (IR2 Model Pilot)
3. 1 Digital Twin for City Optimization
4. 400 Participants in Workforce Education and Skill Development Pathways Program
5. 1,000 individuals engaged in Community Outreach and Engagement Network
6. Business Attraction and Economic Impact Toolkit (leading to 2-3 businesses attracted)
7. 2-3 Collaborative Research and Innovation Pilots

Project Outcomes

Human Machine Collaboration Institute

What It Achieves

This project delivers a thriving AI and robotics ecosystem for Rancho Cordova, enhancing sustainability, workforce development, and innovation over 24 months.

Why It Matters

These outcomes position Rancho as a tech leader, driving economic growth with 2-3 new businesses, creating jobs, and boosting local revenue through sustainable infrastructure and skilled talent pipelines, aligning with city goals for prosperity and inclusivity.

Key Projects

Sustainability: 1 robust governance structure, 1 advanced OMP, 1 standardized infrastructure program, and 2-3 businesses established, optimizing resources and attracting tenants.

Workforce: Over 400 program completions, 1,000+ community engagements, and 1 skilled talent pipeline, empowering residents with AI/robotics skills and jobs.

Innovation: 1 digital twin deployed, 2-3 R&D projects launched, and economic impact tracked via dashboards, fostering cutting-edge growth and investment.

RANCHO CORDOVA
CALIFORNIA

By approving this investment, the Council makes Rancho Cordova the model for how a mid-size cities can lead globally in the Fourth Industrial Revolution

Human
Machine
Collaboration
Institute

Recommendation

Adopt Resolution to:

- Authorize City Manager to enter into a sole-source Professional Services Agreement with HMCI
- Appropriate $5 Million from the Community Enhancement and Investment Fund Legacy Fund Balance
- Authorize City Manager to sign joint MOU with NVIDIA and HMCI

THANK YOU

RANCHO CORDOVA
CALIFORNIA

CityOfRanchoCordova.org

MEMORANDUM

ITEM 11.1

DATE: September 23, 2025

TO: Honorable Mayor and Council Members

FROM: Micah Runner, City Manager

SUBJECT: **ECONOMIC DEVELOPMENT AND PARTICIPATION AGREEMENT: 2875 KILGORE ROAD AND PARCELS: 072-0490-024-0000, 072-0223-004-0000, 072-0223-001-0000, 072-0223-003-0000, 072-0223-002-0000, 058-0530-001-0000, 058-0530-002-0000, AND 072-0490-004-0000, AND CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) EXEMPTIONS**

RECOMMENDATION

Review, discuss and adopt the Resolution approving the Economic Development and Participation Agreement (EDPA) and approve the CEQA exemptions. The EDPA is exempted from the California Environmental Quality Act pursuant to CEQA Guideline section 15004 (b)(4) as the EDPA is for financing only. The EDPA is also consistent with the provisions of CEQA Guidelines section 15183.

RESULT OF RECOMMENDED ACTION

The EDPA would allow for development of a multi-use arena, two (2) or more hotel(s) with a minimum room count of 800 rooms, retail and dining district, movie theater, other retail operators, minimum of 640 residential units, potential cardroom, structured and surface parking lots and other public realm amenities including a public plaza.

That this Agreement is exempt from the California Environmental Quality Act under CEQA Guideline 15004 (b)(4) and the Project would also be exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines Section 15183.

DISCUSSION

The proposed site is located at 2875 Kilgore Road, and the affected parcels are: 072-0490-024-0000, 072-0223-004-0000, 072-0223-001-0000, and 072-0223-003-0000 058-0530-001-0000, 058-0530-002-0000, 072-0490-004-0000, 072-0223-002-0000**,** 058-0530-001-0000, 058-0530-002-0000, and 072-0490-004-0000. The site is within the established Convention Overlay District, which was established by the City to promote the development of a

high-intensity, mixed-use, and entertainment-oriented development that would promote sustainable urban design, and support tourism, hospitality, cultural uses, and entertainment options for the community.

The City has been approached by KozPure Development, LLC working with Alpha One Sports and Entertainment Group, LLC to utilize a city-owned property to be part of a sports-anchored entertainment destination district and City Center (Development). Many of the members of the ownership group are Rancho Cordova residents and/or businessowners who wanted to create a City Center for their community. Unlike traditional malls and shopping centers where clothes shopping and food are the focus, sports-anchored entertainment destination districts are mixed-use developments that are anchored by sports and athletic facilities where the focus has a wider range of vibrant offerings. KozPure Development, LLC, the "Developer" and land owner working with Alpha One Sports and Entertainment Group, LLC, the "Land Owner" collectively are looking to construct a 28-acre mixed-use Development anchored by a 7,500 seat arena and, two (2) or more hotels of upscale, full-service, or boutique quality with a minimum room count of 800 of which one will be at least 4-star quality. A minimum of 640 residential units with structured and surface parking (approximately 3,660 stalls onsite and within close walking distance), an outdoor plaza, and a retail and dining district (approximately 144,970 sf). The mix of uses will allow for greater site activation and wider operating hours by having multifamily residential, the arena, and retail all onsite(s).

A City Council ad-hoc committee was established to discuss the details of the project. The committee has been meeting for the past weeks to discuss development of the overall site including the 13-acre City-owned parcel within the overall site. Discussion also involved the construction and operation of a multi-use entertainment and sports facility, the complementary surrounding land uses, and digital billboards. A main component of discussion was the public benefit of this project to the residents of the City of Rancho Cordova and the overall region, and the negotiated deal points as presented in the Economic Development and Participation Agreement (EDPA).

The Project is proposed to be a high-density, transit-oriented city center that supports California's sustainability goal and to reduce environmental impact, promote multi-modal access, and support long-term community resilience.

Project Market Feasibility

To determine the feasibility of the arena, a Market Feasibility & Venue Assessment was conducted by The Network Advisory. The assessment looked at a variety of factors associated with arenas of similar size in comparable cities. The study identified operational insights and best practices for similarly positioned venues to properly assess the resources needed to build a sustainable business model.

The top Designated Marketing Areas (DMA) were studied in the United States. In every DMA, with the exception of the Sacramento Metropolitan Statistical Area (MSA), there is at least one athletic or music-focused venue with a seating capacity of 6,000-10,000 seats. An analysis of the current venues of the Sacramento region, indoor event spaces range from the Golden 1 Center (17,608 seats), The Venue (4,500 seats), Sacramento Memorial Auditorium (3,867 seats), Hard Rock Live (3,500 seats), Channel 24 (2,150 seats), and Jackson Hall (1,800 seats). An arena of 7,500 seats would fill a gap in the market. The study indicated that every Top 25 DMA in the United States had at least one mid-sized arena with the exception of the greater Sacramento-Cordova region, with an average of two (2) like-venues per market. (See Attachment 1: Network Market Feasibility & Venue Assessment)

The arena development seeks to provide access to live sports, live music, and provide the community with a diverse set of offerings. Most notably, the arena will be anchored by a new Major Arena Soccer League and will be the first women's professional soccer team in the Sacramento region (MASL and MASLW). The Ernesto Delgado Hospitality Group has provided a letter of interest in opening a restaurant with their family of brands in the retail and dining district in addition to several other unannounced brands.

In addition, the Developer is looking to activate the outdoor plaza with community- focused events. Midnite Events will host indoor and plaza events. They will bring their "Give Thanks Festival" to the site (10,000+ attendees per day) and it is planned to host approximately 40 ticketed concerts annually.

The Network Advisory conducted an analysis of all hotels with over 80 rooms within a 20-mile radius of downtown Sacramento. Occupancy rates at 4-star equivalent rooms are consistent with industry averages, and there are no true 5-star hotels in the market. With a new arena and convention center growth, incremental demand will absorb the new supply.

A Retail Strategy and Market Viability Overview was completed by Turton Commercial Real Estate. Turton will utilize a data-driven approach to tenant curation, focusing on first -to-market concepts, experience-driven retail and hospitality, and a balanced mix of national, regional, and local brands. They will utilize strategic leasing and phased activation to build momentum, brand development and market positioning. Rancho Cordova has seen rising median household incomes, a growing population base, and increased family-orientated households. The Development, with its proximity to US Highway 50 and growing residential developments, will be distinguished by destination-oriented, experience-driven retail and dining spaces, rather than traditional strip retail. (See Attachment 2: Turton Retail Study)

The economy of Rancho Cordova and the region have relied on a healthy mix of professional services job centers and technology/manufacturing; adding sports and entertainment will help to add to the economic landscape.

Potential Economic Benefits

A sports-anchored entertainment district could produce various economic benefits to the City of Rancho Cordova according to The Socio-Economic Impact of Entertainment and Sports Complex, produced by Varshney & Associates. It is estimated that sports facilities can drive a 15-20% increase in local business revenues within a five-mile radius during peak seasons. (See Attachment 3: Varshney & Associates Executive Summary)

When looking at the study and resulting economic benefits from the Development, there will likely be multiplier effects resulting in direct, indirect, and induced benefits. These benefits will appear as:

- Direct: The initial influence of economic activity of the local economy. This is the direct spending from the Development, estimated to be $2.1 billion over 12 years and create 22,824 jobs, with annual averages of $179 million and 1,902 jobs.

- Indirect: The generation of additional economic activity that stems from the interconnected businesses, suppliers of goods and services, and the provision of the operational inputs. This is local business-to-business purchases directly related to the spending from the Development. This includes the purchases made by the

Development, such as goods, detergents, blankets, and other products, as well as contracted services. This activity is expected to generate $899 million over 12 years and create 5,472 jobs, with annual averages of $75 million and 456 jobs.

- Induced: Measures consumption expenditures of direct and indirect sector employees. The induced effect includes the sum of household purchases based on wages. This activity is expected to generate $1.5 billion and 8,484 jobs over 12 years, with annual averages of $123 million and 707 jobs annually.

- The total output for the project over 10 years is estimated to be more than $4.5 billion and may exceed $500 million annually. This includes total revenue for all sources of income. In addition to the above activities, it is estimated that the Development will provide federal, state and local tax benefits. Federal tax revenues are estimated to total $433 million over the 12-year period. State and local governments in the region will receive $227 million in tax revenues, from sales taxes, property taxes, and other local taxes. The benefits of this project will extend into the greater Sacramento-Cordova region.

Community Benefit

This Development will add a myriad of new offerings for the community including a City Center, urbanized development, a central gathering place for community events, professional and collegiate sports, live entertainment, and an energetic entertainment district with housing and tourism.

Additionally, the Development will add to the existing offerings that are already available to the community. There is a mixture of current indoor sports activities that includes but is not limited to martial arts, gymnastics, rock climbing, basketball, soccer, laser tag, shooting range, indoor swimming, children's play places, pickleball, and various gyms and fitness studios. An arena will provide another location to engage and watch various sporting activities. The Rancho Cordova Performing Arts Center has a 450-seat capacity; a 7,500-seat arena will provide the ability to host additional live musical performances at a larger venue. An arena will add to the already vibrant cultural identity of the City of Rancho Cordova and the surrounding community.

As mentioned above, the project will also include residential housing, such as multi-family. Adding additional housing types is important to meet the varying needs of community members. At least 15% of the housing constructed on the City's parcel will be integrated affordable or student housing.

The proposed sports-anchored mixed-use development will provide additional benefits to the City of Rancho Cordova. The Developer has cited the following community benefits:

Children, Families, and Community Benefits

- Free Major Arena Soccer League youth soccer camps for Rancho Cordova children every year
- Mentorship programs for at-risk youth led by MASL and MASLW athletes
- Ability to host NCAA, CIF and CASL tournaments brings youth and collegiate sports directly into the City
- Local graduations in Rancho Cordova for high school and college students – ending the need to leave town for milestone ceremonies

- Family-friendly gathering place where residents can celebrate birthdays, anniversaries, concerts, movies and festivals

Making Rancho Cordova a Nationally Renowned City

- Anchored by the arena and surrounded by hotels, nightlife, retail, residences, and cultural attractions and immersive experiences
- Launches MASL – top professional men's arena soccer league with current live matches on CBS Golazo
- Launches MASLW – the region's only professional women's sports team
- Hosts signature cultural festivals: Dova Fest, Give Thanks, and Rancho Cordova's first-ever New Year's Eve celebration
- Establishes Rancho Cordova as a nationally recognized city through global broadcasts on ESPN, CBS Golazo, and more

Powering the Future of the Economy

- Generates $4.5 billion in total economic output over the next decade
- Creates 36,780 jobs (over 3,000 jobs annually) across construction, hospitality, retail, sports, and education

Rebranding the Region as the Sacramento-Cordova Region

- Transforming the reputation of Rancho Cordova from a commuter suburb into the cultural capital of the Sacramento Valley and a twin-economic power City for the greater Sacramento-Cordova region
- Anchored by a 7,500-seat technologically advanced arena at the center of a fully walkable district
- Establishes a city of the future where digital and physical worlds blur through holograms, glowing roads, immersive media, and illuminated streets

University Partnerships & Academic Expansion

- Expanded Higher Education Footprint: Establishes Rancho Cordova as a true college city, bringing students, faculty, research activity directly into the district
- Graduations in Rancho Cordova: Local high school and university students will hold their graduations and commencements inside their own city, making Rancho Cordova the center of regional milestones
- Workforce Pipeline: Direct partnerships with higher education to create a talent pipeline into healthcare, business, technology, and sports management – preparing Rancho Cordova youth for high-skill, high-paying jobs of the future

The Destination City of the Region

- Rancho Cordova becomes the premier destination city of the greater Sacramento Cordova region
- One or more new luxury hotels (4-star level) delivering 800 rooms and anchor a multi-venue convention campus across arena, hotels, and movie theater
- The city attracts major conventions, concerts, business gatherings, sports tournaments, and entertainment showcases year-round

- Construction Activities: The construction of the Development, including the arena and supporting infrastructure are estimated to contribute $1.6 billion in economic output. The activities will support 10,203 jobs over a 12-year period, creating substantial opportunities for the local workforce and business-related industries
- Hospitality and Services: The operations of hotels, retail establishments, and other service-based facilities within the Development will generate $2.5 billion in output and sustain 22,738 jobs over a 12-year period. There is anticipated increased tourism and visitor spending
- Arena Maintenance: Will generate nearly $275 million in output and support 2,953 jobs over a 12-year period
- Mixed-Use Developments: The residential and commercial buildings included in the Development will yield $185 million in output and support 887 jobs over a 12-year period

Economic Development Participation Agreement Terms

The proposed EDPA creates a structure that places the responsibility and execution risk on the Developer and Landowner to deliver a best-in-class arena and entertainment district. The City's role is supportive and performance-based, with contributions tied directly to new revenue generation, not existing obligations. The framework is intentionally designed to safeguard the City's general fund and add new dollars to fund City services while still enabling transformational private-public investment that elevates the community.

There are seven (7) projects components of the EDPA:

A. Arena – a 7,500 seat, multi-use arena with integrated luxury suites and/or hospitality lofts, facilities suitable for hosting professional sports, concerts, and community events; all to ensure that the Arena serves as a mid-size, regional, high-quality-caliber venue elevating Rancho Cordova's entertainment offerings
B. Two (2) or more hotels of upscale, full-service, or boutique quality with a minimum room count of 800 of which one will be at least 4-star quality consistent with comparable hotels in the greater Sacramento-Cordova region, such as the Sacramento Kimpton Sawyer or Hyatt Centric
C. A retail and dining district anchored by farm-to-fork restaurants, cafes, entertainment venues, such as a movie theater, and cardroom, and local and national retail operators
D. 640 minimum residential units of a type, number and configuration to be determined by the developer
E. Cardroom
F. Structured and/or surface parking, transit-oriented connects and infrastructure improvements
G. A Public Plaza and other Public Realm Amenities

The EDPA also includes:

- The City will cooperate with Developer in processing required CEQA documentation and land use entitlements for the Project and work with Developer to recommend to the City Council zoning amendments, signage approvals, or municipal code modifications reasonably necessary for the Project, including modifications to noise regulations, signage programs, and similar measures required to allow full realization of the Project
- The City will cooperate on the Project branding including incorporating the Downtown Dova designation, or similar name, in official communications and materials
- Consideration of four (4) large format billboards or destination monument signs

- Initiation of a property-based improvement district (PBID) or Tourism Business Improvement District (TBID) specific to the project site

Addition EDPA components and their components are detailed in the attached EDPA.

Some of these components include specific commitments and/or consideration of:

- 35-year term of the agreement
- Shared Revenue and Proceeds with the master developer, including sales tax and transient occupancy taxes (TOT) (100% of the sales tax to City, 100% of TOT to Developer)
- Cardroom tax
- Financing district proceeds
- Special taxes or assessments under a Community Facilities District (CFD)
- Property tax increment revenues or bond proceeds under an Enhanced Infrastructure Financing District (EIFD)
- Fee Reductions and Relief/Waiver of City staff service fees and City development impact fees for the overall project site
- Exploration of a potential Admissions Tax

It is expected that the development may implement the project in multiple phases. Subsequent phases may include residential, retail, and hotel components, which may be delivered incrementally or concurrently as market conditions allow. The Developer acknowledges that certain infrastructure improvements must be built with City's approved timing and sequence to maintain certain required levels of service mandated by the City's General Plan and other planning obligations. The master developer shall serve as the master developer for the project site and shall oversee the planning, subdivision, sale, leasing, entitlement, and overall coordination of development activities for the Project. Further details are provided in the EDPA.

FISCAL IMPACT

A subsequent Development Agreement will delineate and define the details of the performance-based tax sharing revenues or proceeds. Under the proposed EDPA, the City would not be required to advance funds, pledge its General Fund, commit to establish any tax not now in existence, commit to establish any Community Facilities District or Enhanced Infrastructure Financing District, or guarantee any minimum payment amount under this Agreement.

The EDPA proposes a combination of shared future revenue streams from the project and potential development impact fee and building permit fee waivers as the city's financial contribution to the project. The EDPA also proposes the dedication of some portion of the 13-acre city owned parcel, the current value of which is estimated to be approximately $6.8 million. That is the prospective contribution for the City. As mentioned above, the City would not be required to advance funds, pledge its General Fund, commit to establish any tax not now in existence, commit to establish any Community Facilities District or Enhanced Infrastructure Financing District, or guarantee any minimum payment amount under this Agreement. The risk level from the master developer is private financial investments into the overall site. If the project is realized at buildout based upon the economic impact analysis, there will be benefits to the City, the region, and the community derived from the project.

The EDPA proposes that the following revenue sources generated from the project site be shared with the developer as follows:

- The Transient Occupancy Tax ("TOT") generated from the project site, based on the TOT in effect on the Effective Date (Rancho Cordova Municipal Code 3.08.030), would be shared with the developer. The City's obligation to pay the Developer TOT would exclude any revenues from increases in the TOT after the Effective Date. TOT is anticipated to be the most significant revenue source from this project, estimated to be approximately $500,000-$600,000 per year for every 100 hotel rooms built. However, it is uncertain whether the addition of new hotel rooms in the city will have an impact on the city's existing hotels and TOT revenues.

- Local sales and use tax allocated by the California Department of Tax and Fee Administration ("CDTFA") in excess of the revenues necessary to fund City expenses would also be shared with the developer**.** The City's obligation to pay to Developer the agreed upon portion of local sales and use tax would exclude any revenues from City sales tax and use tax measures, including Measures H (November 2014) or R (November 2020) or any other City sales and use tax measure enacted after the Effective Date. Preliminary estimates of the amount of sales tax generated from the project based on proposed site uses provided by the developer range from approximately $150,000-$350,000 per year. These amounts are initial estimates and will continue to be refined as elements of the project are finalized.

- The City's Cardroom Tax falls under Rancho Cordova Municipal Code 3.90, which imposes a 3% tax on revenues up to $5 million and a 4% tax on revenues over $5 million. The annual amount of cardroom tax revenues generated from this project will be dependent on the number of factors that cannot be estimated at this time. The EDPA also proposes that the city work with the developer to explore the potential enactment of an Admissions Tax. If an admissions tax were to be imposed at a future date, all revenues generated from the project site would be shared with the developer.

The EDPA also proposes that City development impact fee and building permit fee waivers and/or reductions be considered. At full built out of the project based on the proposed land uses, this fee waiver can range between $25 million to $40 million over the term (duration) of the agreement.

It is important to refer to the EDPA for the details of the overall agreement. A Development Agreement will be prepared subsequent to this EDPA to provide additional details to effectuate this EDPA. The financial impact and feasibility analysis will continue to be reviewed and analyzed at the various stages of project implementation.

ATTACHMENT(S)

1. Network Market Feasibility & Venue Assessment
2. Turton Retail Study
3. Varshney & Associates Executive Summary
4. Resolution
5. Economic Development and Participation Agreement
6. Presentation

NETWORK DOWNTOWN DOVA

MARKET FEASIBILITY & VENUE ASSESSMENT

EXECUTIVE SUMMARY

KozPure has commissioned a study to evaluate and advise on the validity of its aspirations to build a premier sports & entertainment district in the Rancho Cordova neighborhood of Sacramento. By conducting research on comparable venues across the U.S., unique aspects of the Downtown Dova project, and opportunities in the Sacramento market per consumer interests, NETWORK is able to evaluate the project, recommend a strategy and deliver a market feasibility and venue assessment for Dova Arena.

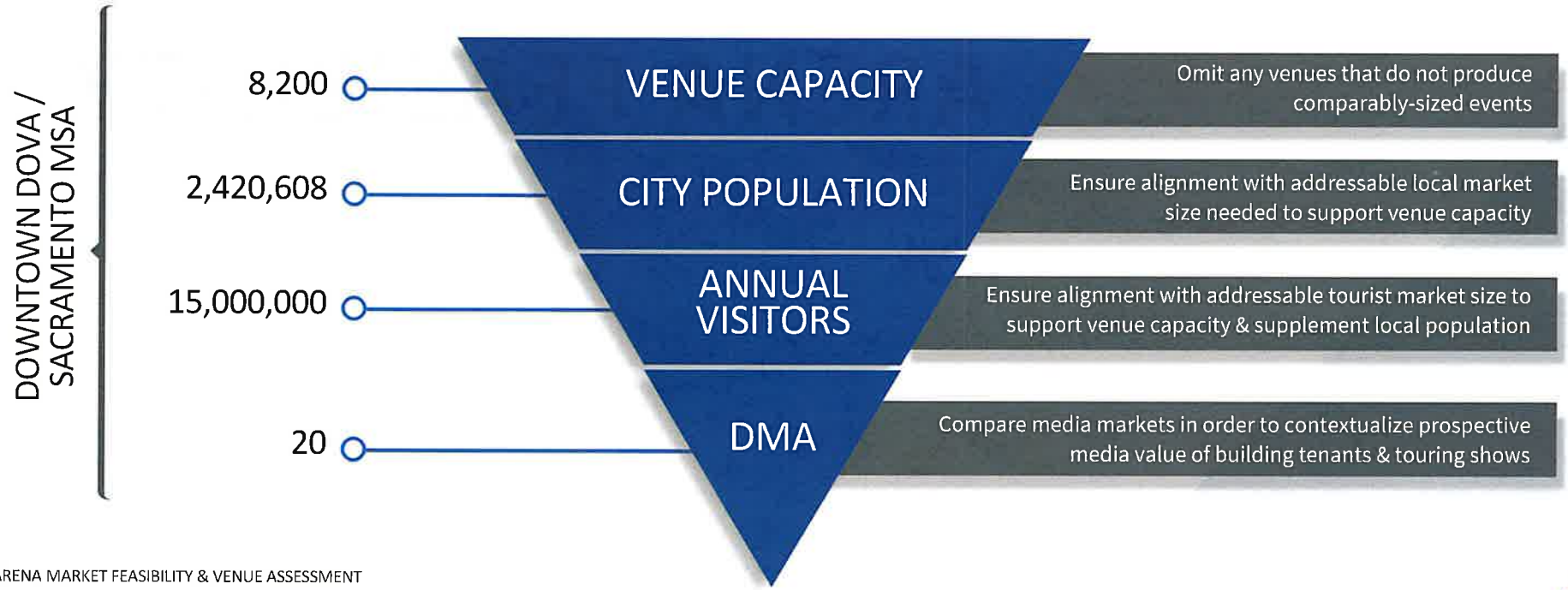
Additionally, NETWORK examined the hotel market within Sacramento to make strategic recommendations on the positioning and build of hotels found within Downtown Dova, understanding demand drivers and growth potential to properly align hotel properties.

Based on our findings, NETWORK strongly recommends the build of a 7,500 seat arena and approximately 1,500 luxury hotel rooms within Downtown Dova over a five (5) year period.

ARENA FEASIBILITY

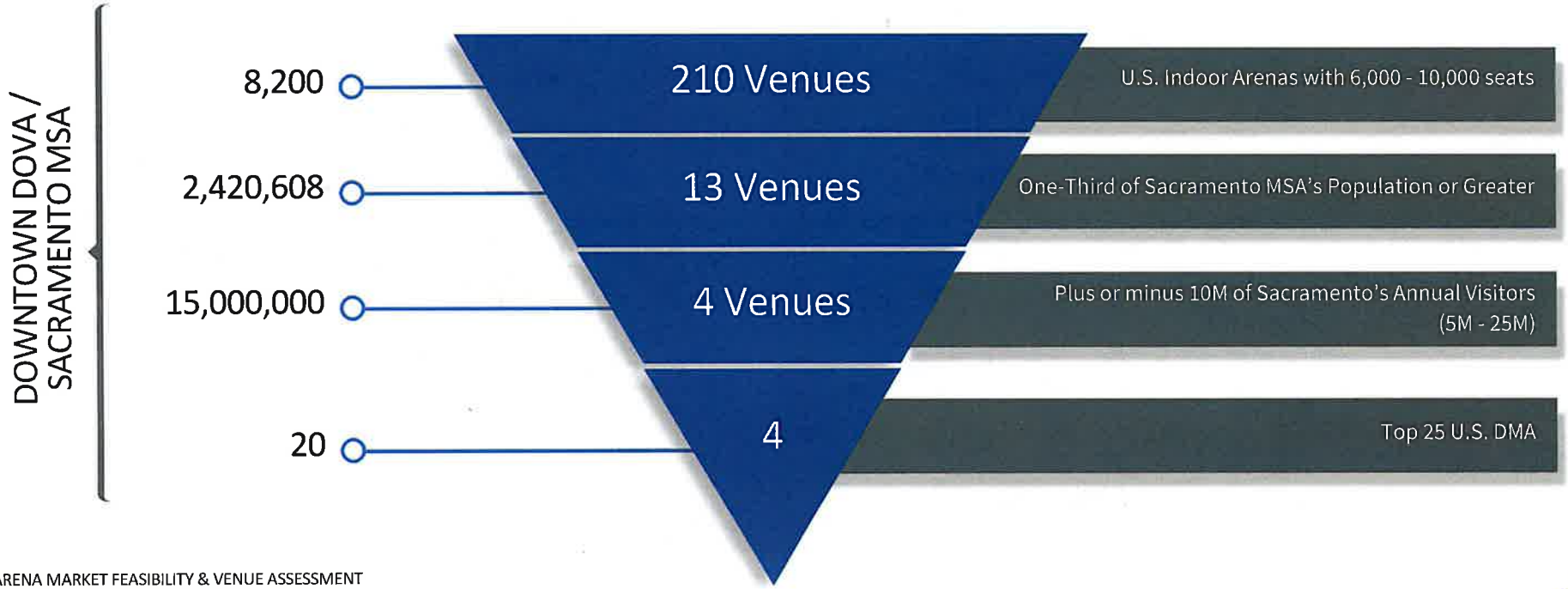
METHODOLOGY

In order to determine the feasibility of the Downtown Dova Arena, NETWORK analyzed a variety of factors associated with other arenas of similar size in comparable cities. The objective of the arena benchmarking analysis is to identify operational insights and best practices for similarly positioned venues in order to properly project the resources needed to build a sustainable business model via sports leagues, tours, and other special events.



SELECTION CRITERIA

After identifying a total of 210 indoor U.S. arenas with a similar capacity to Downtown Dova Arena (6,000 - 10,000), NETWORK used the city population, annual visitors and DMA to further narrow down the list in order to identify applicable venues for benchmarking.



VENUE RESEARCH

Venue	Location
Adams Arena	Fort Pierce, FL
AdventHealth Arena	Lake Buena Vista, FL
Agricenter Showplace Arena	Memphis, TN
Akins Ford Arena	Athens, GA
Allen County Memorial Expo Center	Fort Wayne, IN
Allen Event Center	Allen, TX
Alliant Energy Center	Madison, WI
Alliant Energy PowerHouse	Cedar Rapids, IA
Alltech Arena	Lexington, KN
Amarillo Civic Center	Amarillo, TX
Amarillo National Center	Amarillo, TX
AMSOIL Arena	Duluth, MN
Anaheim Convention Center	Anaheim, CA
Angel of the Winds Arena	Everett, WA
Appalachian Wireless Arena	Pikeville, KY
Arnold Hall / Reilly Coliseum	Miami, FL
Arthur Ashe Athletic Center	Richmond, VA
Augusta Civic Center	Augusta, GA
BancorpSouth Arena	Tupelo, MS
Bank of Springfield Center	Springfield, IL
Bank OZK Arena	Hot Springs, AR
Battelle Hall	Columbus, OH
Baxter Arena	Omaha, NE
Beaumont Civic Center	Beaumont, TX
Bell County Expo Center	Belton, TX
Bert Ogden Arena	Edinburg, TX
Bill Graham Civic Auditorium	San Francisco, CA
Bill Harris Arena	Birmingham, AL
BMO Harris Bank Center	Rockford, IL
Boutwell Memorial Auditorium	Birmingham, AL
Broadbent Arena	Louisville, KN
Broadmoor World Arena	Colorado Springs, CO
Brown Convention Center	Houston, TX
Blue FCU Arena	Loveland, CO
Burton Coliseum	Lake Charles, LA
Butte Civic Center	Butte, MT
Cable Dahmer Arena	Independence, MO
Callicott Arena	Franklin, TN
Cambria County War Memorial Arena	Johnstown, PA
Carlson Center	Fairbanks, AK
Celebration Arena	Decatur, AL
Chisholm Trail Coliseum	Enid, OK
Claremore Expo Center	Claremore, OK
Columbus Civic Center	Columbus, GA
Comerica Center	Frisco, TX

Venue	Location
Cool Insuring Arena	Glens Falls, NY
Cooper Steel Arena	Shelbyville, TN
Corbin Arena	Corbin, KY
Corteva Agriscience Center	Tulare, CA
Covelli Centre	Youngstown, OH
Cox Business Convention Center	Tulsa, OK
Cross Insurance Arena	Portland, ME
DC Armory	Washington, D.C
DECC Arena	Duluth, MN
Dixie Center	St. George, UT
Lee's Family Forum	Henderson, NV
Dort Federal Credit Union Event Center	Flint, MI
Dorton Arena	Raleigh, NC
Dow Event Center	Saginaw, MI
Ector County Coliseum	Odessa, TX
Eihusen Arena	Grand Island, NE
El Paso County Coliseum	El Paso, TX
Empire Expo Center	Geddes, NY
Enmarket Arena	Savannah, GA
Erie Insurance Arena	Erie, PA
Escambia County Equestrian Center	Pensacola, FL
Expo Square Pavilion	Tulsa, OK
Extraco Events Center	Waco, TX
F&M Bank Arena	Clarksville, TN
Fair Park Coliseum	Dallas, TX
Farm Bureau Expo Center	Lebanon, TN
Farm Credit Dairy Center	Tulare, CA
Findlay Toyota Center	Prescott Valley, AZ
First Interstate Bank Center	Redmond, OR
Fishers Event Center	Fishers, IN
Florence Center	Florence, SC
Foley Event Center	Foley, AL
Ford Arena	Beaumont, TX
Ford Wyoming Center	Casper, WY
Fort Bend Epicenter	Rosenberg, TX
Foster Communications Coliseum	San Angelo, TX
Four Seasons Arena	Great Falls, MT
Four States Arena	Texarkana, TX
Freeman Coliseum	San Antonio, TX
Frontwave Arena	Oceanside, CA
Genesis Convention Center	Gary, IN
Golden Spike Arena	Ogden, UT
Grand Park Events Center	Westfield, IN
Grossinger Motors Arena	Bloomington, IL
H-E-B Center	Cedar Park, TX

Venue	Location
Hard Rock Live at Etess Arena	Atlantic City, NJ
Harrah's Cherokee Center	Asheville, NC
Hartman Arena	Park City, KS
Henderson Exposition Center	Lufkin, TX
Hero Arena	Idaho Falls, ID
Hersheypark Arena	Hershey, PA
Hertz Arena	Estero, FL
Hill Exhibit Hall	Albuquerque, NM
Humble Civic Center Arena	Humble, TX
Huntington Center	Toledo, OH
Hutchinson Sports Arena	Hutchinson, KS
Idaho Central Arena	Boise, ID
Ike Hamilton Expo Center	West Monroe, LA
Indiana Farmers Coliseum	Indianapolis, IN
Jacksonville Equestrian Center	Jacksonville, FL
James Brown Arena	Augusta, GA
Jamestown Civic Center	Jamestown, ND
Jim R. Miller Event Center	Marietta, GA
John Hancock Arena	Altamont, OR
Jostens Center	Lake Buena Vista, FL
Kansas Star Arena	Mulvane, KS
Kay Bailey Hutchinson Center	Dallas, TX
Kay Yeager Coliseum	Wichita Falls, TX
Kellogg Arena	Battle Creek, MI
Kitsap Sun Pavilion	Bremerton, WA
Knoxville Civic Coliseum	Knoxville, TN
La Crosse Center	La Crosse, WI
Lamar Dixon Expo Center	Gonzales, LA
Landon Arena	Topeka, KS
Lea County Event Center	Hobbs, NM
Lee County Civic Center	Fort Myer, FL
Legacy Event Center	Farmington, UT
Leonard E. Merrill Center	Katy, TX
Lone Star Expo Center	Conroe, TX
Louisville Gardens	Louisville, KY
Luedecke Arena	Austin, TX
Macon Coliseum	Macon, GA
Majestic Valley Arena	Kalispell, MT
MassMutual Center	Springfield, MA
Mayo Civic Center	Rochester, MN
Mayo Clinic Health System Event Center	Mankato, MN
Mechanics Bank Arena	Bakersfield, CA
Memorial Coliseum	Farmington, NM
Mesquite Arena	Mesquite, TX
Miami Beach Convention Center	Miami Beach, FL

Venue	Location
Mid-America Center	Council Bluffs, IA
Miller Expo Centre	Essex Junction, VT
Minneapolis Armory	Minneapolis, MN
Minneapolis Convention Center	Minneapolis, MN
Mississippi Coliseum	Jackson, MS
Mohegan Sun Arena	Uncasville, CT
Mohegan Sun Arena at Casey Plaza	Wilkes-Barre, PA
Monroe Civic Center	Monroe, LA
Moody Coliseum	Dallas, TX
Mountain Health Arena	Huntington, WV
Nacogdoches County Expo Center	Nacogdoches, TX
Nashville Municipal Auditorium	Nashville, TN
National Western Complex Events Center	Denver, CO
Neal Blaisdell Center	Honolulu, HI
NRG Arena	Houston, TX
Ocean Center	Daytona Beach, FL
Oceanfront Arena	Wildwood, NJ
Oregon State Fairgrounds Pavilion	Salem, OR
Orleans Arena	Las Vegas, NV
Owensboro Sportscenter	Owensboro, KY
Payne Arena	Hidalgo, TX
Pennsylvania Farm Show Complex & Expo Center	Harrisburg, PA
Pensacola Bay Center	Pensacola, FL
Pine Bluff Convention Center	Pine Bluff, AR
Portland Expo Center Hall E	Portland, OR
Quillen Arena	Harrington, DE
Rapides Parish Coliseum	Alexandria, LA
Rava Equestrian Center	King City, CA
Reaves Arena	Perry, GA
Reno Events Center	Reno, NV
Reno-Sparks Livestock Events Center	Reno, NV
Rio Rancho Events Center	Rio Rancho, NM
RP Funding Center	Lakeland, FL
Salem Civic Center	Salem, VA
Salt Lake County Equestrian Center	Sandy, UT
Sames Auto Arena	Laredo, TX
Santander Arena	Reading, PA
Savannah Civic Center	Savannah, GA
Schaumburg Convention Center	Schaumburg, IL
Scheels Arena	Fargo, ND
Seaboard Triumph Expo Center	Sioux City, IA
SeaGate Convention Centre	Toledo, OH
Sevierville Convention Center	Sevierville, TN
ShoWare Center	Kent, WA
Sioux Falls Arena	Sioux Falls, SD

Venue	Location
South Point Arena	Las Vegas, NV
Southwest Motors Events Center	Pueblo, CO
Star of the Desert Arena	Primm, NV
Stormont Vail Exhibition Hall	Topeka, KS
Sudduth Coliseum	Lake Charles, LA
Sullivan Arena	Anchorage, AK
Taft Coliseum	Columbus, OH
Taylor Telecom Arena	Abilene, TX
The Hippodrome	Waterloo, IA
The Oil Palace	Tyler, TX
The Wigwam	Anderson, IN
Tony's Pizza Events Center	Salina, KS
Total Mortgage Arena	Bridgeport, CT
Toyota Center	Kennewick, WA
Trinity Health Arena	Muskegon, MI
Tucson Convention Center	Tucson, AZ
Tunica Arena and Exposition Center	Tunica, MS
Tyson Events Center	Sioux City, IA
Upstate Medical University Arena	Syracuse, NY
Viking Hall	Bristol, TN
Visions Veterans Memorial Arena	Binghamton, NY
Von Braun Center	Huntsville, AL
WesBanco Arena	Wheeling, WV
Wicomico Youth and Civic Center	Salisbury, MD
Will Rogers Coliseum	Forth Worth, TX
Williams Sportsplex	Hampton, VA
Wilson Logistics Arena	Springfield, MO
Wings Event Center	Kalamazoo, MI
Xtream Arena	Coralville, IA
Yakima SunDome	Yakima, WA

TOP DMA COMPARISON

When simply viewing feasibility for a market to support an arena of Dova's size through a DMA lens, **every one of the top 30 DMAs in the U.S. currently supports at least one, and in most cases multiple, athletics or music focused venues with a capacity of 6,000 - 10,000, except for Sacramento.** On average, cities within the top 25 DMAs have 2.08 venues of this size currently.

Rank	City	Comparable Venues (6,000 - 10,000 capacity)
1	New York	The Theater at MSG, Radio City Music Hall, Carnesecca Arena
2	Los Angeles	Galen Center, YouTube Theater, Shrine Auditorium
3	Chicago	Wintrust Arena, Credit Union 1 Arena
4	Dallas-Fort Worth	Fair Park Coliseum, Kay Bailey Hutchison Center, Moody Coliseum
5	Philadelphia	The Liacouras Center, The Finneran Pavilion
6	Houston	Brown Convention Center, NRG Arena, Fertitta Center, Health & Physical Education Arena
7	Atlanta	Forbes Arena, McCamish Pavilion
8	Washington, D.C.	Charles E. Smith Center, The Show Place Arena
9	Boston	Agganis Arena, MGM Music Hall at Fenway
10	San Francisco-Oakland	Bill Graham Civic Auditorium
11	Tampa-St. Petersburg	George Jenkins Arena, Yuengling Center
12	Phoenix- Prescott	Global Credit Union Arena, Mullett Arena
13	Seattle-Tacoma	Alaska Airlines Arena, Angel of the Winds Arena

Rank	City	Comparable Venues (6,000 - 10,000 capacity)
14	Detroit	Fox Theatre
15	Orlando	Advent Health Arena, State Farm Field House, Addition Financial Arena
16	Minneapolis-Saint Paul	Minneapolis Armory, Minneapolis Convention Center
17	Denver	National Western Complex Events Center
18	Miami	Watsco Center, Reilly Coliseum
19	Cleveland	Cleveland Public Auditorium
20	**Sacramento**	None
21	Charlotte	Halton Arena, Winthrop Coliseum
22	Raleigh	Dorton Arena, William Neal Reynolds Coliseum
23	Portland	Portland Expo Center, Chiles Center
24	St. Louis	Chaifetz Arena, Family Arena
25	Indianapolis	Indiana Farmers Coliseum, Hinkle Fieldhouse

2024-25 Nielsen DMA Rankings

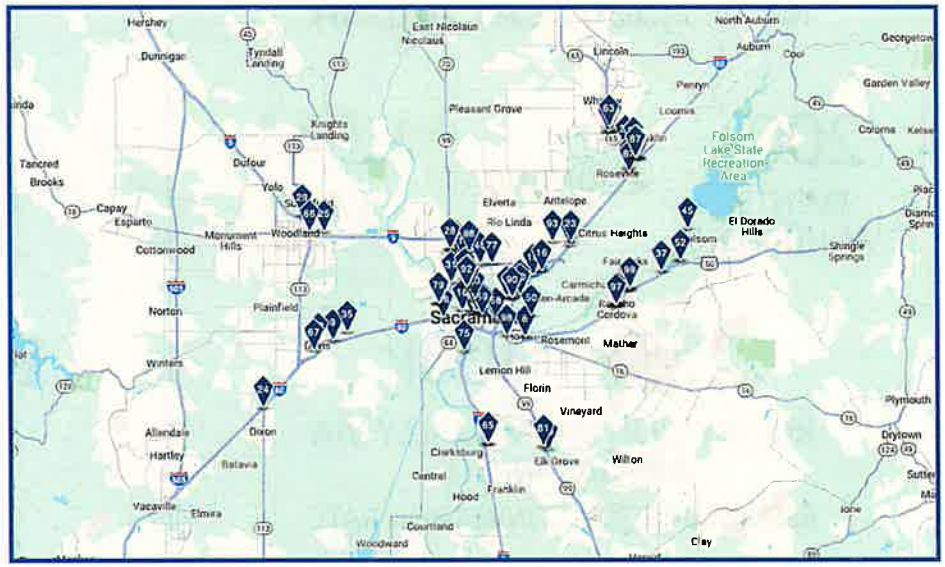
HOTEL FEASIBILITY

CURRENT MARKET OVERVIEW

Based on Rancho Cordova's distance to Downtown Sacramento (16 miles), NETWORK analyzed all hotels with 80+ rooms within a 20 mile radius of Downtown Sacramento to provide a snapshot of the current state of comparable hotels in the market.

Approximately 19% of total supply in the market are 4-star / luxury equivalent rooms. Occupancy at these properties is consistent with industry averages, however, new demand drivers show potential for further uplift.

Most notably, **there are currently no true 5-star hotels in the market,** representing a clear gap in luxury supply.



ALL HOTELS	LUXURY HOTELS
13,804	2,633
TOTAL ROOMS	TOTAL ROOMS
69.2%	60-70%
OCCUPANCY RATE	OCCUPANCY RATE

INCREMENTAL DEMAND DRIVERS

NEW 7,500 SEAT ARENA

200+ EVENTS ANNUALLY

EQUATING TO

~1.5M TOTAL ATTENDEES PER YEAR

225k - 300k

ROOM NIGHTS ANNUALLY VIA ARENA EVENTS

ASSUMED 15-20% CONVERSION RATE

EXPANDED CONVENTION CENTER

400k EST. ATTENDEES IN YEAR 1

INCREASING TO

800k EST. ATTENDEES BY YEAR 5

100k - 140k

ROOM NIGHTS AT OPENING

200k - 280k

ROOM NIGHTS BY YEAR 5

ASSUMED 25-35% CONVERSION RATE

COMBINED INCREMENTAL DEMAND POTENTIAL

325k - 440k

ROOM NIGHTS YEAR 1-2

425k - 580k

ROOM NIGHTS BY YEAR 5

>

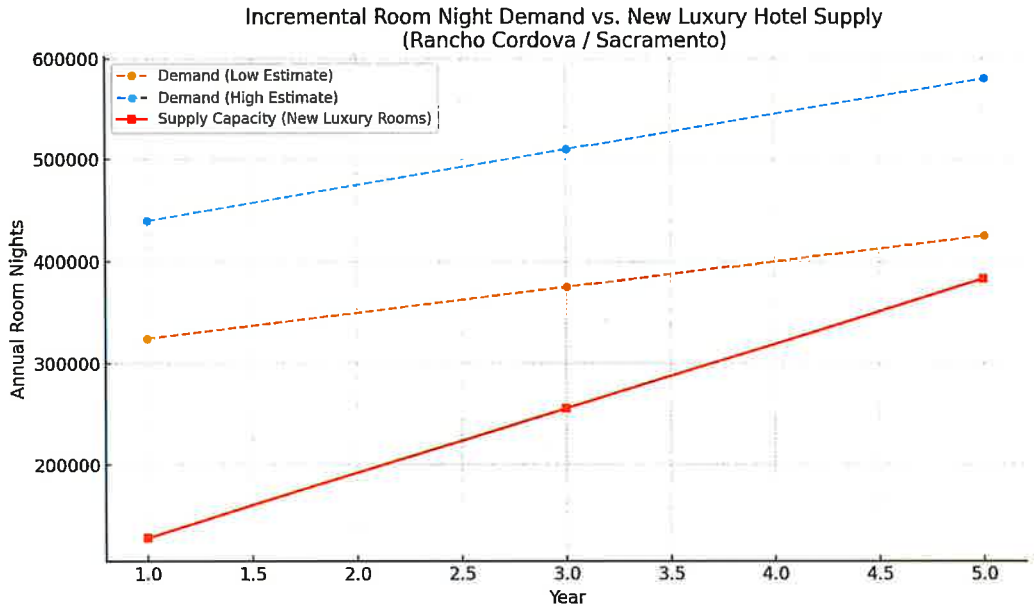
217k - 387k

ADDITIONAL OCCUPIED ROOMS ANNUALLY AT 1.5 GUESTS PER ROOM

CONCLUSION

The Sacramento/Rancho Cordova area can sustain the phased addition of **1,500 luxury rooms** (500 in Year 1, 500 in Year 3, 500 in Year 5). With arena-driven demand conversion at 15–20% plus convention center growth, incremental demand will comfortably absorb the new supply, especially when combined with recapture of existing guests trading up from midscale hotels.

By Year 5, the market not only supports new 4-star inventory but also provides a strong case for the introduction of Sacramento's first 5-star hotel.



The dashed lines show the projected low vs. high demand scenarios.

The red line represents the room nights required to keep the new luxury hotels at 70% occupancy as they open (500 in Year 1, 1,000 in Year 3, 1,500 in Year 5).

NETWORK

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June 6, 2025

Mr. Joshua Wood
Ms. Charlie Tiwana
KozPure Development
3195 Zinfandel Drive, Suite 21
Rancho Cordova, CA 95670

Via email: josh@kozpure.com, charlie@kozpure.com

RE: Downtown DoVa – Retail Strategy and Market Viability Overview

Dear Joshua and Charlie:

Downtown DoVa will be an iconic transformative mixed-use development project that will be a draw from the entire six county region. We have deep admiration for what you and your team are building with Downtown DoVa. This project is more than just a large-scale development—it is a visionary undertaking that has the potential to redefine Rancho Cordova. The scale, ambition, and long-term impact of DoVa make it a rare and generational opportunity for the team involved and for the eventual residents and visitors of the project.

At the heart of any destination mixed-use community lies a vibrant, strategically curated retail and commercial core—one that creates identity, builds momentum, and attracts both tenants and visitors. The success of the retail and commercial space is critical in setting the tone for the entire project, shaping DoVa's public perception, and ensuring that it launches with a dynamic, experience-driven energy that resonates across the region.

We bring more than just leasing expertise—we bring intellectual capital, strategic foresight, and a proven track record of executing leasing plans for complex, high-profile destination projects like DoVa. Our approach is not simply about filling space—it's about curating an ecosystem that activates DoVa's streets, energizes its public spaces, and transforms it into a place that people want to experience every day.

For context – we have always believed in Steve Jobs' famous quote, "People don't know what they want until you show it to them." And that has rang true on nearly every transformational project we have been involved in, from the Ice Blocks and DoCo, to the Railyards and Project Elevate.

A Leasing Strategy Rooted in Vision, Data, and Execution

A project of DoVa's magnitude requires a leasing team that understands not only **market demand but also consumer behavior, experiential retail, and how to build long-term brand value**. Our strategy is structured around three core pillars:

Proven Experience in Urban Mixed-Use Leasing
Our firm is the only firm in the region that has a track record of executing high-profile urban leasing strategies that have transformed commercial districts into thriving, in-demand destinations.

Some of the more impactful projects we are working on include:

- **The Ice Blocks**
  A three block mixed-use redevelopment project located in the historic R Street Corridor that features 75,000 square feet of retail, which is Midtown's largest collection of retail boutiques and restaurants, as well as 145 fully leased luxury apartments and 120,000 square feet of creative office space.

- **DoCo**
  Downtown Commons (DoCo) is Sacramento's premier urban entertainment and retail district, strategically located adjacent to the Golden 1 Center, home of the NBA's Sacramento Kings. Featuring a vibrant mix of upscale dining, shopping, hospitality, and entertainment venues, DoCo draws millions of visitors annually and has revitalized downtown Sacramento's social and economic fabric. Its dynamic atmosphere and pedestrian-oriented design make it a thriving destination for both locals and tourists alike.

- **The Railyards**
  The nation's largest infill project that is transforming 244 acres of historically significant land into a thriving, mixed-use urban community that will double the size of downtown Sacramento and redefine the region with more than 100,000 square feet of retail space.

- **Project Elevate**
  Project Elevate will bring a Midtown look and feel to Elk Grove with modern architecture, three to five story buildings, a vertically integrated mix of uses, and dynamic public spaces. This is a transit ready infill project that is bold and visionary and unlike any other in the Sacramento region. It will "elevate" the quality of space and amenities and bring an urban sensibility to Elk Grove with 100,000 square feet of retail, 10,000 square feet of office, a 150 room boutique hotel and 300-500 residential units at full buildout.

Exclusive Access to High-Value Tenants
We have deep relationships with **national brands, regional operators, and first-to-market retailers** looking for **a flagship presence in a groundbreaking new community** like DoVa.

Experience-Driven Approach
We don't just fill spaces—we **curate ecosystems** that maximize long-term value for tenants, developers, and the broader community.

A Shared Commitment to DoVa's Long-Term Success
We understand that this is more than just a development. Our team is ready to ensure that DoVa becomes the most exciting, talked-about, and visited mixed-use project in Northern California.

Market Viability & Demand

1. Overview
Rancho Cordova is experiencing robust growth, benefiting from ongoing residential expansions in the City of Rancho Cordova, Anatolia, Folsom Ranch, and nearby Folsom. Within a 5- to 10-mile radius, the demographics feature rising

This layered, drive-time / psychographic segmentation ensures that DoVa's merchandising plan can calibrate tenant mix and marketing spend to the distinct motivations of each ring—everyday convenience for the primary, aspirational lifestyle for the secondary, and event-driven destination appeal for the tertiary—while still riding the macro tail-wind of a corridor slated to add the equivalent of a mid-sized city's worth of consumers by 2035.

Trade Area	Drive-Time	2025 Pop.	CAGR to 2035	Median HH Income	Daytime Jobs	Visitor Flow
Primary	0-5 mi	≈165,000	+1.4 %	$89.1 K	≈55,000	~0.4 M hotel-night equiv.
Secondary	5-10 mi	≈450,000	+1.2 %	$101 K	≈120,000	—
Tertiary	10-15 mi	≈500,000	+1.0 %	$88–94 K	≈250,000	17.8 M county visitors

3. Competitive Landscape

Within a 15-mile radius of Downtown DoVa lies a "competitive constellation" of retail and entertainment destinations—each one a proxy for how shoppers in the Sacramento metropolitan area spend discretionary dollars and what they are willing to pay for compelling real estate. Studying their performance gives us three invaluable signals: (1) the rent ceilings that first-to-market concepts are already clearing, (2) the merchandising gaps they leave unfilled, and (3) the types of experiential programming that keep tills ringing on non-holiday, non-weekend days.

Arden Fair Mall remains the region's flagship fashion address, yet its recent pivot to a mini food-hall and luxury pop-up strategy underscores that traditional apparel alone is no longer enough. In-line deals signed in 2024 averaged $50–55 NNN for 3,000 SF bays, with out-parcel restaurants pushing $60 NNN—proof that consumers will pay a premium when convenience intersects with experience. Palladio at Folsom validates a similar rent band on the eastern flank of DoVa's catchment, but with an outdoor "main-street" format. Here, entertainment boxes like SeaQuest and an eight-screen cinema sustain evening foot-traffic, supporting $43–48 NNN for chef-driven patios—exactly the concepts DoVa plans for its arena edge.

Closer to the CBD, DOCO provides a direct arena-anchored benchmark. Post-pandemic re-tenanting (Sauced BBQ, Polanco Cantina, Urban Outfitters) cleared $50–58 NNN on relatively shallow floorplates; tenants report sales spikes of 180-220 % on Kings game days. That pattern tells us DoVa can command top-quartile rents during initial lease-up if we land the right entertainment anchors and synchronize operating hours with event calendars.

Finally, Old Sacramento Waterfront reminds us that tourism alone cannot underwrite top-tier rents; despite 3.4 million annual visitors, in-line rates hover in the mid-20s NNN because tenant mix remains dominated by t-shirt shops and legacy sweet stores. The takeaway for DoVa is clear: foot-traffic must be paired with psychographic alignment—fitness-centred, health-conscious, experience-seeking households—for the $42–56 NNN band to hold.

Collectively these nodes set the upper and lower guide rails for DoVa's underwriting:

- Premium experiential and F&B zone: $50–60 NNN (Arden exterior pads, Galleria/Fountains DOCO plaza)
- Lifestyle-center fashion & fitness: $43–48 NNN (Palladio, Fountains, Ice Blocks)

By positioning DoVa's arena-edge retail in the $42–56 NNN sweet spot, we capture the pricing power of an event-driven destination without out-pricing the affluent family segments migrating east along the US-50

5. Arena & Event-Driven Impact

Recent performance at best-in-class arena districts underscores why that 35-40 % capture ratio is realistic—and potentially conservative. The Battery Atlanta logged ≈8.7 million visits in 2024, generating $130 million in tenant retail revenue; Braves Development Co. attributes roughly one-third of those sales to game days and another 5–10 % to concerts and non-baseball programming. Average dwell time hit 165 minutes, and combined tax receipts for Cobb County and the State of Georgia topped $40 million in 2023, more than double early projections. In practice, retailers at The Battery report 3-4× higher sales on event days, with F&B operators clocking as much as $80 PSF in weekly sales when the park and adjacent Roxy theater run back-to-back shows.

A similar dynamic plays out at the Kansas City Power & Light District, where ≈9 million annual visitors translate into an estimated $280 million in direct retail, dining and entertainment spend; city reports show that sales volumes jump 200–250 % during MLB, NFL and major concert dates, accounting for just under 40 % of yearly tenant revenue. Crucially, both districts layer in continuous plaza activations—farmer's markets, esports watch-parties, seasonal ice rinks—so non-event days still average 2,000–3,000 incremental patrons, providing the stable foot-traffic baseline that underwrites landlord underwriting assumptions. Translating these benchmarks to Downtown DoVa: at 1.2 million arena patrons plus projected plaza programming, retailers can reasonably expect event-linked sales uplifts of 2–3× on at least 200 days a year, aligning perfectly with the 35–40 % contribution baked into the pro-forma. At L.A. LIVE in Downtown L.A., the 20,000-seat Crypto.com Arena alone programs ≈240 ticketed events and draws 4 million visitors a year—that's an average of 16,600 guests per event day, before layering in daily traffic to the adjacent Grammy Museum, Regal cinemas and Microsoft (Peacock) Theater. The broader South Park Sports & Entertainment District—which includes the Convention Center and five on-site hotels—logs another 2 million leisure and convention visitors annually . Downtown Center BID retail casework shows F&B operators inside the campus converting ≈38 % of annual sales on event days, with tenant reports of 2.5-3× revenue spikes when Lakers or marquee concerts overlap week-end nightlife programming. Crucially, a robust calendar of weekday activations (free fitness classes, fan fests, lunch parking promos) keeps the plaza at a 1,400-2,200 daily-visitor "idle" baseline, smoothing cash-flow volatility between major draws.

Thrive City at San Francisco's Chase Center operates on a similar cadence. The arena was designed for ≈190 concerts, games and special events per year, in addition to 43 regular-season NBA home dates . Since opening in late 2019 the complex has already welcomed >5 million visitors—just over 1 million patrons per year despite a pandemic-era shutdown—and fueled $4.2 billion in total economic output for the surrounding Mission Bay district, according to the Warriors' 2024 economic-impact audit . Internal merchant dashboards shared at the March 2025 NCAA regional indicate that event-linked spend now accounts for 37 % of annual restaurant and specialty retail revenue, while non-event plaza activations (farmers' markets, outdoor watch parties, seasonal skating) average 2,800 daily visitors and deliver a steady 63 % table-turn rate for fast-casual tenants.

Take-away for DoVa: if LA LIVE and Thrive City can reliably convert one-third to two-fifths of total brick-and-mortar sales from event traffic—at 240 and 190 events respectively—DoVa's target ±200 events/1.2 million patrons sits comfortably in the same performance band. Matching their balanced programming (frequent civic events, free fitness, outdoor concerts) will be critical to sustain foot traffic on the 160-plus "dark" days each year and lock in the 35-40 % sales capture assumed in the pro-forma.

6. Recommended Tenant Mix & Merchandising Plan

Phase 1 must feel **"big on experience, small on errands."** That means weighting the 40 K SF edge-of-arena tranche toward immersive entertainment concepts that convert spectators into repeat social visitors while pairing them with crave-worthy, first-to-market food hall chefs and day-to-night sports bars.

a. **Experiential anchors (≈25 %).**

and robust back-of-house corridors—while also capturing today's material and labor premiums. After adjusting for Rancho Cordova's lower entitlement fees and a slightly leaner façade package, we arrived at an all-in shell cost of **$600 per square foot**, plus an average **$100–$120 per square foot tenant-improvement allowance** funded through a combination of landlord cash and amortized rent credits.

On the capital-markets side, we overlaid those costs onto a **conservative 60 / 10 / 30 capital stack**: 60 % senior construction debt priced at **SOFR + 325 bps** (roughly 8 % all-in), 10 % mezzanine or pref equity carrying a 12 % coupon, and 30 % sponsor equity commanding a 9% preferred return. This structure is intentionally more cautious than the 65-70 % leverage many lifestyle projects are pushing for in 2025, but it provides ample breathing room under the lender's exit-DSCR and interest-reserve stress tests. It also positions the project to refinance into sub-6 % permanent debt once stabilized NOI and arena foot-traffic data have seasoned.

Revenue assumptions have been fully re-set to a blended base-rent band of $42–$56 per square foot, NNN. That spectrum is not theoretical: it comes directly from recent letters of intent and signed leases at Sacramento's Ice Blocks ($45–$52 NNN for chef-driven restaurants), Roseville Galleria's exterior lifestyle ring ($46–$54 NNN for omni-channel apparel), Folsom Palladio's newest experiential pads ($43–$48 NNN), and DOCO's post-pandemic re-tenancies ($50–$58 NNN for national full-service dining). For underwriting, we have:

- **Base Case – $48/SF.** Reflects moderate lease-up velocity (70 % pre-opening, stabilization at 24 months) and a 6.75 % exit cap—consistent with recent trades of suburban mixed-use product anchored by top-tier credit.

- **Aggressive Case – $56/SF.** Assumes stronger early demand driven by first-to-market entertainment boxes, full stabilization inside 18 months, and cap-rate compression to 6.25 % as the arena's event calendar matures.

- **Downside Case – $42/SF.** Models a softer leasing environment with greater concession packages, a 10 % vacancy drag, and a 7.00 % exit cap—providing a clear view of resilience if retail capital markets or consumer sentiment cool.

Across all cases we layered in **percentage-rent overages (6–8 %), common-area maintenance recapture, and 2.5 % annual rent bumps**, then stress-tested the pro-forma against cost overruns, three-month delivery slips, and 50-basis-point rate shocks. The resulting cash-flow profile demonstrates that DoVa's retail podium can still clear institutional return hurdles—even at the low end of the rent band—while preserving substantial upside tied to arena performance and regional population growth.

8. Phasing & Absorption Strategy

Downtown DoVa's roll-out is intentionally sequenced to **match retail supply with the cadence of demand creation**—first from the arena's day-one foot traffic, then from residential lease-up, and finally from destination status once the district's brand is firmly established. Staging construction in three distinct "chapters" also de-risks capital deployment: each phase can be financed, leased, and stabilized before the next slab is poured, allowing free cash flow and rising land values to recycle into subsequent vertical equity.

Phase I (Arena Edge | 40 K SF, delivering 2028) acts as the "hook." By clustering immersive entertainment boxes and chef-driven F&B directly against the arena's main entrances, we capture the highest-probability dollars—the 1.2 million ticket-holders projected in Year 1—and create an immediate sense of place for residents and hotel guests arriving before the balance of the district is built. A 70 % pre-lease target, secured 12 months ahead of certificate-of-

Capriotti's
Jersey Mikes
Selland's
Jack's Urban Eats
Handel's
Tom's Watch Bar
Yard House
Just Salad
Velvet Taco
Playa Bowls
Dave's Hot Chicken
Blaze Pizza
Slice House
Costa Vida
Bagel Brands / Noah's Bagels
Bad Ass Coffee of Hawaii

Risk Management & Contingencies

Contingency Plans for Retail Space

Design flexibility is integrated into DoVa's ground-floor retail spaces, enabling rapid reconfiguration should market demands shift. The spaces can accommodate a variety of uses including restaurant, retail, professional services, fitness, medical offices, and other community-oriented amenities if initial retail leasing strategies require adaptation. This built-in adaptability safeguards investment value, allowing responsive adjustments that maintain occupancy and asset performance under changing market conditions.

Additionally, we are planning proactive leasing management strategies, allowing strategic tenant diversification and offering flexible terms to reduce initial tenant risk and encourage occupancy stability. These strategies will provide a balanced tenant ecosystem, avoiding over-reliance on any single retail category.

Economic Resilience

To safeguard against economic fluctuations, DoVa's retail spaces emphasize diversity in tenant mix, minimizing dependence on any single sector. The retail ecosystem is designed for resilience by blending restaurant/food and beverage, day-to-day essential services with entertainment and experiential venues that encourage continuous foot traffic independent of large-scale events. The multifamily residential component and hotels will offer built-in daily patronage, helping stabilize retail demand across varying economic cycles.

Long-Term Management & Marketing

Property Management & Leasing Team

The leasing of the retail spaces will be personally managed by Scott Kingston and David Scanlon, leveraging their combined decades of experience and deep expertise in transformational and experiential commercial retail leasing and development. Both Scott and David possess a proven track record with similar large-scale, mixed-use developments in the greater Sacramento region, and their direct involvement ensures careful tenant selection, strategic positioning, and ongoing active management for sustained retail success. Their established industry relationships, market insights, and commitment to tenant satisfaction ensure exceptional management quality and leasing outcomes.

THE SOCIO-ECONOMIC IMPACT OF ENTERTAINMENT AND SPORTS COMPLEX

Varshney & Associates

Sanjay B. Varshney, Ph.D.
Andrey G. Mikhailitchenko, D.B.A.

EXECUTIVE SUMMARY

The socio-economic impact analysis of the proposed Entertainment and Sports Complex (ESC) in Rancho Cordova, CA, highlights its transformative potential for the Greater Sacramento Area (GSA). Commissioned by Alpha One Sports and Entertainment Group LLC, the study evaluates the economic benefits of this multi-faceted development, encompassing a sports arena, hotels, retail outlets, a movie theater, parking facilities, and mixed-use buildings. This report provides a comprehensive assessment of the ESC's anticipated contributions to the regional economy, employment, and community development.

The approach used in this study relies on economic input-output modeling, specifically employing the econometric input-output model known as IMPLAN. This model serves as the primary analytical tool for calculating the effects of expenditures on various economic factors, such as overall economic activity, job creation, non-income tax generation, and more. By utilizing data and specialized tools, IMPLAN enables the assessment of economic impacts at different levels, including the state, county, and even micro-level (such as zip-code level).

The multiplier effects resulting in direct, indirect, and induced benefits can be represented in five different dimensions: output, employment, labor income, value added, and taxes on production and imports.

- ***Output*** accounts for total revenues including all sources of income for a given time period for an industry in dollars. It is the total production value and includes all components of production such as employee compensation, proprietor income, intermediate expenditures, taxes on production and imports, and other property type income. This is the best overall measure of business and economic activity. For example, an output multiplier of 1.5 means that for each dollar of ESC spending, an additional 50 cents is spent in other sectors because of related business-to-business and consumer spending.

- ***Employment*** demonstrates the number of jobs generated and is calculated on an annual full-time/part-time basis. IMPLAN is an annual model, therefore Employment estimates provided by IMPLAN represent annualized Employment values (i.e. if a worker works 6 months, IMPLAN counts that as 0.5 jobs, and one job sustained over 5 years counts as 5 jobs). A person can hold more than one job, so the job count is not necessarily the same as the count of employed persons. For example, an employment multiplier of 1.5 means that for each two jobs created by ESC, an additional one job is created because of related business-to-business and consumer spending.

- ***Labor Income*** represents the total value of all forms of employment income paid for a given time period. It includes all forms of employee compensation paid by employers (e.g., total payroll costs including benefits, wages and salaries of workers, health and life insurance, retirement payments, non-cash compensation), and proprietary income (payments received by self-employed individuals and/or unincorporated business owners such as self-employment income, income received by private business owners including doctors, lawyers). For example, a labor income multiplier of 1.5 means that for each dollar of labor income created by ESC, an additional 50 cents of labor income is created in other sectors because of related business-to-business and consumer spending.

- ***Value Added*** is the difference between an industry's total output and the cost of its intermediate inputs for a given time period. It equals gross output (i.e., sales or receipts and other operating income, plus inventory change) minus intermediate inputs (i.e., consumption of goods and services purchased from other industries or imported). Value Added is a measure of the contribution to GDP made by an individual producer, industry, or sector. For example, a Value Added multiplier of 1.5 means that for each dollar of value added by ESC there will be an additional value added in the amount of 50 cents in other sectors because of related business-to-business and consumer spending.

- ***Taxes on Production and Imports less Subsidies (TOPI)*** [1] is one of the components of Value Added and includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments. For all industries other than government enterprises, subsidies are counted as a negative figure towards TOPI. While all taxes during the normal operation of businesses are included, taxes on profits or income are not included. For example, a TOPI multiplier of 1.5 means that for each dollar of taxes generated by ESC an additional 50 cents is paid as taxes by taxpayers in other sectors because of related business-to-business and consumer spending.

Four types of multiplier effect are usually analyzed in the output-input models like IMPLAN: direct, indirect, induced, and total.

- The *direct* effect represents the initial influence of an economic activity on the local economy of a region. If an industry is present in the region, for every dollar spent in that industry, there is a corresponding one-dollar direct impact on the local economy.

- The *indirect* effect refers to the generation of additional economic activity that stems from interconnected businesses, suppliers of goods and services, and the provision of operational

[1] In IMPLAN based studies "taxes on production and import (TOPI)" are also termed as "indirect business taxes (IBT)".

inputs. This includes the purchases made by ESC, such as food, detergents, blankets, and other products, as well as contracted services.

- The *induced* effect measures consumption expenditures of direct and indirect sector employees. While the indirect effect considers business-to-business transactions only, the induced effect includes the sum of household purchases per dollar spent, based on the respective labor income payments. Examples of induced benefits include employees' expenditures on items such as retail purchases, housing, banking, medical services, and insurance.
- The *total* effect encompasses the combined impact of the direct, indirect, and induced effects.

The study conducted an economic impact analysis for the Greater Sacramento Area (GSA). For the purposes of this study, GSA was defined to encompass seven counties, including Sacramento, Placer, Yolo, El Dorado, Yuba, Nevada, and Sutter. It corresponds to the definition of the Greater Sacramento area, or officially Sacramento–Roseville, CA Combined Statistical Area as a combined statistical area consisting of several metropolitan statistical areas and seven counties listed above[2].

The analysis was limited by the foreseeable period of the next 12 years (until 2037) and it operated with NPV 2024 US dollars.

The economic impact of ESC will be influenced by four main activities: capital expenditures for ESC construction, arena operations & maintenance, hospitality and services operations & maintenance, and mixed use facilities operations & maintenance.

Key Findings

Economic Impact

The ESC is projected to generate significant economic activity within the GSA, with a cumulative economic output exceeding $4.5 billion from 2025 to 2037. Value-added contributions to the local economy will be $2.4 billion and labor income will be $2.3 billion. The project is expected to support a total of 36,780 jobs over the 12-year period, averaging over 3,065 jobs annually. Key components of the economic impact include:

- Construction Activities: Capital expenditures for the construction of the ESC, including the sports arena and supporting infrastructure, are estimated to contribute $1.6 billion in economic output. These activities will support 10,203 jobs over 12 year period, creating substantial opportunities for the local workforce and businesses in related industries.

- Hospitality and Services: The ongoing operations of hotels, retail outlets, and other service-based facilities within the ESC will generate $2.5 billion in output and sustain 22,738 jobs over the 12-year analysis period. This sector of GSA's economy will be bolstered by increased tourism and visitor spending.

[2] Source: U.S. Department of Commerce Economics and Statistics Administration. https://www2.census.gov/geo/maps/econ/ec2012/csa/EC2012_330M200US472M.pdf

- Arena Maintenance: For the GSA the arena operations and maintenance will generate nearly $275 million in output and support 2,953 jobs over 12 year period.

- Mixed-Use Developments: The residential and commercial buildings included in the ESC will yield $185 million in output and support 887 jobs over 12 year period. These facilities will contribute to the vibrancy and livability of the Rancho Cordova area, attracting new residents and businesses to the region.

Tax Revenues

The ESC will provide substantial fiscal benefits to both federal and state/local governments:
- Federal tax revenues are estimated to total $433 million over the 12-year period, driven by taxes on production, imports, employee compensation, and household incomes.
- State and local governments in the GSA will receive $227 million in tax revenues during the same timeframe, with significant contributions from sales taxes, property taxes, and other local levies.

Broader Benefits

Regional Growth and Tourism
The ESC will enhance the GSA's position as a premier destination for sports and entertainment, attracting visitors from across California and beyond. By hosting high-profile events, including professional sports games, concerts, and esports tournaments, the ESC is expected to drive increased spending in hospitality, retail, and transportation sectors. The integration of the ESC into the region's tourism strategy will generate a positive ripple effect, benefiting businesses and fostering long-term economic growth.

Community Development
Beyond economic metrics, the ESC is designed to enrich the community fabric of Rancho Cordova and the broader GSA. The complex will include affordable housing options, youth sports programs, and accessible recreational facilities, fostering inclusivity and social cohesion. These initiatives are aligned with broader regional goals to promote equitable development and improve the quality of life for all residents.

Urban Life Vibrancy

The development of the ESC is expected to act as a catalyst for further investments in infrastructure and urban renewal. By revitalizing underutilized areas and encouraging the development of adjacent properties, the ESC will drive property value increases and encourage private-sector participation in the region's growth. Such efforts contribute to creating a more dynamic and competitive urban environment.

Non-Quantifiable Impacts

In addition to measurable economic outcomes, the ESC will deliver intangible benefits that enhance the region's cultural and social landscape. By providing a venue for world-class events, fostering

community pride, and strengthening regional identity, the ESC will elevate the GSA's profile on national and international stages. These non-quantifiable impacts are vital for attracting talent, businesses, and investments to the region.

Conclusion

The Entertainment and Sports Complex represents a landmark initiative for the Greater Sacramento Area, promising multifaceted economic, cultural, and social returns. By generating over $4.5 billion in economic output, creating tens of thousands of jobs, and contributing hundreds of millions in tax revenues, the ESC aligns with the region's long-term goals for sustainable growth and development. Beyond its economic contributions, the ESC will serve as a hub for community engagement, inclusivity, and cultural enrichment. Its presence will strengthen the GSA's appeal as a vibrant, dynamic, and competitive region, ensuring sustained prosperity for its residents. This transformative project stands as a testament to the power of strategic investments in sports and entertainment infrastructure, underscoring its potential to shape a thriving future for the Greater Sacramento Area.

DRAFT

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, TO ADOPT AND APPROVE THE CEQA EXEMPTIONS 15004 (B)(4) AND 15183 AND APPROVE THE ECONOMIC DEVELOPMENT PARTICIPATION AGREEMENT (EDPA) AND AUTHORIZE THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE EDPA

WHEREAS, this Agreement is for financing only and does not have a physical impact on the environment, it does it commit the City to subsequent approvals that could have a physical impact on the environment, and under CEQA Guideline 15004 (b)(4) it would be premature for the City to prepare an environmental document for the Project. The Project would also be exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines Section 15183 "Projects Consistent with a Community Plan, General Plan or Zoning." This section exempts projects that are consistent with the development density established by the existing zoning, community plan, or general plan policies for which an Environmental Impact Report was certified, exempt as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. The Project Site is designated Office Mixed Use (OMU) in the Rancho Cordova General Plan and zoned Office Professional Mixed Use (OPMU) within the Convention Overlay zone of the Zoning Code. The Environmental Impact Report for the Rancho Cordova General Plan was certified in 2006 (SCH#2005022137). The proposed uses are permitted within the Convention Overlay zone, which establishes the allowed use provisions specific to overlay zone; and

WHEREAS, the City has been approached by KozPure Development, LLC working with Alpha One Sports and Entertainment Group, LLC to utilize a city owned property to be part of a sports anchored entertainment destination district and City Center (Development); and

WHEREAS, the Project site is located on Assessors Parcel Numbers: 072-0490-024-0000, 072-0223-004-0000, 072-0223-001-0000, 072-0223-003-0000, 072-0223-002-0000, 058-0530-001-0000, 058-0530-002-0000, and 072-0490-004-0000; and

WHEREAS, the City owns approximately 13 acres of real property located within the Convention Overlay District identified as Assessor's Parcel Number 072-0490-024-0000 also known as (AKA) as 2875 Kilgore Road and desires to contribute this property to support the Project; and

WHEREAS, the City has received clearance from the State of California Housing and Community Development Department on the city owned parcel at 072-0490-024-0000 aka 2875 Kilgore Road via written findings pursuant to the Surplus Land Act dated March 21, 2025; and

WHEREAS, the City Council established an ad-hoc to discuss the details of the project; and

WHEREAS, the City has established the Convention Overlay District (**"COD"**), a specialized zoning overlay intended to encourage high-intensity, mixed-use, and

entertainment-oriented development that enhances regional identity, promotes sustainable urban design, and supports tourism, hospitality, and cultural uses; and

WHEREAS, the committee has been meeting for the past weeks to discuss development of the overall site including the 13-acre City-owned parcel within the overall site including the construction and operation of a multi-use entertainment and sports facility, the complementary surrounding land uses, and digital billboards; and

WHEREAS, components of discussion include the public benefit of this project to the residents of the City of Rancho Cordova and the overall region, and the negotiated deal points are presented in the Economic Development and Participation Agreement (EDPA); and

WHEREAS, in 2024, the City adopted its 2025-2028 Economic Development Strategic Plan **("EDSP")**, which identifies the COD as a key growth and investment zone and articulates goals to catalyze private development, activate underutilized land, generate employment, and create a vibrant destination for residents and visitors alike; and

WHEREAS, KozPure Development, LLC owns or is under contract to acquire property within the COD; and

WHEREAS, Developer proposes to construct a phased, mixed-use development is the sum of all the Project Components defined **"Project Site",** which shall include which will feature: (i) an approximately 7,500-seat arena with luxury suites and lofts (the **"Arena"**); (ii) hospitality and residential components; (iii) restaurants, retail, and entertainment venues; and (iv) associated public infrastructure and placemaking elements, all consistent with the goals of the COD and the EDSP; and

WHEREAS, the City has determined that the Project will further the objectives of the COD and EDSP by stimulating private investment, creating jobs, enhancing the City's economic base, and generating long-term community benefits, based upon without limitation: testimony, the Developer’s presentation, and the agenda report and supporting documents provided at the September 23, 2025 City Council meeting regarding the Project and this Agreement; and

WHEREAS, the City of Rancho Cordova has a card room tax ordinance (Rancho Cordova Municipal Code Chapter 3.90), pursuant to which cardrooms are taxed for the privilege of operating in the City and the Developer wants to establish a card room within the Project Site; and

WHEREAS, the Project is expected to generate ongoing public tax revenues, including, without limitation, Transient Occupancy Tax **("TOT")**, Cardroom Tax, local sales tax, and potentially an admissions tax (collectively these taxes are **"Shared City Taxes"**), and the City is willing to propose to take the steps necessary to share all of the additional TOT generated from the Project Site and a significant portion of such other tax revenues with Developer and Owner pursuant to the terms of this Agreement; and

WHEREAS, Developer or Owner may request the establishment of one or more Enhanced Infrastructure Financing Districts **("EIFDs")** and/or Community Facilities Districts **("CFDs"),** and City may consider abating, allocating, or applying a share of its property tax increment revenues and special taxes generated from such districts (the **"Financing District Proceeds")** toward infrastructure improvements and financial participation in the Project; and

WHEREAS, the City has determined that providing financial assistance to the Project through a combination of Shared City Taxes and Financing District Proceeds, as described in this Agreement, will advance the public interest, enhance long-term fiscal health, and contribute to the continued development of Downtown Rancho Cordova as a regional destination. The City makes these findings because the Project will create a new entertainment hub for the region that includes a multipurpose arena, numerous high-end retail and dining establishments, and a hotel district that will promote tourism and help bolster the City's status as an entertainment center of the Greater Sacramento region. The stadium and entertainment complex are a generational opportunity for City leaders to partner with the Developer to transform the entertainment, cultural, and lodging options the City provides to its residents, businesses and visitors, and justify a significant investment in the Project by the City; and

WHEREAS, the Project is consistent with the City's Convention Overlay District because the intent of the Convention Overlay District is to "be a special place in the city that is entertaining, vibrant, and inviting to tourists, visitors, and residents."

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA adopts the CEQA Exemptions 15004 (b)(4) and 15183 and approves the Economic Development Participation Agreement (EDPA) and the City Council authorizes the City Manager or his designee to execute the EDPA in a form approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 23rd day of September 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Siri Pulipati, Mayor

ATTEST:

_____
Stacy Leitner, CMC
City Clerk

ECONOMIC DEVELOPMENT AND PARTICIPATION AGREEMENT

(Downtown Dova)

This **ECONOMIC DEVELOPMENT AND PARTICIPATION AGREEMENT (“Agreement”)** dated _____, 2025, is entered into by and between the CITY OF RANCHO CORDOVA, a California municipal corporation **("City")**, ALPHA ONE SPORTS AND ENTERTAINMENT GROUP, LLC, a California limited liability company **("Alpha One"** or **"Owner")** and KOZPURE DEVELOPMENT, LLC, a California Limited Liability Company **("Developer")**. City, Owner and Developer may each be referred to as a **"Party"** or collectively as the **"Parties."**

RECITALS

A. WHEREAS, the City of Rancho Cordova **("City")** has established the Convention Overlay District (**"COD"**), a specialized zoning overlay intended to encourage high-intensity, mixed-use, and entertainment-oriented development that enhances regional identity, promotes sustainable urban design, and supports tourism, hospitality, and cultural uses;

B. WHEREAS, in 2024, the City adopted its 2025-2028 Economic Development Strategic Plan **("EDSP")**, which identifies the COD as a key growth and investment zone and articulates goals to catalyze private development, activate underutilized land, generate employment, and create a vibrant destination for residents and visitors alike;

C. WHEREAS, the City owns approximately 13 acres of real property located within the COD, identified as Assessor's Parcel Number 072-0490-024-0000 as more particularly described in Exhibit C **("Site C")**, and desires to contribute these properties to support the Project (individually referred to as **"Contribution Site")**;

D. WHEREAS, Alpha One Sports and Entertainment Group, LLC **("Alpha One"** or **"Owner")** owns or is under contract to acquire multiple properties within the COD, including those described in Exhibits A and B **("Site A"** and **"Site B,"**, respectively);

E. WHEREAS, KozPure Development, LLC **("Developer")** owns or is under contract to acquire property within the COD as described in Exhibit D **("Site D")**;

F. F. WHEREAS, Alpha One and Developer represent and warrant that they are in contract with and have the authority to bind the current owner of Sites A, B, and D to the terms of this Agreement, and that such representation is a material element of consideration to this Agreement;

G. WHEREAS, Owner and Developer anticipate acquiring: (a) three (3) additional parcels in two (2) locations, APN’s 058-0530-001-0000, 058-0530-002-0000, and 072-0490-004-0000; and (b) additional parcels which have not yet been identified, which shall not to exceed a total of fifty (50) acres, and be located in the City within one-quarter (1/4) mile of the any point in the Project site during the term of this Agreement **("Future Sites"),** and the Owner and

Developer intend to work together to propose an amendment to this Agreement and the Project Site to include the Future Sites after they are acquired;

H. WHEREAS, Developer proposes to construct a phased, mixed-use development **(the "Project"** is the sum of all the Project Components as further defined in Section 2.29**)** across the collectively defined **"Project Site",** which shall include Sites A through E, and which will feature: (i) an approximately 7,500-seat arena with luxury suites and lofts (the **"Arena"**); (ii) hospitality and residential components; (iii) restaurants, retail, and entertainment venues; and (iv) associated public infrastructure and placemaking elements, all consistent with the goals of the COD and the EDSP;

I. WHEREAS, the City has determined that the Project will further the objectives of the COD and EDSP by stimulating private investment, creating jobs, enhancing the City's economic base, and generating long-term community benefits, based upon without limitation: testimony, the Developer's presentation, and the agenda report and supporting documents provided at the September 23, 2025 City Council meeting regarding the Project and this Agreement;

J. WHEREAS, the City of Rancho Cordova has a card room tax ordinance (Rancho Cordova Municipal Code Chapter 3.90), pursuant to which cardrooms are taxed for the privilege of operating in the City **("Cardroom Tax")** and the Developer wants to establish a card room within the Project Site;

K. WHEREAS, the Project is expected to generate ongoing public tax revenues, including, without limitation, Transient Occupancy Tax **("TOT")**, Cardroom Tax, local sales tax, and potentially an admissions tax (collectively these taxes are **"Shared City Taxes"**), and the City is willing to propose to take the steps necessary to share all of the additional TOT generated from the Project Site and a significant portion of such other tax revenues with Developer and Owner pursuant to the terms of this Agreement;

L. WHEREAS, Developer or Owner may request the establishment of one or more Enhanced Infrastructure Financing Districts **("EIFDs")** and/or Community Facilities Districts **("CFDs")** and City may consider abating, allocating, or applying a share of its property tax increment revenues and special taxes generated from such districts (the **"Financing District Proceeds")** toward infrastructure improvements and financial participation in the Project;

M. WHEREAS, the City has determined that providing financial assistance to the Project through a combination of Shared City Taxes and Financing District Proceeds, as described in this Agreement, will advance the public interest, enhance long-term fiscal health, and contribute to the continued development of Downtown Rancho Cordova as a regional destination. The City makes these findings because the Project will create a new entertainment hub for the region that includes a multipurpose arena, numerous high-end retail and dining establishments, and a hotel district that will promote tourism and help bolster the City's status as an entertainment center of the Greater Sacramento region. The stadium and entertainment complex are a generational opportunity for City leaders to partner with the Developer to transform the entertainment, cultural, and lodging options the City provides to its residents, businesses and visitors, and justify a significant investment in the Project by the City;

N. WHEREAS, the Project is consistent with the City's Convention Overlay District because the intent of the Convention Overlay District is to "be a special place in the city that is entertaining, vibrant, and inviting to tourists, visitors, and residents"; and

O. WHEREAS, this Agreement is for financing only and does not have a physical impact on the environment, it does it commit the City to subsequent approvals that could have a physical impact on the environment, and under CEQA Guideline 15004 it would be premature for the City to prepare an environmental document for the Project. The Project would also be exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines Section 15183 "Projects Consistent with a Community Plan, General Plan or Zoning." This section exempts projects that are consistent with the development density established by the existing zoning, community plan, or general plan policies for which an Environmental Impact Report was certified, exempt as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. The Project Site is designated Office Mixed Use (OMU) in the Rancho Cordova General Plan and zoned Office Professional Mixed Use (OPMU) within the Convention Overlay zone of the Zoning Code. The Environmental Impact Report for the Rancho Cordova General Plan was certified in 2006 (SCH#2005022137). The proposed uses are permitted within the Convention Overlay zone, which establishes the allowed use provisions specific to overlay zone. The Project is therefore exempt from further CEQA review.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I
EFFECTIVE DATE/TERM

1.1. Effective Date. Notwithstanding anything to the contrary herein, this Agreement shall become effective upon the date on which all parties have executed this Agreement **("Effective Date")**.

1.2. Contribution Date. The Contribution Date is the date on which the City conveys the Contribution Sites pursuant to the terms of a later agreed upon Contribution Agreement (as hereinafter defined). The Parties acknowledge and agree that actual recordation of the transfer of the Contribution Site shall not be a condition to the effectiveness of this Agreement, provided that the City has completed all material approvals, conditions precedent, and actions necessary to consummate such conveyance in accordance with the Contribution Agreement.

1.3. Completion of Arena. Developer shall use commercially reasonable efforts, with City Cooperation under Sections 4.11 and 10.11, to complete the Arena and Open for Business the Arena on or before November 30, 2027.

1.4. Term. The **"Term"** of this Agreement shall commence on the Effective Date and shall expire on the earlier of:

A. July 1, 2031, if the Arena has not been **"Materially Commenced"** by July 1, 2031; or

B. thirty-five (35) years following the Effective Date, if the Arena has been Materially Commenced by July 1, 2031.

ARTICLE II
DEFINITIONS

2.1. **"Admission Tax"** is a tax charged in consideration for entry into a venue that hosts or for an event that provides an entertainment, sporting or athletic competition.

2.2. **"Affiliate"** is defined in Section 3.3.D.

2.3. **"Agreement"** means this Economic Development and Participation Agreement.

2.4. **"Arena"** is defined in Section 4.1.

2.5. **"Cardroom"** is defined in Section 3.1 E.

2.6. **"Cardroom Tax"** is defined in Recital J.

2.7. **"CDTFA"** means the California Department of Tax and Fee Administration.

2.8. **"CEQA"** means the California Environmental Quality Act.

2.9. **"CFDs"** means one or more Community Facilities Districts formed under the Mello-Roos Community Facilities Act.

2.10. **"City"** means the City of Rancho Cordova, a California Municipal Corporation.

2.11. **"City Expenses"** the annual cost to the City of providing public services to the Project Site for on-going City services including, without limitation, police, street maintenance, code enforcement, storm drainage, costs of administering Project revenue sharing and financing districts, etc .It does not include the costs related to events on the Project Site such as supplemental police, traffic enforcement, waste disposal expenses.

2.12. **"City Payments"** is defined in Section 4.1.

2.13. **"COD"** means Convention Overlay District, which is codified in Rancho Cordova Municipal Code Chapter 23.325 as may be amended from time to time.

2.14. **"Component Developer"** means any third-party developer or operator to which Developer or Owners sells, ground leases, transfers, or otherwise conveys portions of the Project Site for the purpose of developing, constructing, owning, and/or operating individual Project Components.

2.15. **"Contribution Agreement"** means a separate agreement that shall provide the terms of the City's obligation to convey Sites C and E to Developer and/or Owner.

2.16. **"Contribution Site"** means the 13 acres of City owned real property located within the COD, identified as Assessor's Parcel Number 072-0490-024-0000 and more particularly described in Exhibit C.

2.17. **"Default"** is defined in Section 9.1.

2.18. **"Developer"** means KozPure Development, LLC and any Affiliate thereof.

2.19. **"Effective Date"** means the date on which all Parties have executed this Agreement.

2.20. **"EIFDs"** means Enhanced Infrastructure Financing District formed pursuant to Government Code § 53398.50 *et seq*.

2.21. **"Eligible Proceeds"** is collectively, the portions of the Shared City Taxes described in Section 4.2.A and the Financing District Proceeds described in Section 4.2.B, in each case attributable to activities occurring within the Project and actually received or credited to the City.

2.22. **"Financing District Proceeds"** is defined in Recital L.

2.23. **"Force Majeure"** means an excusable delay or default due to one more of the events set forth in Section 10.2.

2.24. **"Future Sites"** is defined in Recital G.

2.25. **"Hotels"** is defined in Section 3.1.B.

2.26. **"Laws"** means all applicable federal, state, and local laws, ordinances, statutes, codes, rules, regulations, and orders now or hereafter in effect.

2.27. **"Materially Commenced"** means the Arena has been issued and has valid building permits for construction of all its components and structures, and Developer has completed at not less than 25% of the total construction costs, commenced vertical construction, and construction of the Arena is continuing.

2.28. **"Owner"** means Alpha One Sports and Entertainment Group, LLC., a California limited liability company.

2.29. **"Parking and Access Improvements"** means structured and/or surface parking, transit-oriented connections, and infrastructure improvements to support access and mobility.

2.30. **"Party"** or "Parties" means the City and/or Developer.

2.31. **"PBID"** means Property-Based Improvement District.

2.32. **"Prevailing Wage Laws"** means California Health and Safety Code Section 33422.1 and California Labor Code Section 1770 et seq. and all regulations adopted pursuant thereto.

2.33. **"Project"** is defined in Recital H.

2.34. **"Project Components"** is defined in Section 3.1.

2.35. **"Project Site"** means Sites A through D.

2.36. **"Public Realm Amenities"** is defined in Section 3.1.F.

2.37. **"Residential Units"** are defined in Section 3.1.D.

2.38. **"Related Uses"** means those use allowed in the COD, except: Religious Institutions; Transit Stations and Terminals; Utility Facilities and Infrastructure; Drive-In and Drive-Through Sales and Service; Home Improvement Supplies; Medical Services, Extended Care; Veterinary Facility; Auto and Vehicle Sales and Rental; Car Washing and Detailing; Service Stations; Vehicle Services, Minor; Manufacturing – Small Scale; Printing and Publishing; Warehousing; Thrift Store.

2.39. **"Retail and Dining Village"** is defined in Section 3.1.C.

2.40. **"Site A"** is defined in Exhibit A.

2.41. **"Site B"** is defined in Exhibit B.

2.42. **"Site C"** is defined in Exhibit C.

2.43. **"Site D"** is defined in Exhibit D.

2.44. **"Shared City Taxes"** is defined in Section 4.1 A.

2.45. **"TBID"** means Tourism Business Improvement District (Streets & Highways Code §36600 *et seq*)..

2.46. **"Term"** is defined in Section 1.4 of this Agreement.

2.47. **"TOT"** Transient Occupancy Tax.

ARTICLE III
PROJECT DESCRIPTION AND SCOPE

3.1. Project Description. Developer intends to develop a high-profile, mixed-use project on the Project Site, which shall consist of the following seven (7) **"Project Components"** (as described and defined in Sections 3.1 A through G):

A. **"Arena"** to a standard consistent with or superior to other modern multi-purpose arenas of comparable size in the United States, including a minimum permanent seating capacity of 7,500, integrated luxury suites and/or hospitality lofts, facilities suitable for hosting professional sports, concerts, and community events; all to ensure that the Arena serves as a mid-size, regional high-quality-caliber venue elevating Rancho Cordova's entertainment offerings,

while allowing Developer discretion in design, materials, finishes, and amenities consistent with financing, tenant requirements, and market conditions;

B. Two or more full-service hotels of upscale or boutique quality, consistent with comparable hotels in the Sacramento region, such as the Sacramento Kimpton Sawyer and Hyatt Centric Sacramento, of which at least one will be at least 4-star quality with a minimum room count of 800 **("Hotels");** provided that the brand and room count of the Hotels shall be determined by Developer in its discretion, subject to market and financing conditions.

C. A retail and dining district **("Retail and Dining District")**, anchored by farm-to-fork restaurants, cafes, entertainment venues (including a movie theater, and card room), and local and national retail operators;

D. A minimum of 640 residential units of a type, number and configuration to be determined by the Developer **(Residential Units")**;

E. A cardroom as part of the Project, subject to compliance with all applicable laws and City permitting ("**Cardroom**");

F. Structured and/or surface parking, transit-oriented connections, and infrastructure improvements to support access and mobility **("Parking and Access Improvements")**; and

G. **"Public Realm Amenities"** including streetscape improvements, plazas, pedestrian pathways, and open spaces that encourage community engagement and year-round activation.

3.2. Phased Implementation. The Developer may implement the Project in multiple phases, as determined in Developer's sole discretion, taking into consideration market conditions, financing availability, development sequencing, and other relevant factors. The City acknowledges and agrees that:

A. Developer shall have the right to determine the order, composition, and timing of each phase, provided that such phasing is consistent with applicable entitlements and this Agreement;

B. The Arena may be constructed as an initial phase or concurrently with other Project Components;

C. Subsequent phases may include residential, retail, and hotel, components, which may be delivered incrementally or concurrently as market conditions allow; provided, however that Developer acknowledges that certain infrastructure improvements must be built with City's approved timing and sequence in order to maintain certain required levels of service mandated by the City's General Plan and other planning obligations;

D. Except as provided in Section 3.2.C Developer shall not be obligated to construct any particular Project Component or improvement except as otherwise provided in this Agreement or as required by applicable law or permit conditions; and

E. Developer shall provide the City with written notice of the commencement of each phase and may, but shall not be obligated to, provide a conceptual phasing plan outlining the anticipated sequencing of Project components. Developer must comply with all City processes for obtaining necessary permits and entitlements for each phase of the Project. The City shall cooperate in good faith with respect to any required processing or administrative modifications necessary to facilitate phased development of the Project.

3.3. Master Developer Role and Component Developers.

A. Master Developer Role. Developer shall serve as the master developer for the Project Site and shall oversee the planning, subdivision, sale, leasing, entitlement, and overall coordination of development activities for the Project in accordance with this Agreement.

B. Component Developers; Transfers. Developer and Owner shall have the right, in their sole discretion, to sell, ground lease, transfer, or otherwise convey portions of the Project Site to third- party developers or operators (each, a **"Component Developer")** for the purpose of developing, constructing, owning, and/or operating individual Project Components.

C. Notice to City of Assignment. Except as otherwise expressly provided in this Article, neither Developer nor Owner may assign this Agreement or their obligations hereunder without the prior written consent of the City. Any attempted assignment in violation of this Article shall be void and of no force or effect. In all cases where notice is required under this Article, the assigning Party shall provide the City with not less than sixty (60) days' prior written notice of the proposed assignment, together with reasonably detailed information regarding the proposed assignee's qualifications and financial capacity.

D. Affiliate Transfers. Developer and Owner may assign this Agreement, in whole or in part, to an Affiliate with 60 days' prior notice to the City. Incentive rights may be assigned freely to an Affiliate, provided that special taxes or bond proceeds shall be used solely for their legally authorized purposes. **"Affiliate"** means any entity directly or indirectly controlling, controlled by, or under common control with Developer or Owner, including any entity wholly owned or controlled by Joshua Wood and/or Charanjeet Kaur Tiwana.

E. Prior to Arena Completion. Until substantial completion and issuance of a temporary or final certificate of occupancy of the Arena all its components and structures **("Substantial Completion")**:

1. Neither Developer nor Owner shall assign, transfer, or otherwise convey their rights and obligations under this Agreement (other than to an Affiliate) under Section 3.3.D) without the prior written consent of the City.

2. The City may grant or withhold such consent in its reasonable discretion.

F. After Arena Completion. Following substantial completion of the Arena:

1. Developer. Developer may not assign its rights and obligations under this Agreement (other than to an Affiliate under Section 3.3.D) except with the prior written

consent of the City. The City's consent shall not be unreasonably withheld, conditioned, or delayed, provided that any proposed assignee demonstrates to the City's reasonable satisfaction both (i) at least five (5) years of operational experience in the ownership, development, or management of multi-purpose arenas or mixed-use projects of comparable size and scope, and (ii) sufficient financial capacity to perform Developer's obligations and to operate and maintain the Arena in a first-class manner.

2. Owner. Owner may assign its rights and obligations in this Agreement (other than to an Affiliate under Section 3.3.D) with the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned, or delayed.

G. Incentive Rights. Developer may assign its rights to receive City Payments or other incentives under this Agreement to (i) an Affiliate of Developer, or (ii) a Component Developer, operator, or tenant responsible for developing or operating a specific component of the Project (e.g., hotel, restaurant, or entertainment venue), provided that (A) such assignment is documented in a written participation agreement between Developer and such Component Developer, operator, or tenant which shall be provided to the City no later than Ninety (90) days prior to any City Payment , (B) Developer remains fully responsible to the City for compliance with this Agreement, and (C) the use by an Affilitate of any City Payments or other incentives under this Agreement that are from special taxes or bond proceeds shall be limited to the purpose for which those special taxes or bond proceeds were collected.

H. Continuing Liability. In all cases, Developer and Owner shall remain jointly and severally liable to the City for full performance of this Agreement, notwithstanding any permitted assignment.

I. Developer Coordination Duties. Developer shall be responsible for coordinating the activities of all Component Developers to ensure compliance with this Agreement, including without limitation any provisions relating to revenue reporting, recordkeeping, operational standards, and audit rights to the extent such provisions relate to the generation of revenues from the Project Site. The City shall not have any obligation to coordinate directly with Component Developers.

3.4. Arena Operations and Community Engagement.

A. Arena Use and Programming. Developer anticipates that the Arena will serve as a multipurpose facility for regional entertainment, sports, concerts, community events, and related uses. The Arena may host a variety of programming designed to attract local and regional audiences and to contribute to the Project's placemaking and economic objectives.

B. Professional Sports Affiliations. Developer shall use commercially reasonable efforts to cause its affiliated arena soccer teams, including any team competing in the Major Arena Soccer League (MASL) or the Major Arena Soccer League Women (MASLW) to serve as anchor tenants of the Arena. Developer shall further endeavor to cause such teams to:

1. Designate the Arena as their exclusive home venue for a minimum period of ten (10) years after completion, subject to league approvals;

2. Identify Rancho Cordova, California, as the team's home city in promotional and professional events; and

3. Establish and maintain community outreach and mentorship programs with local high school students in areas such as leadership, athletic mentorship, and educational initiatives.

C. Combat Sports. Developer shall endeavor to cause one or more combat sports leagues or partners (including, without limitation, mixed martial arts, boxing, or comparable disciplines) to:

1. Relocate a portion of its professional fighters and training operations to the Project Site;

2. Identify Rancho Cordova, California, as the team's home city in promotional and professional events;

3. Establish and maintain a community outreach and mentorship program through which Combat Sports athletes engage with local high school students via leadership, athletic mentorship, or educational initiatives.

4. Developer and Owner shall cooperate with the selected combat sports league or partner to document such efforts upon the City's request.

5. Professional combat sports events may be hosted at the Arena on a limited basis, subject to (i) applicable City permits and approvals, and (ii) compliance with all safety, security, and regulatory requirements, and (iii) City Council's discretion regarding event frequency and scheduling.

ARTICLE IV
CITY OBLIGATIONS

4.1. Tax Sharing and New Revenue Sources. The City commits to initiate and the City Manager will support proceedings to share revenues in the amounts and as provided in this Section, subject to compliance with applicable laws, approvals and notice requirements, including without limitation Government Code section 53083, in which the City will propose and the City Manager will recommend that the City make annual payments **("City Payments")** to Developer and/or Owner in amounts equal to the agreed upon portion, as further described in Section 4.2.A and 4.2.B, of **"Eligible Proceeds"** actually received by or credited to the City and attributable to activities occurring on the Project Site which may be further described in a subsequent Development Agreement, as further described Section 8.1 . City Payments are intended to be reimbursements or abatements for public benefits provided by the Project. Any City Payments or tax relief for the Project would be limited to those uses that qualify as Project Components and the Related Uses. The City would not be required to advance funds, pledge its General Fund, commit to establish any tax not now in existence, commit to establish any Community Facilities District or Enhanced Infrastructure Financing District, or guarantee any minimum payment amount under this Agreement. If a particular parcel of land or building within the Project Site is not used as or fails to be used or ceases to be used for a period of twelve (12) months primarily as a Project

Component or Related Use, it shall no longer be subject to this Agreement and shall not qualify for any City Payment or tax relief associated with its use or operation, unless and until it is used as a Project Component.

A. Proceed Categories. City Payments may be made solely from the following two (2) categories of City revenues on the Project Site:

1. Shared City Taxes: All City Payments from Shared City Taxes shall comply with applicable Law, including AB 2854 and any transparency and reporting requirements governing local tax sharing agreements. The City's share of taxes received directly from the Project Site from:

(A) All of the TOT. The City's obligation to pay to Developer the TOT would exclude any revenues from increases in the TOT after the Effective Date;

(B) Local sales and use tax allocated by CDTFA in excess of the revenues necessary to fund City Expenses**.** The City's obligation to pay to Developer the agreed upon portion of local sales and use tax would exclude any revenues from City sales tax and use tax measures, including Measures H (November 2014) or R (November 2020) or any other City sales and use tax measure enacted after the Effective Date;

(C) All of the Cardroom Tax under Rancho Cordova Municipal Code Chapter 3.90.

(D) All Admission Taxes, if any is approved, and is not otherwise pledged to a CFD.

2. Financing District Proceeds: Revenues received by the City through formation of one or more special districts, including:

(A) Special taxes or assessments levied under a Community Facilities District ("CFD") formed under the Mello-Roos Community Facilities Act;

(B) Property tax increment revenues or bond proceeds under an Enhanced Infrastructure Financing District (**"EIFD"**) formed pursuant to Government Code § 53398.50 et seq.

B. Formation of Financing Districts. At the request of Developer or Owner, the City agrees to reasonably cooperate in the formation of one or more CFDs and/or EIFDs to fund infrastructure, public improvements, and/or community facilities in support of the Project. Nothing in this Agreement shall require the City to:

1. Issue bonds;

2. Guarantee repayment of any bond obligations;

3. Assume any financial liability for repayment of assessments, special taxes, or other Financing District obligations.

The City's cooperation shall include scheduling hearings, providing notices, and reviewing formation materials consistent with applicable law. Nothing in this section shall be construed as pre-committing the City to any legislative act or predetermining any required finding.

4.2. Admissions Tax Bonding and Financing. City shall initiate a legally available process to enable Admissions Tax revenues attributable to the Project Site to be structured or pledged in a manner that supports bond financing or other credit facilities, including exploration of whether such revenues may be incorporated into a CFD, EIFD, or comparable financing mechanism. Any such structure shall be subject only to the City Council's discretion, a vote of the electorate, or property owner approval or protest, as may be legally required to adopt tax ordinances or district financing.

4.3. Fee Reductions and Relief

A. Development Impact Fees: The City commits to initiate and the City Manager will support proceedings to pay all of the City imposed Project development impact fees adopted under Government Code § 66000 et seq., because of the significant public benefits of the Project as described above. If in the City's sole discretion it determines that relief of development impact fees would enhance the public benefit provided by the Project and such relief does not impair the City's ability to provide certain levels of service required by the City's General Plan and other applicable land use documents, the City will consider memorializing such relief in a subsequently agreed upon Development Agreement pursuant to Section 8.1 and other City approvals.

B. Permit Processing and Building Fees: The City requires payment of fees to compensate the City for staff time spent preparing project approvals, reviewing plans, and processing construction and land use related permits and entitlements. The City will consider initiating proceedings for the City to pay a substantial portion or possibly even all of the Project permitting processing and building fees because of the significant public benefits of the Project as described above. If in the City's sole discretion it determines that relief of a substantial portion or all permit processing and building fees would enhance the public benefit provided by the Project, the City will consider memorializing such relief in a subsequently agreed upon Development Agreement pursuant to Section 8.1 and other approvals.

C. Other Agencies: The City agrees to cooperate with Developer to obtain similar fee relief from all other local agencies with jurisdiction over the Project.

4.4. Zoning and Land Use Support.

The City will cooperate with Developer in the processing required CEQA documentation and land use entitlements for the Project, and reasonably work with Developer to recommend to the City Council, zoning amendments, signage approvals, or municipal code modifications reasonably necessary for the Project, including modifications to noise regulations, signage programs, and similar measures required to allow full realization of the Project.

4.5. Downtown Branding and Marketing Cooperation. City cooperation on Project branding shall include:

A. Incorporating the Downtown Dova designation into City marketing materials, signage, wayfinding, and official communications;

B. Coordinating exclusively with Developer on brand rollout, messaging, and public-facing use, and shall not promote or designate any competing branding within the Project Site;

C. City Attorney will prepare and the City Manager will recommend approval of a draft ordinance to allow up to four (4) large-format billboards or comparable signage structures on the Project Site or adjacent rights-of-way. Subject to CEQA, the City Manager shall present the ordinance to the Planning Commission within 75 days of the Effective Date unless the Parties mutually agree in writing to extend the deadline.

4.6. Business Improvement District Support. The City Manager will recommend that the City initiate the formation of a Property-Based Improvement District ("PBID") or Tourism Business Improvement District ("TBID") encompassing only the Project Site.

4.7. Contribution Sites and Environmental Relocation. The Developer will decide at a later date what portion of the City Sites it wants transferred to or usable by it. and what form of ownership or use it wants, recognizing that some or all of the City Sites may not be needed or may not be suitable to the Developer for Project purposes. The form of transfer or use and the actions the Developer may elect include fee conveyance, long-term ground lease, use agreement, lot line adjustment, subdivision, or other legally permissible structure. The City agrees that it will initiate the process to make the transfer or allow for the use as requested by the Developer and Owner. A Contribution Agreement and certain findings and approvals will be required by the City to satisfy statutory or procedural requirements (including CEQA, the Surplus Land Act, Government Code § 52201, and other applicable laws, and to negotiate and document the allocation of any potential liabilities that might be associated with the removal of debris or any form of environmental contamination) to the implement the transfer or use of the City Sites.

4.8. Duty to Cooperate. City shall cooperate with and assist Developer, to the extent legally feasible to achieve the full purpose and intent of this Agreement. Such cooperation shall extend to the Developer's efforts to obtain: (1) all necessary and appropriate governmental approvals, consents, permits, (collectively "entitlements"), land, property, and tax relief; and (2) establish requested financing mechanisms. Such cooperation shall extend to the City assisting Developer in obtaining the similar relief from taxes and fees imposed by other local agencies that have jurisdiction over the Project.

4.9. No Pre-Commitment by the City. By its execution of this Agreement, the City is not committing itself to or agreeing to undertake any activity requiring the subsequent exercise of discretion by the City, or any department thereof; the proposal, amendment, or approval of any land use regulation governing the Project Site; the provision of any financial assistance for the development of any public or private interest in real property; the acquisition, conveyance, or sale of real property; or any other such activity. The City retains the discretion to: (a) modify or condition the Project as may be necessary to comply with the California Environmental Quality Act, or (b) determine not to proceed with the Project.

ARTICLE V
DEVELOPER OBLIGATIONS PRIOR TO RECEIVING PAYMENTS AND REIMBURSEMENTS

5.1. Condition Precedent to City Payments. The terms of the City's obligation to make any City Payment under this Agreement , including the terms of any revenue share, payment procedures, allocation and disbursement between Parties, and tax implications thereof are subject to further negotiation which may be described in more detail in a subsequent Development Agreement pursuant to Section 8.1. Key terms of the City's obligation to make any payment may include satisfaction of the following conditions:

A. Developer and Owner are in material compliance with all terms of this Agreement and are not in Default;

B. The Developer providing to City documentation acceptable to the City that shows the applicable Project Components will generate acceptable Revenues (e.g., hotel, restaurant, retail, or other operations) when constructed and operating in accordance with applicable Laws;

C. All applicable operators have timely filed required returns and remitted payment of Transient Occupancy Tax, sales and use tax, card room tax, and/or other applicable taxes, assessments, or any other sources of revenue required to be remitted to the City and the City has received its allocable share of such revenues;

D. City has received accurate, auditable reporting data from CDTFA, Sacramento County, and/or any other relevant taxing authorities evidencing such revenues attributable to the Project Site; and

E. Developer and Owner acknowledge that availability of Eligible Proceeds is contingent on actual business operations, compliance with applicable laws, the City's discretion to not predetermine required findings or pre-commit to legislative acts, and future legislative frameworks. City makes no guarantee as to the availability of any Eligible Proceeds at any point during the Term. City shall have no obligation to compensate for any reduction, elimination, or deferral of Eligible Proceeds caused by changes in state or federal law, economic conditions, or administrative actions beyond City's control.

ARTICLE VI
DEVELOPER OBLIGATIONS

6.1. Permits and Legal Compliance. Developer shall be responsible for obtaining all governmental permits, entitlements, approvals, and clearances necessary for the construction and operation of the Project, including compliance with the California Environmental Quality Act **("CEQA")** and all applicable land use, zoning, building, and safety regulations.

6.2. Compliance with Laws. Developer and Owner shall comply with all applicable federal, state, and local laws, ordinances, statutes, codes, rules, regulations, and orders now or hereafter in effect **("Laws")**. Developer shall ensure that all Component Developers and tenants also comply with such Laws to the extent applicable to their respective portions of the Project.

6.3. Indemnity. Developer and Owner shall jointly and severally defend (with counsel selected by the City), indemnify, and hold harmless City and its officials, officers, employees, agents, and volunteers (collectively "Indemnitees") from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising directly or indirectly out of (i) the approval, implementation, or administration of this Agreement; (ii) the construction, operation, or maintenance of the Project, including any Claims arising from Developer's or Owner's failure to comply with applicable Laws as required under Section 4.1, and including Claims made by contractors, subcontractors, or third parties pursuant to California Labor Code Sections 1726 and 1781; (iii) any causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, caused in whole or in part by the willful misconduct or negligent acts or omissions of Developer or Owner or either of its employees, subcontractors, or agents, by acts for which they could be held liable or by the quality or character of their work. The foregoing obligation of Developer and Owner shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of either Developer or Owner or any of their employees, subcontractors or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Developer or Owner to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements for any Agreements or actions related to the Project do not relieve Developer or Owner from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies have been determined to apply. By execution of this Agreement, Developer and Owner acknowledge and agree to the provisions of this Section and that it is a material element of consideration. The obligations under this Section 6.2 shall survive the expiration or termination of this Agreement.

6.4. PERS Indemnity. In the event that Developer or Owner or any employee, agent, or subcontractor of either Developer or Owner performing under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS as an employee of the City, Developer or Owner shall indemnify, defend with counsel selected by the City, and hold harmless City, for the payment of any and all employee and/or employer contributions for PERS benefits on behalf of Developer or Owner or either of its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City, and any attorneys' fees and costs incurred by the City to enforce this Section.

6.5. Prevailing Wage. To the extent required by law, Developer, Owner, and all of the Developer's or Owner's subcontractors shall comply with California Health and Safety Code Section 33422.1 and shall comply with California Labor Code Section 1770 et seq. and all regulations adopted pursuant thereto (referred to herein as, **"Prevailing Wage Laws"**), and be responsible for carrying out the requirements of such provisions. The Developer and Owner shall, and hereby agrees to, unconditionally indemnify, reimburse, defend, protect and hold harmless the City and its elective and appointive boards, commissions, officers, agents, attorneys, consultants and employees, and all of their respective successors and assigns, from and against any and all claims, demands, suits and actions at law or in equity, and losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, and costs and damages of every kind, nature

and description (including but not limited to attorneys' fees and court costs; with counsel reasonably acceptable to the City), and administrative, enforcement or judicial proceedings, whether known or unknown, and which directly or indirectly, in whole or in part, are caused by, arise from, or relate to, or are alleged to be caused by, arise from, or relate to, the payment or requirement of payment of prevailing wages or the requirement of competitive bidding in the construction of the Project, the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to California Labor Code Section 1770 et seq. and the Prevailing Wage Laws, or any act or omission of the City, Developer, or Owner related to this Agreement with respect to the payment or requirement of payment of prevailing wages or the requirement of competitive bidding, whether or not any insurance policies shall have been determined to be applicable to any such claims, demands, suits, actions, losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, costs, damages, or administrative, enforcement or judicial proceedings. It is further agreed that the City does not, and shall not, waive any rights against the Developer or Owner which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by the City, or the deposit with the City by the Developer or Owner, of any of the insurance policies described in this Agreement.

6.6. Books, Records, and Audit Cooperation.

A. Record Keeping Obligations. Developer and Owner shall maintain, and shall cause all Component Developers and operators of Project Components to maintain, complete and accurate books, records, and financial data as necessary to calculate, verify, and audit pursuant to generally accepted auditing standards, any amounts constituting Shared City Taxes or other Revenues under this Agreement. Developer and Owner shall preserve and shall cause all of Component Developers and operators of the Project Components to preserve all of its books and records relating to this Agreement and the Project, including but not limited to its job cost records, payables/receivables records, accounting books, bids, cancelled checks, receipts, subcontracts, purchase orders, journals, vouchers, payrolls, correspondence, drawings, daily logs, photographs, and memoranda, for a period of three (3) years after the Term or Final City Payment, whichever is later. Should Developer, Owner, or any of the Component Developers or operators of the Project cease to exist as a legal entity, the legal entity ceasing to exist shall forward its records pertaining to this Agreement and the Project to the surviving entity in a merger or acquisition, or, in the event of liquidation, to Developer or Owner upon Developer or Owner's timely written request.

B. City Audit Rights. The City shall have the right to examine and audit accounting procedures and internal controls of financial systems and to inspect and copy any books and records of Developer, Owner and Component Developers relating to this Agreement. Such an examination, audit, and/or inspection may be requested at any time during the Term, or three (3) years after the expiration of the Term. If City elects to conduct such an audit, it shall give notice to Developer, and such audit shall be conducted as soon as is reasonably feasible thereafter. Such audit shall be conducted by an auditor selected by City, and City shall, except as hereinafter provided, pay the cost of such audit. Developer shall cooperate fully with City in the conduct of such examinations, audits, and inspections, shall grant full access at all reasonable times to its offices, the Project site, and its books and records relating to this Agreement, and shall allow City to interview Developer's employees, Owner, Owner's employees, Component Developers, Component Developers' employees, and Component Developers' operators who might reasonably

have information related to Developer's books and records, provided that City has given Developer at least one working day's advance notice of City's intent to examine, audit, inspect, and interview employees. All examinations, audits, inspections, and interviews shall be conducted during normal business hours. If an audit discloses a material discrepancy (i.e., a discrepancy by more than five percent in the aggregate with respect to City Payments), Developer shall reimburse City for the cost of the audit up to a cap of $25,000. Any adjustments in amounts due and owing by either party to the other party shall be promptly paid by the party owing the amounts due. Developer shall fully cooperate in good faith with the City in connection with any such audit and shall require its tenants, Component Developers, and operators to do the same.

6.7. State Audit Compliance. If compensation or payments under this Agreement exceed the applicable thresholds under Government Code Section 8546.7, this Agreement shall be subject to examination and audit by the State of California for a period of three (3) years after final City Payment under this Agreement. Developer shall retain all relevant records for at least that period and make such records available upon request by the City or the State Auditor.

ARTICLE VII
PARTIES REPRESENTATIONS

7.1. City Representations, Warranties, and Covenants. City represents, warrants and covenants to Owner and Developer as follows:

A. No Conflict. City's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which City is a party or by which it is bound.

B. No Bankruptcy. City is not the subject of a bankruptcy proceeding or in the process of filing for any bankruptcy protection.

C. No Litigation. There are no claims, causes of action or other litigation or proceedings pending or threatened against City that would affect City's ability to undertake and satisfy all of its obligations pursuant to this Agreement.

D. Right to Enter Agreement. City has the legal right, power, and authority to enter into this Agreement and this Agreement has been duly authorized and approved by the City following a properly noticed and conducted public meeting.

E. Truth of Representations and Warranties. City shall, upon learning of any material fact or condition which would cause any of the warranties and representations in this Section 5.1 not to be true, give written notice within fourteen (14) days of such fact or condition to Developer.

7.2. Owner Representations. Owner represents, warrants and covenants to City and Developer as follows:

A. Authority. Owner is a Limited Liability Company in the State of California and is now and shall remain for the duration of the Term of this Agreement in good standing under the Laws of the State of California and qualified to do business in California. The copies of the

documents evidencing the organization of Owner that have been delivered to City are true and complete copies of the originals, as amended to the Effective Date. Owner has full right, power and lawful authority to undertake all of its obligations as provided herein, the execution, performance and delivery of this Agreement by Owner has been fully authorized by all requisite actions on the part of Owner, each and all of the persons signing on behalf of Owner are authorized to do so, and such execution is binding upon Owner.

B. No Conflict. Owner's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Owner is a party or by which it is bound. Owner covenants that it and its shareholders or principles are in compliance with and will provide all required disclosures under all conflict of interest laws including, but not limited to, Government Code § 1090, the Political Reform Act (Government Code §81000 *et seq.*), and campaign contribution laws.

C. No Bankruptcy. Owner is not the subject of a bankruptcy proceeding or in the process of filing for any bankruptcy protection.

D. No Litigation. There are no claims, causes of action or other litigation or proceedings pending or threatened against Owner that would affect Owner's ability to undertake and satisfy all of its obligations pursuant to this Agreement.

E. Right to Enter Agreement. Owner has the legal right, power, and authority to enter into this Agreement.

F. Truth of Representations and Warranties. Owner shall, upon learning of any material fact or condition which would cause any of the warranties and representations in this Section 5.3 not to be true, give written notice within fourteen (14) days of such fact or condition to City.

7.3. Developer Representations. Developer represents, warrants and covenants to City and Owner as follows:

A. Authority. Developer is a Limited Liability Company in the State of California and is now and shall remain for the duration of the Term of this Agreement in good standing under the Laws of the State of California and qualified to do business in California. The copies of the documents evidencing the organization of Developer that have been delivered to City are true and complete copies of the originals, as amended to the Effective Date. Developer has full right, power and lawful authority to undertake all of its obligations as provided herein, the execution, performance and delivery of this Agreement by Developer has been fully authorized by all requisite actions on the part of Developer, each and all of the persons signing on behalf of Developer are authorized to do so, and such execution is binding upon Developer.

B. No Conflict. Developer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Developer is a party or by which it is bound. Developer covenants that it and its shareholders or principles are in compliance with and will provide all required disclosures under all conflict of interest laws including, but not limited to, Government Code § 1090, the Political Reform Act (Government Code §81000 *et seq.*), campaign contribution laws.

C. No Bankruptcy. Developer is not the subject of a bankruptcy proceeding or in the process of filing for any bankruptcy protection.

D. No Litigation. There are no Claims, causes of action or other litigation or proceedings pending or threatened against Developer, or any Affiliate thereof, that would affect Developer's ability to undertake and satisfy all of its obligations of this Agreement.

E. Truth of Representations and Warranties. Developer shall, upon learning of any material fact or condition which would cause any of the warranties and representations in this Section 5.4 not to be true, give written notice within fourteen (14) days of such fact or condition to City.

ARTICLE VIII
SUBSEQUENT ACTIONS

8.1. Parties Intent to Negotiate a Development Agreement. The City and Developer anticipate that, after the Effective Date of this Agreement, they will have negotiations and may enter into a development agreement pursuant to California Government Code § 65864 *et seq*. The Parties acknowledge that an amendment to this Agreement or text in such development agreement would be drafted and initiated after the acquisition of any Future Site to include it within the Project.

8.2. No Immediate Vested Right. Unless and until a development agreement as described in Section 7.1 is entered into, all Project Components shall be designed and constructed, and Project permits and approvals shall be evaluated by the City based on compliance with the City's land use and development standards in effect at the time any particular permit is issued, including those applicable under the Convention Overlay District (COD) and shall be consistent with the City's Economic Development Strategic Plan. This Agreement does not confer a vested right to develop the Project.

ARTICLE IX
DEFAULTS

9.1. General Default; Remedies. A **"Default"** means a failure in the due, prompt and complete observance or performance of any condition, covenant or obligation of the defaulting Party set forth in this Agreement for a period of thirty (30) days after written notice to the defaulting Party specifying the nature thereof, provided that the defaulting Party shall not be in Default under this Section 9.1 if the failure to observe or perform the condition, covenant or obligation in question is curable but is of such a nature that it is incapable of being cured with reasonable diligence within said thirty (30) day period and the defaulting Party commences such cure within said thirty (30) day period and diligently and continuously pursues the same to completion. If a Default occurs under this Agreement, then remedies available to the non-defaulting Party shall be limited exclusively to specific performance and injunctive relief to stop the breach; neither Party shall have any other remedy; excluded remedies include but are not limited to, expectation damages, reliance damages, any monetary award or payment other than an amount that may become due from the City as a City Payment under Article IV, consequential, special or punitive damages. In no event shall a breach of this Agreement result in the Developer

having the right, and the Developer expressly waives the right, to seek expectation damages, reliance damages, special damages, consequential damages, lost profits and punitive damages.

9.2. Rights and Remedies Are Cumulative. The rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other Party, except as otherwise expressly provided herein.

9.3. Inaction Not a Waiver of Default. Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies. Additionally, the waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term of any other term of this Agreement.

ARTICLE X
GENERAL PROVISIONS

10.1. Notices, Demands and Communications. Any approval, disapproval, demand, document or other notice to be provided under this Agreement shall be given in writing and shall be sent (i) for personal delivery by a delivery service that provides a record of the date of delivery, the individual to whom delivery was made, and the address where delivery was made; (ii) by first-class United States mail, postage prepaid, return receipt requested; or (iii) by a nationally recognized overnight courier service, marked for next day business delivery. All notices shall be addressed to the Party to whom such notice is to be given at the address stated in this Section 8.1 or to such other address as a Party may designate by written notice to the other; notices sent by a Party's attorney on behalf of such Party shall be deemed delivered by such Party.

For the avoidance of doubt, telephone numbers are supplied below only for the purpose of accommodating a courier's or delivery service's request for a telephone number for the party receiving notice.

City Notice Address:	City of Rancho Cordova Attn: City Manager 2729 Prospect Park Drive Rancho Cordova, CA 95670 Email: mrunner@cityofranchocordova.org
With a copy to:	Adam U. Lindgren Attn: City Attorney Meyers Nave 555 Capitol Mall, Suite 1200 Sacramento, CA 95814 Email: alindgren@meyersnave.com

Owner Notice Address:	Alpha One Sports and Entertainment Group LLC Attn: Joshua Wood 3195 Zinfandel Drive, Suite 21 Rancho Cordova, CA 95670 Email: josh@kozpure.com
With a copy to:	Fennemore WKBKY Attn: Minna C. Yang 10640 Mather Blvd, Suite 200 Mather, CA 95655 Email: myang@fennemorelaw.com
Developer Notice Address:	KozPure Development, LLC Attn: Charanjeet 'Charlie' Kaur Tiwana-Purewal 3195 Zinfandel Drive, Suite 21 Rancho Cordova, CA 95670 Email: charlie@kozpure.com
With a copy to:	Fennemore WKBKY Attn: Minna C. Yang 10640 Mather Blvd, Suite 200 Mather, CA 95655 Email: myang@fennemorelaw.com

All notices shall be deemed effective on the earliest of: (a) actual receipt; (b) if sent by first class mail, the third day on which regular United States mail delivery service is provided after the day of mailing; or (c) if sent by overnight delivery service, on the next day on which such service makes next-business-day deliveries after the day of sending.

10.2. Force Majeure. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of public enemy; pandemics, epidemics, or quarantine restrictions that require closure of similarly situated businesses; freight embargoes or lack of transportation; or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform (each, an event of **"Force Majeure"**). Any extension of time for any such cause hereunder shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) calendar days of the commencement of the cause. If notice is not timely given, such extension shall not commence until and if the other Party has actual knowledge of the cause. Developer and City acknowledge that adverse changes in economic conditions, any affected party specifically or the economy generally, changes in market conditions or demand, and/or inability to obtain financing or other lack of funding to complete the Project or thereafter continuously operate the Project or a Component of the Project shall not constitute grounds of Force Majeure. Times of performance under this Agreement may be extended by mutual agreement in writing by and between City and

Developer. In no event shall the cumulative delays under this Section 10.2 exceed one (1) year, unless otherwise agreed to by the Parties in writing.

10.3. Days. Any time period to be computed pursuant to this Agreement shall be computed by excluding the first day and including the last day. If the last day falls on a Saturday, Sunday or holiday, the last day shall be extended until the next business day.

10.4. Successors and Assigns. Subject to the limitations on Developer's rights to assign this Agreement set forth in Article III above, all of the terms, covenants and conditions of this Agreement shall be binding upon Developer and its permitted successors and assigns. Whenever the term "Developer" is used in this Agreement, such term shall include its permitted successors and assigns as herein provided.

10.5. No Joint Venture. It is expressly agreed that City is not, in any way or for any purpose, a partner of Developer or any of Developer's partners, officers, members, directors, shareholders, principals, agents, employees, contractors or subcontractors, or its or their successors or assigns (each, a "Developer Party") in the conduct of its or their business or a member of a joint enterprise with Developer or any Developer Party. Neither City nor Developer shall be deemed or construed for any purpose to be the agent of the other, and City does not assume any responsibility for Developer or any Developer Party's conduct or performance of this Agreement. Developer shall defend (with counsel selected City), indemnify, and hold harmless the Indemnities from and against Claims arising out of or in any way connected with a claimed relationship of partnership or joint venture between City and Developer, including with respect to the development, operation, maintenance or management of the Project or the Site. Developer's indemnity obligations under this Section 8.5 shall survive the expiration or earlier termination of this Agreement.

10.6. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one (1) and the same instrument.

10.7. No Waiver. A waiver by either Party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other Patty shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement. No waiver by City of any of the Conditions Precedent shall be effective unless in a writing expressly identifying the scope of the waiver and signed by the City.

10.8. Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

10.9. Severability. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and enforceable to the full extent permitted by Law.

10.10. Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge

of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or its officers, officials, agents, employees, volunteers, representatives, attorneys, or consultants, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

10.11. Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, shall promptly execute any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement. In addition, City and Developer, at Developer's expense, shall cooperate in the event of any court action instituted by a third Party or other governmental entity or official challenging the validity of this Agreement or the subject matter hereof. Nothing herein shall authorize Developer or any insurer to settle, consent to settlement of, or admit any liability in connection with such legal challenge, or take any action that would constitute an amendment or modification of this Agreement, absent approval by City in writing.

10.12. Conflicts 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 the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

10.13. Applicable Law. The laws of the State of California, without regard to conflict of laws principles, shall govern the interpretation and enforcement of this Agreement.

10.14. No Third-party Beneficiaries. There are no third-party beneficiaries to this Agreement.

10.15. Venue. Any legal action to cure, correct or remedy any Default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation thereof, or to obtain any other remedies consistent with the purpose of this Agreement shall be brought in the Superior Court for Sacramento County, California, except for actions that include claims in which the Federal District Court for the Eastern District of the State of California has original jurisdiction, in which case the Eastern District of the State of California shall be the proper venue.

10.16. Interpretation. The captions preceding the sections of this Agreement have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Agreement. Except where explicit reference is made to business days, provisions in this Agreement relating to number of days shall be calendar days. Use of the word "including" means "including, without limitation." As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The recitals to this

Agreement and all exhibits attached hereto are incorporated by reference, as though fully restated herein.

10.17. Time of Essence. Time is of the essence with respect to all obligations of Developer, Owner, and City under this Agreement.

10.18. Dispute Resolution.

A. Good Faith Negotiations. Prior to initiating any legal action, the Parties shall meet and confer in good faith in an attempt to resolve any disputes arising out of or relating to this Agreement.

B. Mediation. If the Parties are unable to resolve a dispute through direct negotiation, they shall participate in a non-binding mediation conducted by a mediator mutually agreed upon by the Parties. Each Party shall bear its own attorneys' fees and costs associated with the mediation, and the Parties shall share equally the mediator's fees.

C. Litigation. If a dispute is not resolved through mediation, either Party may commence litigation in the Superior Court of the State of California for the County of Sacramento. Each Party consents to the jurisdiction and venue of such Court. Nothing in this Section shall be deemed a waiver of any immunities, defenses, or procedural requirements under the California Government Claims Act or other applicable Laws.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY:

CITY OF RANCHO CORDOVA

By:

MICAH RUNNER
Its: City Manager

OWNER:

ALPHA ONE SPORTS AND ENTERTAINMENT GROUP LLC, a California limited liability company

By:

JOSHUA WOOD
Its: Manager

DEVELOPER:

KOZPURE DEVELOPMENT, LLC, a California limited liability company

By:

JOSHUA WOOD
Its: Manager

6282852.20

Economic Development Participation Agreement (EDPA) Entertainment District

Item 11.1

RANCHO CORDOVA CALIFORNIA

CityOfRanchoCordova.org

Presentation Overview

- Background
- Economic Development Participation Agreement (EDPA)
- Developer Presentation
  - Opening
  - Project Vision
  - Economic Impact and Benefit
  - Sports Opportunities
  - Rendering
  - Commercial and Retail Opportunities
  - Market Feasibility
- EDPA Terms and Fiscal Impact
- Discussion and Potential Vote

OVERVIEW AND HISTORY/BACKGROUND

- KozPure Development LLC and Alpha One Sports and Entertainment Group, LLC initiates discussion with City regarding the project and city owned property
- Requests City to contribute 13-acre city owned property to be a part of sports anchored entertainment destination district at 2875 Kilgore Road
- Opportunity to establish the City as a Regional Destination and Regional Entertainment Venue
- Early Term Sheet between the City and the development group for potential new model to participate in delivery of project
- Negotiation and review of feasibility and structure to both protect the City, but also provide an opportunity to move the project forward
- City Council Ad Hoc was created recently to discuss the details of the Project

Economic Development and Participation Agreement Terms - Developer

- Project Components of the EDPA:
  1. 7,500 seat arena
  2. Two or hotels, at least one four-star hotel with minimum of 800 rooms
  3. Retail Dining District
  4. 640 minimum residential units
  5. Cardroom
  6. Structure and/or surface parking
  7. Public plaza

- Economic Impact and Benefits

- Community Benefits and Opportunity

CORDOVA CITY CENTER

PROJECT PRESENTATION

PRESENTED BY

KOZPURE

ALPHA ONE
- SPORTS AND ENTERTAINMENT GROUP -

CORDOVA CITY CENTER

PROJECT PRESENTATION

Presented By:

KOZPURE

ALPHA ONE
- SPORTS AND ENTERTAINMENT GROUP -

OPENING REMARKS

KOZPURE

ALPHA ONE
- SPORTS AND ENTERTAINMENT GROUP -

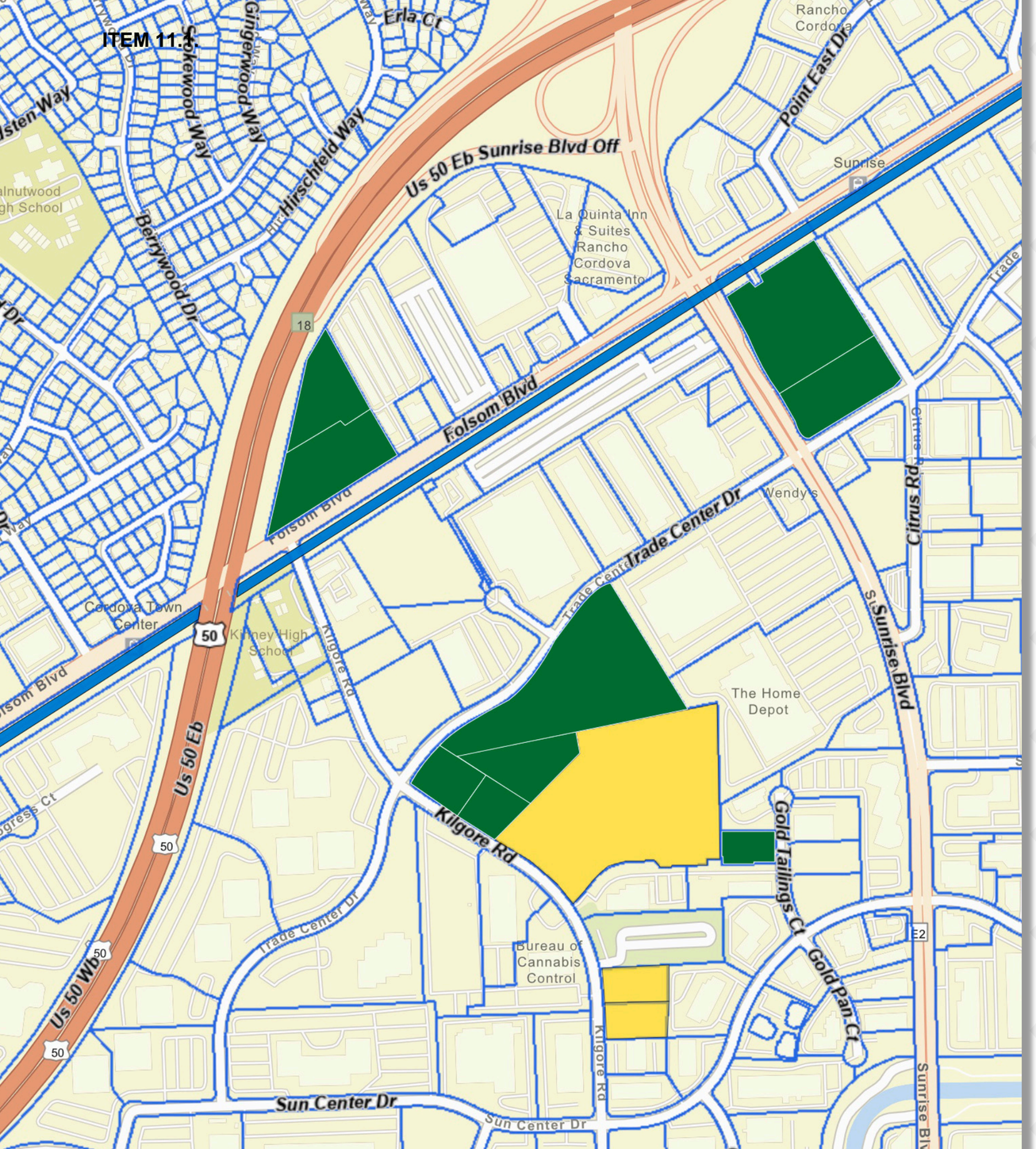
CORDOVA SPORTS-ANCHORED MIXED-USE ENTERTAINMENT DISTRICT AND CITY CENTER

VISION

Our vision is proposing a City Center project that includes an immersive sports and entertainment destination focused on community and families that weaves together professional sports into a central gathering place for the community.

The City Center is anchored by a 7,500 seat multi-use arena that is purpose-built for Arena Soccer and will include a myriad of other sports, live concerts, entertainment, graduations and events. The Center also includes upscale hotels, a plaza that will be activated through outdoor events, including live music festivals, family-friendly and community centered events for the Sacramento-Cordova region.

PROJECT LOCATION



Cordova City Center is a high-visibility freeway project, making it an ideal location for an arena and entertainment district.

Strategically situated at the intersection of Highway 50 and Sunrise Boulevard, Cordova City Center's visibility will be seen by over 200,000 vehicles traveling daily on Highway 50 and 132,000 vehicles traveling daily on Sunrise Boulevard, ensuring excellent accessibility and exposure.

Rancho Cordova is one of the fastest-growing communities in the Greater Sacramento-Cordova region, home to a diverse population and thriving business ecosystem.

The project location for the development of a City Center District is strategically located at the exact center of the greater Sacramento region and will serve multiple cities and communities in the surrounding area.

BENEFITS TO THE CITY OF RANCHO CORDOVA AND THE SURROUNDING COMMUNITIES

GREATER SACRAMENTO AREA ECONOMIC BENEFIT IMPACT OVER 12 YEARS

- Produce more than $4.5 billion of Economic Output.
- Create nearly 37,000 jobs over 12-year period, averaging over 3,000 annually.
- Result in more than $2.3 billion of labor income
- Yield more than $2.4 billion of value added
- Generate more than $660 million in new Indirect Business Taxes.
- The extrapolated 35-year tax impact is projected to be $1.26 billion in federal taxes and $662 million in state and local taxes, totaling $1.92 billion.

ECONOMIC GROWTH

City Tax Generation

- The project will spur millions in new sales, property, hotel, and other taxes around the project site as the core catalyst of growth of the entire Cordova City Center district.
- Ensures Rancho Cordova receives the sales tax revenues generated by the project site and includes Measure H and Measure R — a historic financial structure that secures prosperity for the city.
- The City will realize the economic boom from the surrounding parcels through future development of sites and will see an exponential tax revenue streams.

KOZPURE

COMMUNITY BENEFITS

ALPHA ONE
- SPORTS AND ENTERTAINMENT GROUP -

- **Free MASL** soccer camps and mentorship programs for at-risk youth, open to the children in the community
- CASL tournaments bring youth and collegiate sports directly into the city.
- Creates a safe, family-friendly gathering place where residents can celebrate birthdays, anniversaries, concerts, movies, and festivals.
- Creates the first true City Center in Rancho Cordova's history.
- Anchored by the Cordova Arena and surrounded by hotels, live music, retail, residences, nightlife and cultural festivals.
- Hosts signature cultural festivals: Dova Fest, Give Thanks, and Rancho Cordova's first-ever New Year's Eve celebration.

MAJOR ARENA SOCCER LEAGUE HISTORY AND FUTURE

SACRAMENTO'S ARENA SOCCER HISTORY

A HISTORIC PAST, A DYNASTIC FUTURE

Sacramento's arena soccer history is highlighted by the Sacramento Knights, an indoor soccer team that captivated fans with their dynamic play and impressive attendance figures. Established in 1993, the Knights competed in the Continental Indoor Soccer League (CISL) until 1997 and then in the World Indoor Soccer League (WISL) from 1998 until their final season in 2001. Throughout their tenure, the Knights played at ARCO Arena, turning it into a vibrant home for fast-paced indoor soccer and building one of the most passionate fanbases in the league.

The Knights quickly became a hit in Sacramento. In their inaugural 1993 season, they averaged 6,115 fans per game—a number that steadily grew year over year. Attendance surged to 6,961 in 1994 and reached a peak of 7,195 in 1996, placing the Knights among the top-drawing teams in the league. Sacramento's excitement for the indoor game was undeniable, and the consistent, high-energy crowds helped create one of the most electrifying atmospheres in American arena soccer during that era.

Their popularity was matched by their on-field success. In 1999, the Sacramento Knights won the World Indoor Soccer League championship, 7–6 in a thrilling final.

ARENA SOCCER

- Participation Boom: Over 5.9 million people played arena soccer in the U.S. in 2023, a 7.5%increase from the previous year, making it one of the fastest-growing youth sports.

- Pro expansion: The unification of world leagues has created a structured system with 80+ teams across North America (USA & Mexico), leading to new teams and arenas in key markets.

- CBS Sports Deal: in 2024, world leagues secured a national TV deal with CBS Sports, providing live broadcasts of major games and playoffs, increasing exposure and legitimacy.

- Economic & Media Impact: Rising media attention has driven higher sponsorships, ticket sales, and merchandise revenue, strengthening the sport’s financial foundation.

- Future Growth: A professional arena soccer league structure offers a clear pathway from youth leagues to professional teams, positioning arena soccer as a mainstream alternative to outdoor soccer.

PROJECT ARCHITECT
PERKINS & WILL
RENDERING

CORDOVA ARENA

TURTON COMMERCIAL
SCOTT KINGSTON AND DAVID SCALON

THE TURTON TEAM

SCOTT KINGSTON
Senior Vice President

DAVID SCANLON
Senior Vice President - National Retail & Hospitality

The team behind the region's marquee destinations—from **DoCo and The Ice Blocks to Braden and Project Elevate**—with end-to-end advisory across land sales, retail/entertainment leasing, and developer/tenant partnerhsip.

Central City mixed-use experts: we have worked on nearly every ground up mixed-use development in the region.

Experiential + entertainment focus that drives foot traffic and dwell time—positioning projects as true destinations, not just addresses.

Full lifecycle execution: pre-development strategy, merchandising plans, LOIs/leases, marketing, and roll-out—coordinated with city stakeholders and ownership teams.

MARKET FEASIBILITY
&
VENUE ASSESSMENT

NETWORK

DOVA CITY CENTER

MARKET FEASIBILITY & VENUE ASSESSMENT

EXECUTIVE SUMMARY

KozPure has commissioned a study to evaluate and advise on the validity of its aspirations to build a premier sports & entertainment district in the City of Rancho Cordova. By conducting research on comparable venues across the U.S., unique aspects of the Cordova project, and opportunities in the Sacramento market per consumer interests, NETWORK is able to evaluate the project, recommend a strategy and deliver a market feasibility and venue assessment for the Cordova Arena.

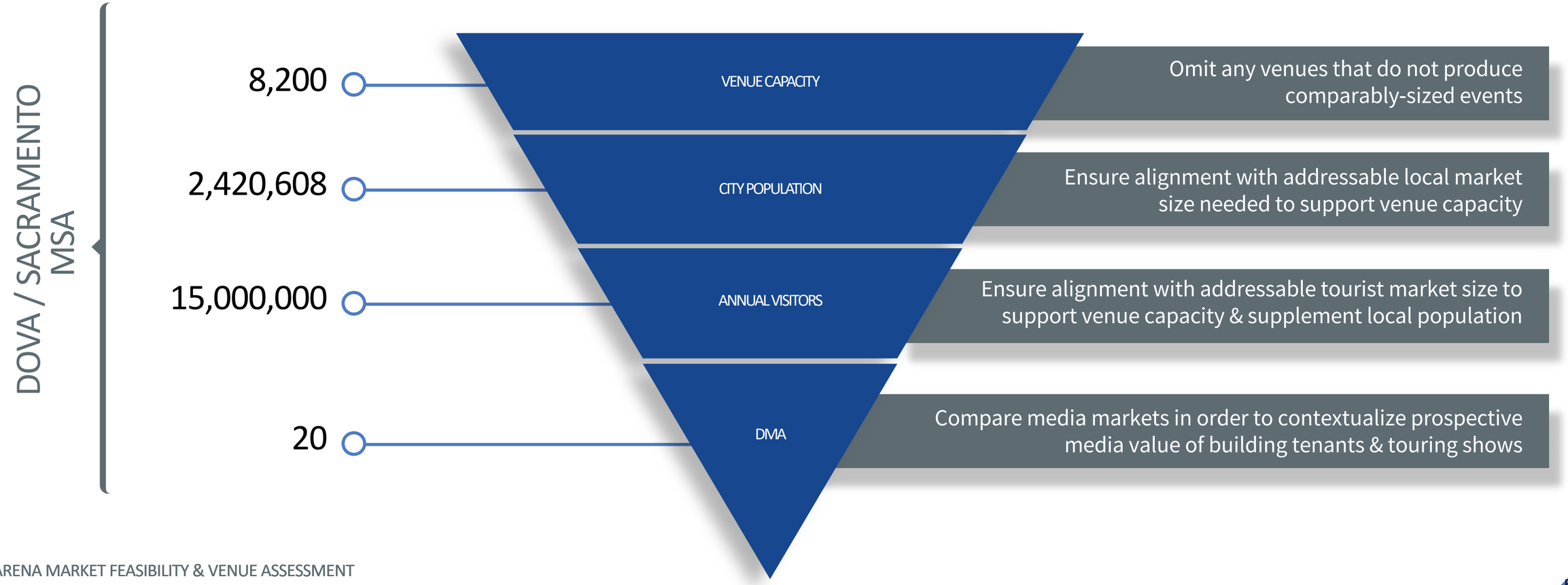
Additionally, NETWORK examined the hotel market within Sacramento to make strategic recommendations on the positioning and build of hotels found within the Cordova Region, understanding demand drivers and growth potential to properly align hotel properties.

Based on our findings, NETWORK strongly recommends the build of a 7,500 seat arena.

ARENA FEASIBILITY

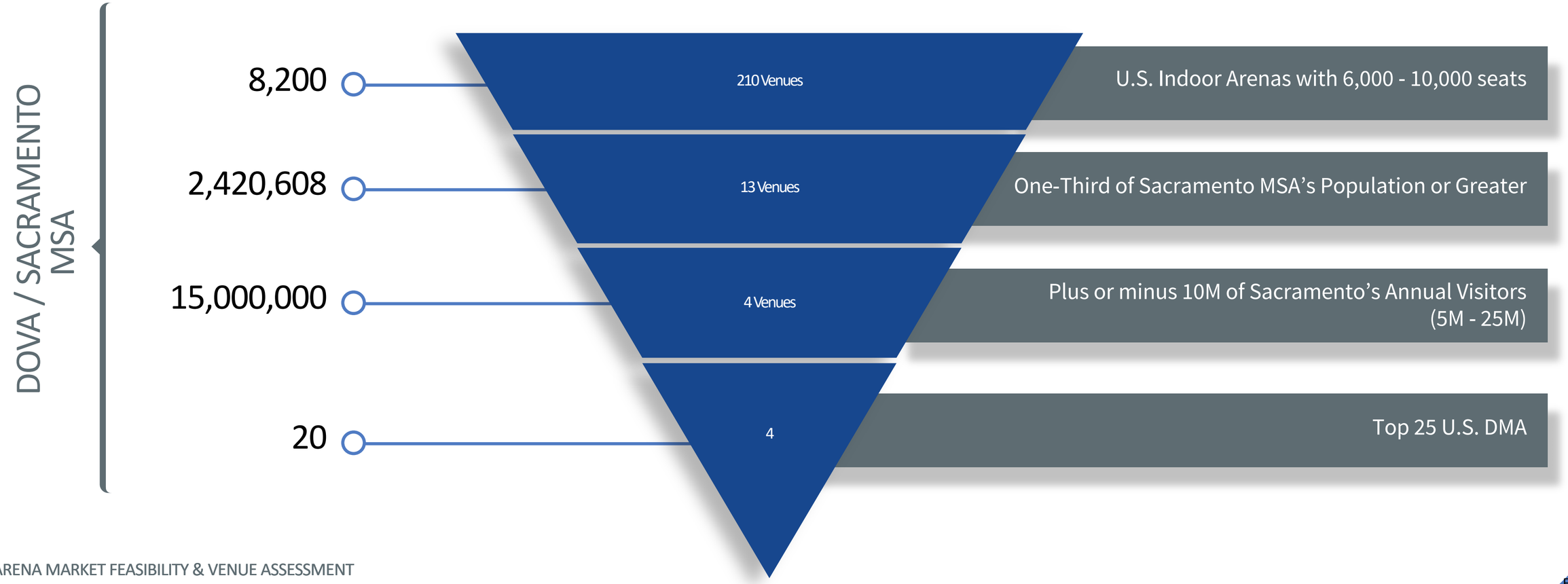
METHODOLOGY

In order to determine the feasibility of the Cordova Arena, NETWORK analyzed a variety of factors associated with other arenas of similar size in comparable cities. The objective of the arena benchmarking analysis is to identify operational insights and best practices for similarly positioned venues in order to properly project the resources needed to build a sustainable business model via sports leagues, tours, and other special events.



SELECTION CRITERIA

After identifying a total of 210 indoor U.S. arenas with a similar capacity to Cordova Arena (6,000 - 10,000), NETWORK used the city population, annual visitors and DMA to further narrow down the list in order to identify applicable venues for benchmarking.



VENUE RESEARCH

Venue	Location
Adams Arena	Fort Pierce, FL
AdventHealth Arena	Lake Buena Vista, FL
Agricenter Showplace Arena	Memphis, TN
Akins Ford Arena	Athens, GA
Allen County Memorial Expo Center	Fort Wayne, IN
Allen Event Center	Allen, TX
Alliant Energy Center	Madison, WI
Alliant Energy PowerHouse	Cedar Rapids, IA
Alltech Arena	Lexington, KN
Amarillo Civic Center	Amarillo, TX
Amarillo National Center	Amarillo, TX
AMSOIL Arena	Duluth, MN
Anaheim Convention Center	Anaheim, CA
Angel of the Winds Arena	Everett, WA
Appalachian Wireless Arena	Pikeville, KY
Arnold Hall / Reilly Coliseum	Miami, FL
Arthur Ashe Athletic Center	Richmond, VA
Augusta Civic Center	Augusta, GA
BancorpSouth Arena	Tupelo, MS
Bank of Springfield Center	Springfield, IL
Bank OZK Arena	Hot Springs, AR
Battelle Hall	Columbus, OH
Baxter Arena	Omaha, NE
Beaumont Civic Center	Beaumont, TX
Bell County Expo Center	Belton, TX
Bert Ogden Arena	Edinburg, TX
Bill Graham Civic Auditorium	San Francisco, CA
Bill Harris Arena	Birmingham, AL
BMO Harris Bank Center	Rockford, IL
Boutwell Memorial Auditorium	Birmingham, AL
Broadbent Arena	Louisville, KN
Broadmoor World Arena	Colorado Springs, CO
Brown Convention Center	Houston, TX
Blue FCU Arena	Loveland, CO
Burton Coliseum	Lake Charles, LA
Butte Civic Center	Butte, MT
Cable Dahmer Arena	Independence, MO
Callicott Arena	Franklin, TN
Cambria County War Memorial Arena	Johnstown, PA
Carlson Center	Fairbanks, AK
Celebration Arena	Decatur, AL
Chisholm Trail Coliseum	Enid, OK
Claremore Expo Center	Claremore, OK
Columbus Civic Center	Columbus, GA
Comerica Center	Frisco, TX

Venue	Location
Cool Insuring Arena	Glens Falls, NY
Cooper Steel Arena	Shelbyville, TN
Corbin Arena	Corbin, KY
Corteva Agriscience Center	Tulare, CA
Covelli Centre	Youngstown, OH
Cox Business Convention Center	Tulsa, OK
Cross Insurance Arena	Portland, ME
DC Armory	Washington, D.C.
DECC Arena	Duluth, MN
Dixie Center	St. George, UT
Lee's Family Forum	Henderson, NV
Dort Federal Credit Union Event Center	Flint, MI
Dorton Arena	Raleigh, NC
Dow Event Center	Saginaw, MI
Ector County Coliseum	Odessa, TX
Eihusen Arena	Grand Island, NE
El Paso County Coliseum	El Paso, TX
Empire Expo Center	Geddes, NY
Enmarket Arena	Savannah, GA
Erie Insurance Arena	Erie, PA
Escambia County Equestrian Center	Pensacola, FL
Expo Square Pavilion	Tulsa, OK
Extraco Events Center	Waco, TX
F&M Bank Arena	Clarksville, TN
Fair Park Coliseum	Dallas, TX
Farm Bureau Expo Center	Lebanon, TN
Farm Credit Dairy Center	Tulare, CA
Findlay Toyota Center	Prescott Valley, AZ
First Interstate Bank Center	Redmond, OR
Fishers Event Center	Fishers, IN
Florence Center	Florence, SC
Foley Event Center	Foley, AL
Ford Arena	Beaumont, TX
Ford Wyoming Center	Casper, WY
Fort Bend Epicenter	Rosenberg, TX
Foster Communications Coliseum	San Angelo, TX
Four Seasons Arena	Great Falls, MT
Four States Arena	Texarkana, TX
Freeman Coliseum	San Antonio, TX
Frontwave Arena	Oceanside, CA
Genesis Convention Center	Gary, IN
Golden Spike Arena	Ogden, UT
Grand Park Events Center	Westfield, IN
Grossinger Motors Arena	Bloomington, IL
H-E-B Center	Cedar Park, TX

Venue	Location
Hard Rock Live at Etess Arena	Atlantic City, NJ
Harrah's Cherokee Center	Asheville, NC
Hartman Arena	Park City, KS
Henderson Exposition Center	Lufkin, TX
Hero Arena	Idaho Falls, ID
Hersheypark Arena	Hershey, PA
Hertz Arena	Estero, FL
Hill Exhibit Hall	Albuquerque, NM
Humble Civic Center Arena	Humble, TX
Huntington Center	Toledo, OH
Hutchinson Sports Arena	Hutchinson, KS
Idaho Central Arena	Boise, ID
Ike Hamilton Expo Center	West Monroe, LA
Indiana Farmers Coliseum	Indianapolis, IN
Jacksonville Equestrian Center	Jacksonville, FL
James Brown Arena	Augusta, GA
Jamestown Civic Center	Jamestown, ND
Jim R. Miller Event Center	Marietta, GA
John Hancock Arena	Altamont, OR
Jostens Center	Lake Buena Vista, FL
Kansas Star Arena	Mulvane, KS
Kay Bailey Hutchinson Center	Dallas, TX
Kay Yeager Coliseum	Wichita Falls, TX
Kellogg Arena	Battle Creek, MI
Kitsap Sun Pavilion	Bremerton, WA
Knoxville Civic Coliseum	Knoxville, TN
La Crosse Center	La Crosse, WI
Lamar Dixon Expo Center	Gonzales, LA
Landon Arena	Topeka, KS
Lea County Event Center	Hobbs, NM
Lee County Civic Center	Fort Myer, FL
Legacy Event Center	Farmington, UT
Leonard E. Merrill Center	Katy, TX
Lone Star Expo Center	Conroe, TX
Louisville Gardens	Louisville, KY
Luedecke Arena	Austin, TX
Macon Coliseum	Macon, GA
Majestic Valley Arena	Kalispell, MT
MassMutual Center	Springfield, MA
Mayo Civic Center	Rochester, MN
Mayo Clinic Health System Event Center	Mankato, MN
Mechanics Bank Arena	Bakersfield, CA
Memorial Coliseum	Farmington, NM
Mesquite Arena	Mesquite, TX
Miami Beach Convention Center	Miami Beach, FL

Venue	Location
Mid-America Center	Council Bluffs, IA
Miller Expo Centre	Essex Junction, VT
Minneapolis Armory	Minneapolis. MN
Minneapolis Convention Center	Minneapolis, MN
Mississippi Coliseum	Jackson, MS
Mohegan Sun Arena	Uncasville, CT
Mohegan Sun Arena at Casey Plaza	Wilkes-Barre, PA
Monroe Civic Center	Monroe, LA
Moody Coliseum	Dallas, TX
Mountain Health Arena	Huntington, WV
Nacogdoches County Expo Center	Nacogdoches, TX
Nashville Municipal Auditorium	Nashville, TN
National Western Complex Events Center	Denver, CO
Neal Blaisdell Center	Honolulu, HI
NRG Arena	Houston, TX
Ocean Center	Daytona Beach, FL
Oceanfront Arena	Wildwood, NJ
Oregon State Fairgrounds Pavilion	Salem, OR
Orleans Arena	Las Vegas, NV
Owensboro Sportscenter	Owensboro, KY
Payne Arena	Hidalgo, TX
Pennsylvania Farm Show Complex & Expo Center	Harrisburg, PA
Pensacola Bay Center	Pensacola, FL
Pine Bluff Convention Center	Pine Bluff, AR
Portland Expo Center Hall E	Portland, OR
Quillen Arena	Harrington, DE
Rapides Parish Coliseum	Alexandria, LA
Rava Equestrian Center	King City, CA
Reaves Arena	Perry, GA
Reno Events Center	Reno, NV
Reno-Sparks Livestock Events Center	Reno, NV
Rio Rancho Events Center	Rio Rancho, NM
RP Funding Center	Lakeland, FL
Salem Civic Center	Salem, VA
Salt Lake County Equestrian Center	Sandy, UT
Sames Auto Arena	Laredo, TX
Santander Arena	Reading, PA
Savannah Civic Center	Savannah, GA
Schaumburg Convention Center	Schaumburg, IL
Scheels Arena	Fargo, ND
Seaboard Triumph Expo Center	Sioux City, IA
SeaGate Convention Centre	Toledo, OH
Sevierville Convention Center	Sevierville, TN
ShoWare Center	Kent, WA
Sioux Falls Arena	Sioux Falls, SD

Venue	Location
South Point Arena	Las Vegas, NV
Southwest Motors Events Center	Pueblo, CO
Star of the Desert Arena	Primm, NV
Stormont Vail Exhibition Hall	Topeka, KS
Sudduth Coliseum	Lake Charles, LA
Sullivan Arena	Anchorage, AK
Taft Coliseum	Columbus, OH
Taylor Telecom Arena	Abilene, TX
The Hippodrome	Waterloo, IA
The Oil Palace	Tyler, TX
The Wigwam	Anderson, IN
Tony's Pizza Events Center	Salina, KS
Total Mortgage Arena	Bridgeport, CT
Toyota Center	Kennewick, WA
Trinity Health Arena	Muskegon, MI
Tucson Convention Center	Tucson, AZ
Tunica Arena and Exposition Center	Tunica, MS
Tyson Events Center	Sioux City, IA
Upstate Medical University Arena	Syracuse, NY
Viking Hall	Bristol, TN
Visions Veterans Memorial Arena	Binghamton, NY
Von Braun Center	Huntsville, AL
WesBanco Arena	Wheeling, WV
Wicomico Youth and Civic Center	Salisbury, MD
Will Rogers Coliseum	Forth Worth, TX
Williams Sportsplex	Hampton, VA
Wilson Logistics Arena	Springfield, MO
Wings Event Center	Kalamazoo, MI
Xtream Arena	Coralville, IA
Yakima SunDome	Yakima, WA

TOP DMA COMPARISON

When simply viewing feasibility for a market to support an arena of Dova's size through a DMA lens, **every one of the top 25 DMAs in the U.S. currently supports at least one, and in most cases multiple, athletics or music focused venues with a capacity of 6,000 - 10,000, except for Sacramento Region.** On average, cities within the top 25 DMAs have 2.08 venues of this size currently.

Rank	City	Comparable Venues (6,000 - 10,000 capacity)
1	New York	The Theater at MSG, Radio City Music Hall, Carnesecca Arena
2	Los Angeles	Galen Center, YouTube Theater, Shrine Auditorium
3	Chicago	Wintrust Arena, Credit Union 1 Arena
4	Dallas-Fort Worth	Fair Park Coliseum, Kay Bailey Hutchison Center, Moody Coliseum
5	Philadelphia	The Liacouras Center, The Finneran Pavilion
6	Houston	Brown Convention Center, NRG Arena, Fertitta Center, Health & Physical Education Arena
7	Atlanta	Forbes Arena, McCamish Pavilion
8	Washington, D.C.	Charles E. Smith Center, The Show Place Arena
9	Boston	Agganis Arena, MGM Music Hall at Fenway
10	San Francisco-Oakland	Bill Graham Civic Auditorium
11	Tampa-St. Petersburg	George Jenkins Arena, Yuengling Center
12	Phoenix- Prescott	Global Credit Union Arena, Mullett Arena
13	Seattle-Tacoma	Alaska Airlines Arena, Angel of the Winds Arena

Rank	City	Comparable Venues (6,000 - 10,000 capacity)
14	Detroit	Fox Theatre
15	Orlando	Advent Health Arena, State Farm Field House, Addition Financial Arena
16	Minneapolis-Saint Paul	Minneapolis Armory, Minneapolis Convention Center
17	Denver	National Western Complex Events Center
18	Miami	Watsco Center, Reilly Coliseum
19	Cleveland	Cleveland Public Auditorium
20	**Sacramento**	None
21	Charlotte	Halton Arena, Winthrop Coliseum
22	Raleigh	Dorton Arena, William Neal Reynolds Coliseum
23	Portland	Portland Expo Center, Chiles Center
24	St. Louis	Chaifetz Arena, Family Arena
25	Indianapolis	Indiana Farmers Coliseum, Hinkle Fieldhouse

2024-25 Nielsen DMA Rankings

KOZPURE

ALPHA ONE
– SPORTS AND ENTERTAINMENT GROUP –

CONCLUSION

Economic Development Participation Agreement Terms - City

- 35-year term of the agreement
- Processing CEQA and land use entitlements including zoning amendments
- Project branding cooperation
- Consideration of four large format billboards or electronic monument signs
- Initiation of a new PBID or/or TBID
- Shared Revenue and Proceeds with the master developer of sales tax (100% City) and transient occupancy taxes (TOT) (100% Developer)
- Consideration of Cardroom tax and potential Code adjustments
- Consideration of:
  - Special taxes or assessments under a Community Facilities District (CFD)
  - Property tax increment revenues or bond proceeds under an Enhanced Infrastructure Financing District (EIFD)
  - Admission Tax
- Reductions and Relief/Waiver of City staff service fees and City development impact fees for the overall project site

EDPA Fiscal Impact

- The City would not be required to advance funds, pledge its General Fund, commit to establish any tax not now in existence
- The risk level from the master developer is private financial investments into the overall site
- Subsequent Development Agreement to specifically delineate the details of the tax sharing revenues or proceeds and waiver of development services and development impact fees
- Dedication of City-owned 13-acre parcel
- If the project is realized at buildout based upon the economic impact analysis, there will be benefits to the City, the region, and the community derived from the project
- These impacts only take place if Arena and Entertainment District is constructed

Recommended Action

- Consider and adopt the Resolution
  - Adopting the CEQA Exemptions 15004 (b)(4) and 15183
  - Approve the Economic Development and Participation Agreement
  - Authorize the City Manager to execute the EDPA

THANK YOU

Questions?

RANCHO CORDOVA CALIFORNIA

CityOfRanchoCordova.org