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MEMORANDUM

Economic Development - Council Memo No. ED15-002

DATE: July 14, 2014

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RJD*
MARSHA REED, ASSISTANT CITY MANAGER *MR*
CHRISTINE MACKAY, ECONOMIC DEVELOPMENT DIRECTOR *CM*

FROM: KIM MOYERS, DOWNTOWN REDEVELOPMENT MANAGER *KM*

SUBJECT: RESOLUTION NO. 4795 AUTHORIZING THE AWARD OF THE SITE 6
REQUEST FOR PROPOSAL TO RYAN COMPANIES US, INC.

RECOMMENDATION: Staff recommends City Council adopt Resolution No. 4795, which awards the Site 6 Request For Proposal (RFP) to Ryan Companies US, Inc., and authorizes Staff to begin Development Agreement deal terms between the City of Chandler and Ryan Companies; and directs staff to present the negotiated Development Agreement to the City Council for consideration and possible action on or before the last regularly scheduled City Council meeting in May 2015 or the award of the RFP will automatically terminate.

BACKGROUND/DISCUSSION:

Site 6 is a 4.25 acre site directly across from Chandler City Hall located at the northwest corner of Frye Road and Arizona Avenue. The site is vacant and entirely owned by the City. It is currently utilized for overflow and event parking, but is otherwise unencumbered.

The City issued a Request for Interest (RFI) for Site 6 on September 11, 2013, looking for interest from development firms with a solid track record of true mixed-use development. It was anticipated that a short list would be created from the initial RFI process to respond in a second phase which would include a more detailed RFP with the ultimate goal of designing a plan for the building of a signature project.

The RFI requested information including an overall design concept for an urban, mixed-use project that included office, entertainment, retail, restaurant, and parking. The development was to include high-quality architectural and urban design features, and anticipated that a structured parking facility may need to be included in order to maximize the amount of usable land for development.

The preferred specifications included:

- 100,000 sf office
- 40,000 sf entertainment and recreation uses (high ceilings, extended clear spans)
- 25,000 sf retail/restaurant space
- Parking structure to meet the demand for this development. Option to add 150-200 public parking spaces should be presented for consideration, but may not be pursued.

Two development companies responded to the RFI in December 2013: Ryan Companies US, Inc., and Chicano's Por La Causa, Inc. The Evaluation Committee recommended moving forward with Ryan Companies to submit a formal RFP by May 31, 2014.

Ryan Companies is a 75 year nationally recognized company specializing in office development, construction, and management experience in the Phoenix area. Over the last 17 years, Ryan Companies has developed more than 18 million square feet of office, industrial, and mixed use product throughout metropolitan Phoenix.

Ryan Companies Chandler Site 6 team proposes to develop and lease a mixed-use project consisting of two office buildings and related retail and restaurants focused on significant jobs into downtown Chandler. The project is proposed to be built in two phases, based on market conditions and meeting preleasing requirements. The proposed plan creates pedestrian routes to City Hall and the Historic Square as well as open space for downtown patrons, events, and employees.

The proposed site plans were designed with the intent of being flexible to respond to a broader range of opportunities in the market. The proposed phasing includes:

Phase 1 :

- 44,600 sf office (1 floor = 22,300 sf)
- 5,400 sf retail/restaurant (indoor and outdoor dining)
- Public open space
- Surface parking or ½ parking garage (192 spaces) depending on final development plans

Phase 2:

- 3-6 stories office (1 floor = 25,000 sf)
- 8,750 sf retail
- Completion of parking garage (5 stories = 750 stalls)

The site plan includes approximately 13,360 sf of public open space to include outdoor dining, gathering spaces, and pedestrian walkways. Upon award of the RFP, Ryan Companies will continue to work with Planning Staff to start the rezoning process that will include final land use and site design. As part of the zoning process, neighborhood meetings will be conducted to gain citizen input.

Economic Development Staff will begin negotiations with Ryan Companies on deal terms of a Development Agreement, and will bring proposed Development Agreement back to City Council for review and approval. Council had earlier directed staff to have an end date to the award of the RFP wherein there is either a mutually agreed upon development agreement between the successful proposer and Chandler or the RFP automatically terminates because of the lack of ability to reach a written agreement. Staff believes that Ryan Communities, US, Inc. and staff can negotiate a development agreement to be presented to City Council on or before the last regularly scheduled City Council meeting in February 2015

FINANCIAL IMPLICATIONS: Contingent upon final site design, parking and public infrastructure details, as well as a land sale.

PROPOSED MOTION: Move City Council to adopt Resolution No. 4795, which awards the Site 6 Request For Proposal (RFP) to Ryan Companies US, Inc., and authorizes Staff to begin Development Agreement deal terms between the City of Chandler and Ryan Companies; and directs staff to present the negotiated Development Agreement to the City Council for consideration and possible action on or before the last regularly scheduled City Council meeting in May 2015 or the award of the RFP will automatically terminate.

Attachments: Resolution No. 4795
RFP
Vicinity Map

RESOLUTION NO. 4795

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AWARDED THE SITE 6 REQUEST FOR PROPOSAL LOCATED AT THE NORTHWEST CORNER OF FRYE ROAD AND ARIZONA AVENUE TO RYAN COMPANIES US, INC .

WHEREAS, the City issued a request for proposals to solicit proposals for development of Site 6, an approximately 4.25 acre site located in the City's Downtown; and

WHEREAS, Ryan Companies US, Inc., submitted a response to the request for proposal; and

WHEREAS, the City has determined Ryan Companies US, Inc., is qualified and capable of acting as the Master Developer for the 4.25 acre Site 6 in a manner that will facilitate the redevelopment of Downtown Chandler and to the benefit the citizens of Chandler.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AS FOLLOWS:

SECTION 1.

That the City Council of the City of Chandler hereby awards the Site 6 Request for Proposal to Ryan Companies, US, Inc., on the condition that Ryan Companies, US, Inc. and City of Chandler are able to negotiate a mutually acceptable development agreement and related documents consistent with the development proposal submitted by Ryan Companies US, Inc.,

SECTION 2.

Further the Chandler City Council authorizes staff to negotiate the terms of a mutually acceptable development agreement and related documents consistent with the Site 6 Request for Proposal development proposal submitted by Ryan Companies US, Inc., and to present the negotiated development agreement and related documents to the City Council of the City of Chandler for consideration and possible action on or before the last regularly scheduled City Council meeting in May 2015 or this award to Ryan Companies, US, Inc. for the Site 6 Request for Proposals will terminate automatically without further action of the City Council .

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona, this ____ day of August, 2014.

ATTEST:

CITY CLERK

MAYOR

APPROVED AS TO FORM:

Chandler City Attorney



CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4795 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ___ day of August, 2014, and that a quorum was present thereat.

CITY CLERK

RYAN COMPANIES US, INC.
3900 E. Camelback Road, Suite 100
Phoenix, AZ 85018-2653



WWW.RYANCOMPANIES.COM

602-322-6100 *tel*
602-322-6300 *fax*

June 18, 2014

City of Chandler
Purchasing Division
3rd Floor
175 South Arizona Avenue
Chandler, AZ 85225

RE: City of Chandler Site 6 RFI No. DT4-998-3315 - Phase 2 Response

Dear City of Chandler:

Thank you for selecting the Ryan Team from the Chandler Site 6 Phase 1 RFI and giving us the opportunity to submit for the final Phase 2 solicitation. Our motivated team of construction, design, and real estate professionals including SmithGroup JJR Architects, Dibble Engineering, Jones Lang LaSalle office brokers and SRS retail brokers have utilized their expertise to provide creative solutions for the Site 6 development project.

We greatly appreciate the collaboration with and access to the City of Chandler's staff, and look forward to continuing those relationships as we work towards developing a successful Site 6 project that the City of Chandler and the Ryan Team will be proud of for years to come.

Please find enclosed our response to Mike Mandt's Phase 2 solicitation. We have formatted our response in the order of the requested items. We appreciate the opportunity to present this information to you and look forward to Building Lasting Relationships with the City of Chandler.

Thank you for your consideration.

Best regards,
Ryan Companies US, Inc.

A handwritten signature in black ink that reads "Steve Jordan". The signature is written in a cursive, flowing style.

Steve Jordan
Director of Construction Services

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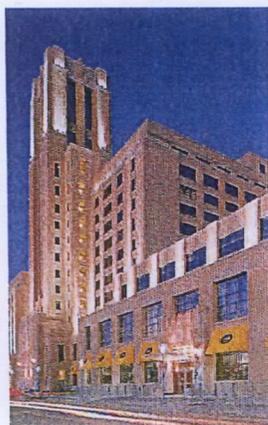
1. Proposed Land Use

Additional detailed information regarding the types of uses to be accommodated on the site.

RYAN'S CHANDLER SITE 6 TEAM proposes to develop and lease a mixed-use project consisting of two office buildings and related retail focused on bringing professionals to work in downtown Chandler. We would build the project in phases, based on market conditions and meeting preleasing requirements. We plan to continue the contemporary design of the Chandler City Hall across Arizona Avenue onto Site 6. Our plan is to create pedestrian routes to City Hall and the retail shops to the north of the site. Onsite, we would offer outdoor areas that would benefit professional employees, the retail and restaurant clients, as well as the public.

The proposed site plans, located in Section 2, are designed with the intent to be flexible to respond to a broader range of opportunities in the market.

- We propose to first plan and design a 40,000 SF office project which would be most conducive to achieving financing prelease requirements, meeting the market floor plate requirements, and mitigate some of the infrastructure and parking issues.
 - If the preleasing exceeds expectations within a predetermined time frame, there is a possibility that the office product could increase to a three story 60,000 SF building. We firmly believe that the office components drive the retail, thus we are proposing a stand-alone restaurant/retail component including outdoor seating that would appropriately interface with the surrounding hardscape/landscape.
- The second office building addresses market requirements in terms of the 25,000 SF floor plates, as well as scalability, as it could range from three to six stories. We are actively seeking a conference center owner/operator for the site.
- The parcel on the west side of Oregon Street is ultimately suited for a parking structure which is currently anticipated to be five stories, 750 stalls. Based on market conditions and office leasing, there is the possibility of a smaller office or retail component along Arizona Avenue just south of the existing retail.



2. Site Design

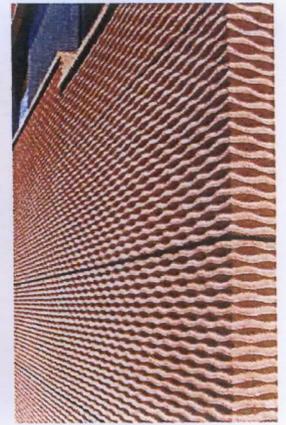
Conceptual drawings of the site layout and building architecture and facades.

OUR PROPOSED SITE PLAN will be developed to be flexible, scalable, and responsive to market needs and opportunities. The design of the site is intended to enhance the increasing urban environment which is downtown Chandler. The Site Design seeks to integrate and connect with its context, use, scale, and character. Particularly, the Design will respond to the Planning and Design vision of downtown Chandler that began with Chandler City Hall.

The Phase 1 development will include buildings that anchor the southeast corner of the site. The two story office building will provide an edge on the west side of Arizona Avenue, addressing the hard corner, and enhancing the urban quality of the district. A colonnade, providing shade and scale to the street, recalls urban walking streets as well as the covered walkways of Chandler City Hall. Moving north, the restaurant/retail building will also continue the urban edge, with possible outdoor café dining and pedestrian activity. Phase 2 will continue the urban edge to the north, enhanced by public open space, a small pocket park, which connects Site 6 to Chandler City Hall. The three story Phase 2 office building will shift the sense of scale of the project, increasing the actual and perceived density of the site.

The scale of the buildings will be comfortable, and compatible with their context: low rise commercial buildings to the north and south, and Chandler City Hall to the east. Building materials could include masonry, cast concrete, wood, metals and glass. Great care will be taken to include appropriate texture and color. Passive sustainable strategies will be employed throughout to ensure that the project responds appropriately to the environment. This could include orientation of the buildings in regards to solar exposure, and sun shading devices where necessary. The ground plane will integrate with the improvements on Arizona Avenue, and in conjunction, will provide an urban walkable street.

Please refer to the site plans on the following pages.

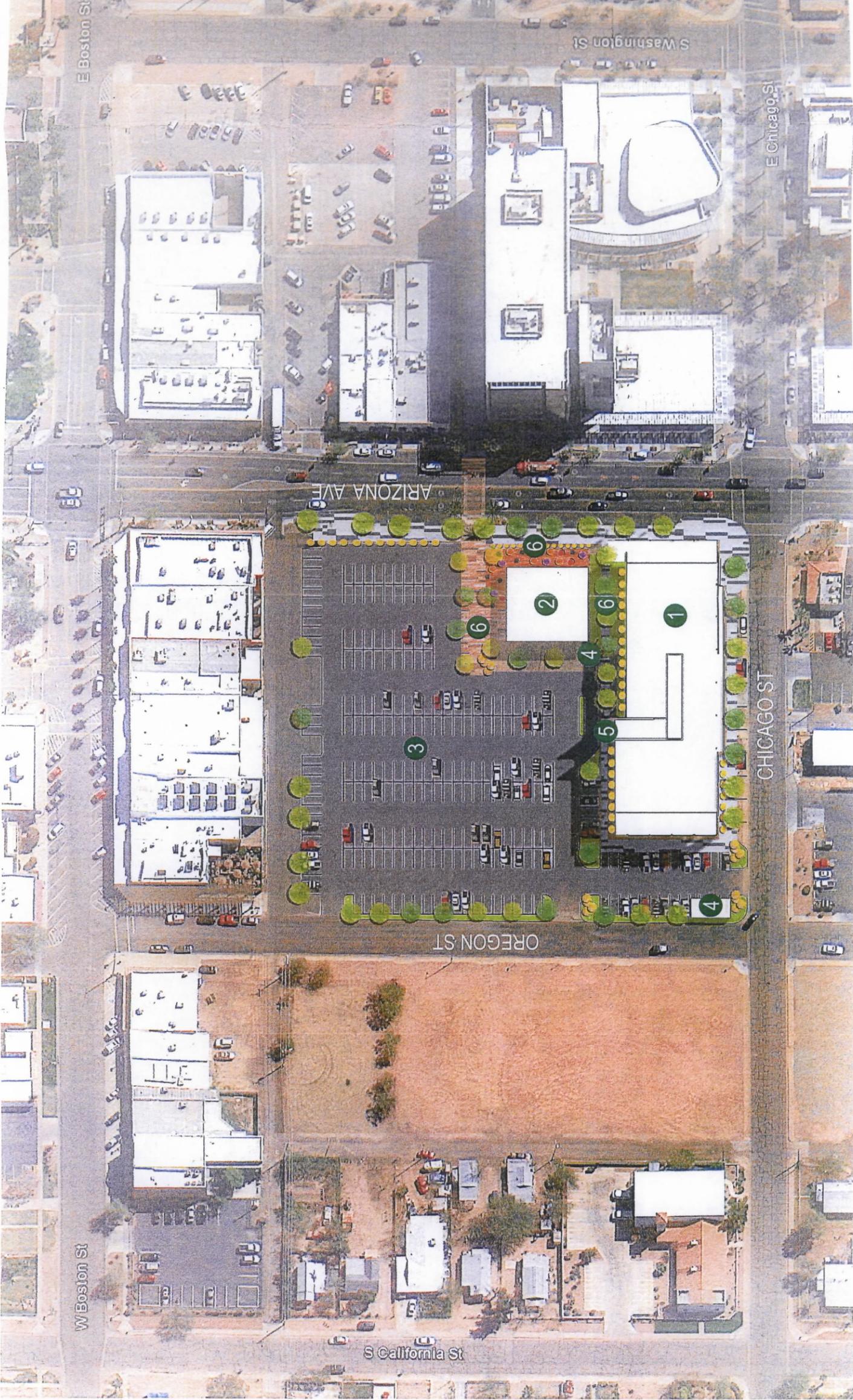


**PHASE 1
SITE PLANS**

- 1** Office Building
-2 floors
-44,600 total sf
-1 floor = 22,300 sf
- 2** Restaurant/Retail
-5,390 sf
- 3** Surface Parking
-253 spaces
- 4** Site Services
-Trash
-Transformer
- 5** Office Building Entry
- 6** Public Open Space

PHASE 1 SUMMARY

- 44,600 sf of Office
- 5,390 sf of Restaurant/Retail
- 253 Parking Spaces
- 5.1 Parking Spaces / 1,000 sf

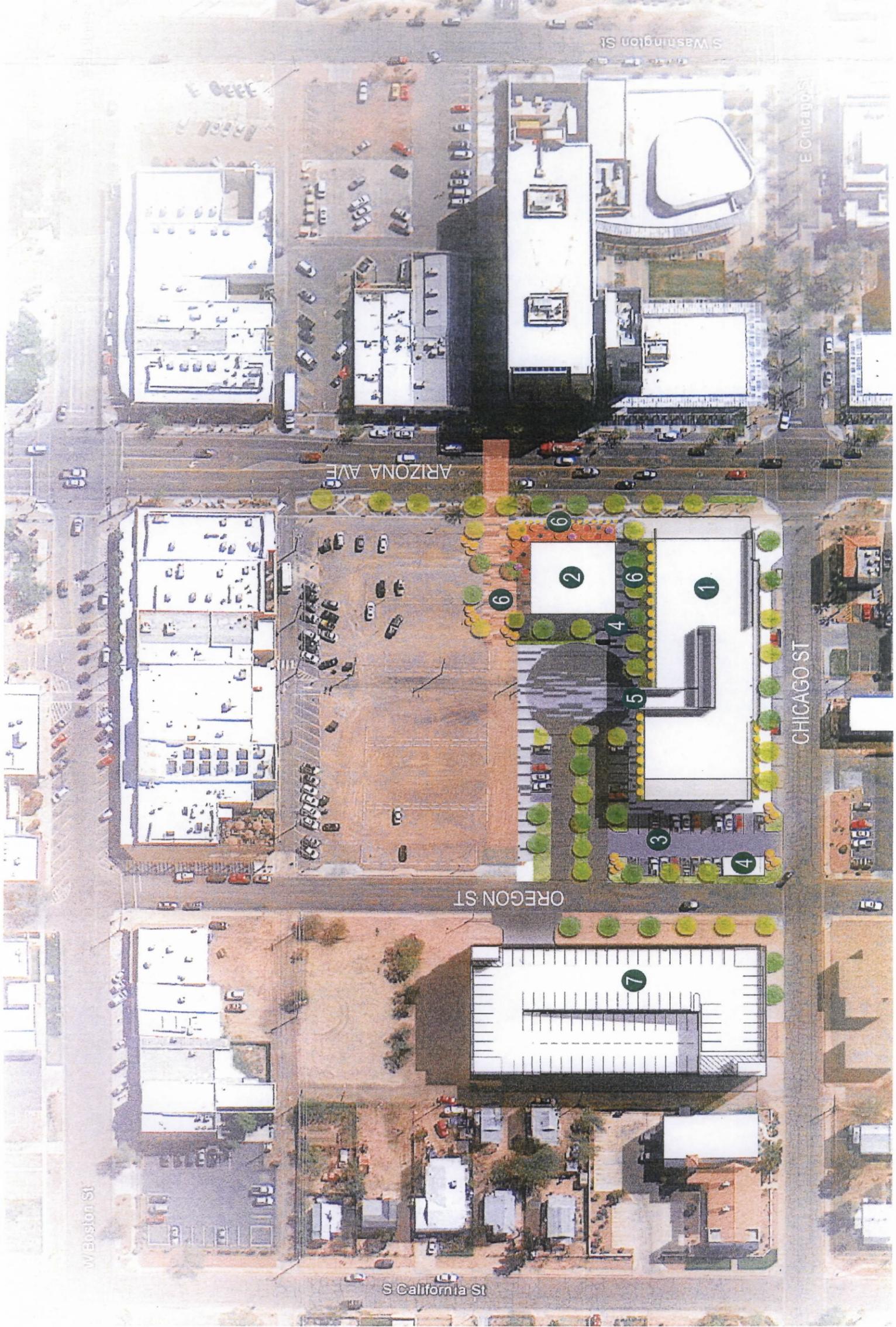


PHASE 1-OPTION 2
SITE PLANS

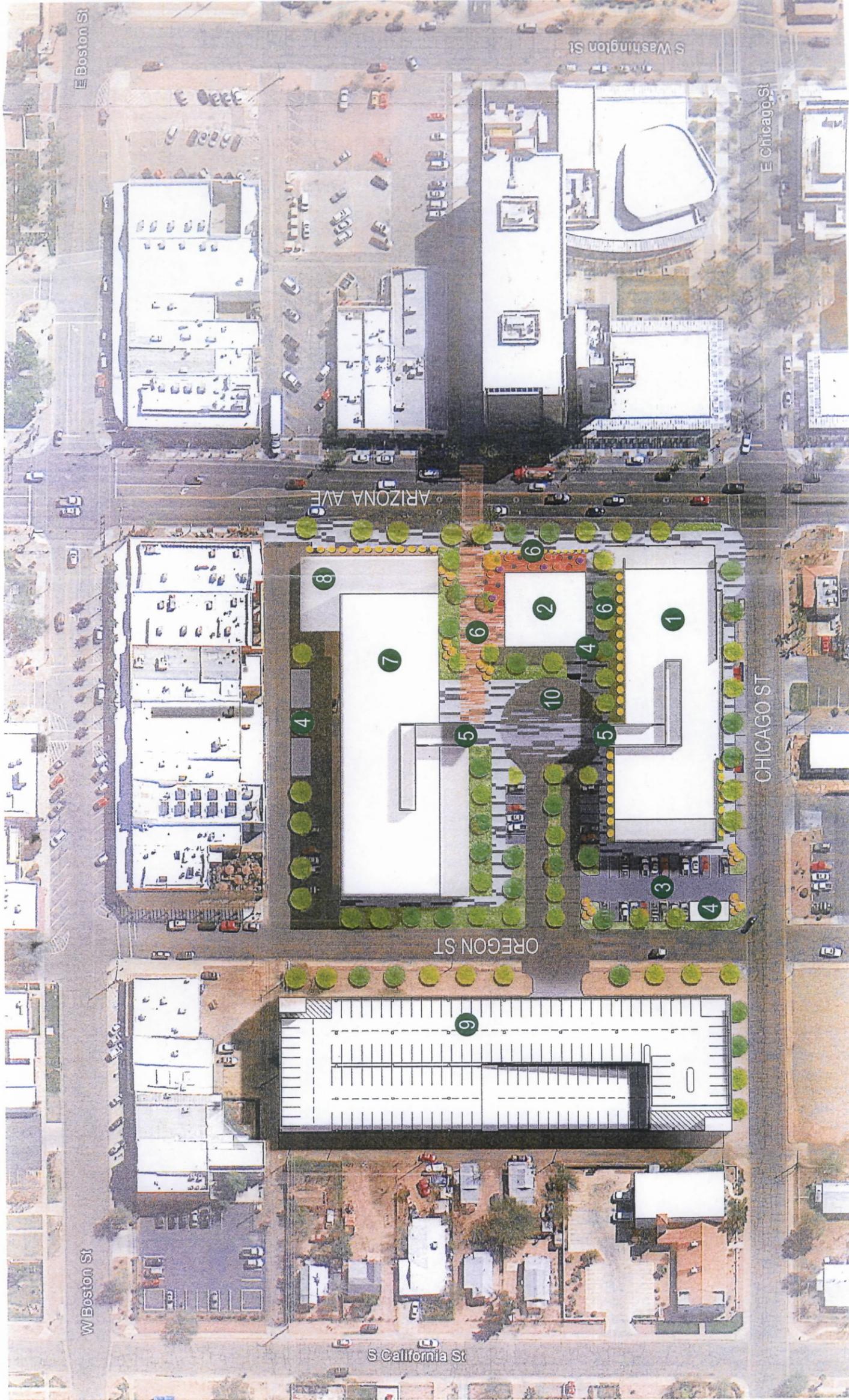
- 1** Office Building
-2 floors
-44,600 total sf
-1 floor = 22,300 sf
- 2** Retail/Restaurant
-5,390 sf
-indoor and outdoor dining
- 3** Surface Parking
-47 Spaces
- 4** Site Services
-Trash
-Transformer
- 5** Office Building Entry
- 6** Public Open Space
- 7** Parking Garage
-2 Levels
-192 spaces

PH. 1 OPTION 2 SUMMARY

- 44,600 sf of Office
- 5,390 sf of Restaurant/Retail
- 239 Parking Spaces
- 4.8 Parking Spaces / 1,000 sf



PHASE 2
SITE PLANS



- 1** Phase 1 Office Building
- 2** Restaurant/Retail
- 3** Surface Parking
-47 spaces
- 4** Site Services
-Trash
-Transformer
- 5** Office Building Entry
- 6** Public Open Space
- 7** Phase 2 Office Building
-3 floors
-75,000 total sf
-1 floor = 25,000 sf
- 8** Retail
-8,750 sf
- 9** Parking Garage
-4 levels
-612 spaces
- 10** Shared Motor Court

PHASE 2 SUMMARY

- 119,600 sf of Office
- 5,390 sf of Restaurant/Retail
- 8,750 sf of Retail
- 659 Parking Spaces
- 5.5 Parking Spaces / 1,000 sf

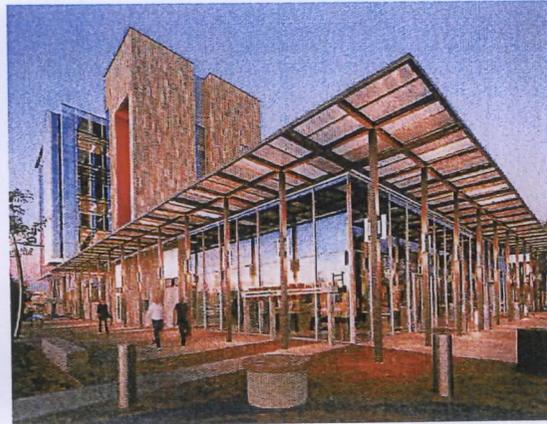
3. City Participation

Discussion of any City incentives, programs, etc. that the developer requests in order to execute the proposed development.

OUR TEAM'S UNDERSTANDING is that we will have the opportunity to complete our due diligence of Site 6. We have met with various utility and municipal agencies, including APS and the City of Chandler's Public Works Department and have reviewed much of the available information. In some cases we are awaiting follow up materials and information; however, we have enough information to know that our team seeks the City of Chandler's participation in the following areas:

Environmental – Ryan's environmental staff has reviewed documentation provided by the City of Chandler for the respective sub-parcels associated with Site 6 including Phase 1 Environmental Reports, and Geotechnical Reports. Ryan's expectation is that the City will deliver an environmentally clean and mitigated site for development of the Chandler Site 6 project. Accordingly, the following recommendations will involve the City's participation:

- Complete a new Phase 1 ESA to assess current site conditions and potential off site regulatory listings.
 - All of the existing Phase I reports for the site are out of date. A new Phase 1 is required in order to qualify for landowner liability protections under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). A new Phase I report would assist the developer, contractor, and future purchaser(s) and lenders to satisfy the All Appropriate Inquiry rule and provide a baseline of the environmental condition of the property. Additionally, as part of the Phase 1, a cursory cultural resources review should be completed.
- Complete an updated Phase 2 ESA to assess soil gas concentration in the NW portion of the site and other areas of the site that will be developed.
 - The previous reports for 120 South Oregon identified concentrations of tetrachloroethylene in the soil gas. As this was several years ago, updated soil gas data should be obtained to determine whether soil gas is still present so that any new buildings can be appropriately designed with vapor barriers or subslab venting systems.
 - In addition, the previous reports identified an off-site leaking Underground Storage Tank site (Bob M's Tire) as having the potential to impact groundwater at the site. Soil gas sampling is recommended to assess any potential petroleum soil gas vapors.



- Conduct Phase 2 soil sampling in areas to be excavated in order to assess export soils for impacts from historical site activities.
 - Based on previous site developments dating back several decades and the likelihood of undocumented filling, soil sampling is recommended to be completed in areas of excavation in order to determine the suitability of the soils for off-site reuse. In addition, obtaining subsurface information/data prior to construction will assist in minimizing delays in the event environmental impacts are discovered during construction. This work can be completed in conjunction with the recommended soil gas sampling.
- Asbestos-related documentation should be updated to include items such as underground piping, foundations, and debris that contain asbestos, and were not previously abated or known and could require abatement.

Parking – A number of parking solutions have been considered, and several options have been identified that would meet the City’s objectives, align with Ryan’s proposed development plan, and address the possible timing scenarios for this phased development. In the Executive Summary of Downtown Chandler Parking Study by Carl Walker dated October 2008, the need to address the deficit of parking related to sites 4, 5, and 6 was forecasted. With the continued growth of downtown Chandler, the parking deficit potentially becomes even more pronounced. With this backdrop of information, the City’s participation will be paramount in the success of a sustainable parking solution.

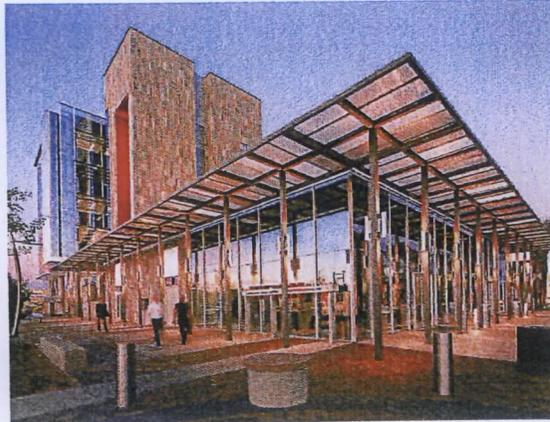
APS Utility Solution – APS has determined that they do not have capacity to service our proposed development. The latest information received from APS has confirmed that the closest power source is at the northeast corner of Arizona Avenue and Boston Street, and the most viable location to serve Site 6 is via an electrical manhole at Boston Street and Oregon Street. While conduit is installed to this manhole, wiring would need to be installed through said manhole to service Site 6. This manhole would also provide capacity to service future development of Sites 4 and 5. There are various electrical services associated with the retail stores on Boston Street between Arizona Avenue and Oregon Street which are served from aerial lines in the alley to the south along the north edge of the Site 6 proposed development. Site 6 is also encumbered with aerial electrical lines in the alley to serve the community to the south. We are continuing to work with APS and will seek the City’s participation to provide the power required to attract the office/retail tenants that the City desires for Site 6, as well as to solve the existing retailer’s electrical issues.



Public Utility Solutions – We understand that the City of Chandler is in the process of finalizing a study of the public utilities serving the downtown Chandler area. We have met with the City’s Public Works staff and appreciate their efforts to provide the latest information based on what is known to date. As we understand current public utilities, there is not adequate capacity to accommodate the full scope of the proposed development. Certain utility water and sewer lines are old and at risk of failure. Many of the City’s proposed replacements and upsizing of utilities are necessary to support the proposed Site 6 development, and the development of future projects including Sites 4 and 5. Accordingly, we will seek the City’s participation.

Land Disposition – This project is predicated on Ryan entering into a Development and Marketing Agreement to pursue build to suit opportunities and tenant requirements. The City would own the land until such time that a build to suit client is procured, or a credit worthy tenant or tenants are procured that meet the 50% prelease requirement. As is typical in development deals, the three basic components are the costs of the land, construction, and soft costs (i.e. legal fees, financing fees, etc). In order to attract the broadest range of prospective build to suit clients, and to achieve the highest investment value, we would recommend a fee simple sale of the land at the time a build to suit client is committed. With a given scope of a project, the construction and soft costs will be consistent, but the land can be handled in various ways. We look forward to working with the City to determine the optimal scenario that would be mutually beneficial to the City of Chandler and Ryan.

- The City would sell the land to Ryan at a mutually agreed upon price at the appropriate time once the project has begun.
- The City would contribute the land to the development deal at a mutually agreed upon price at the appropriate time once the project has begun. The agreed upon value of the land is calculated as a percentage of the total project costs. When the project is completed and sold, the City would participate in the gain (or loss) that is realized at that time by utilizing that percentage.



4. Public Open Spaces

Detailed information regarding the availability of spaces that will be available to the public and the proposed way they will be developed and utilized.

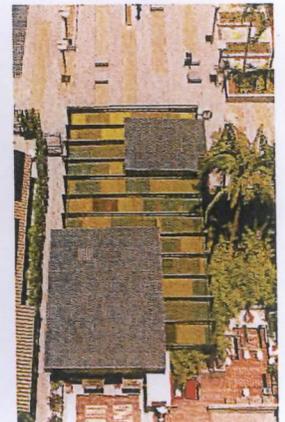
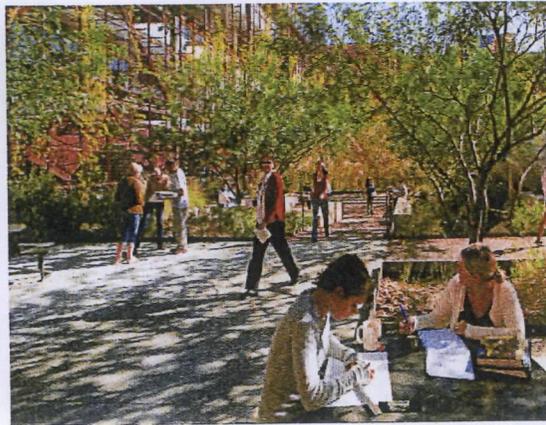
THERE ARE THREE TYPES OF OPEN SPACES proposed for Site 6. They are:

1. The east-west pedestrian walkway that connects City Hall with Site 6
2. The outdoor dining/gathering areas on the north and east side of the proposed restaurant/retail space
3. The streetscape along the west side of Arizona Avenue

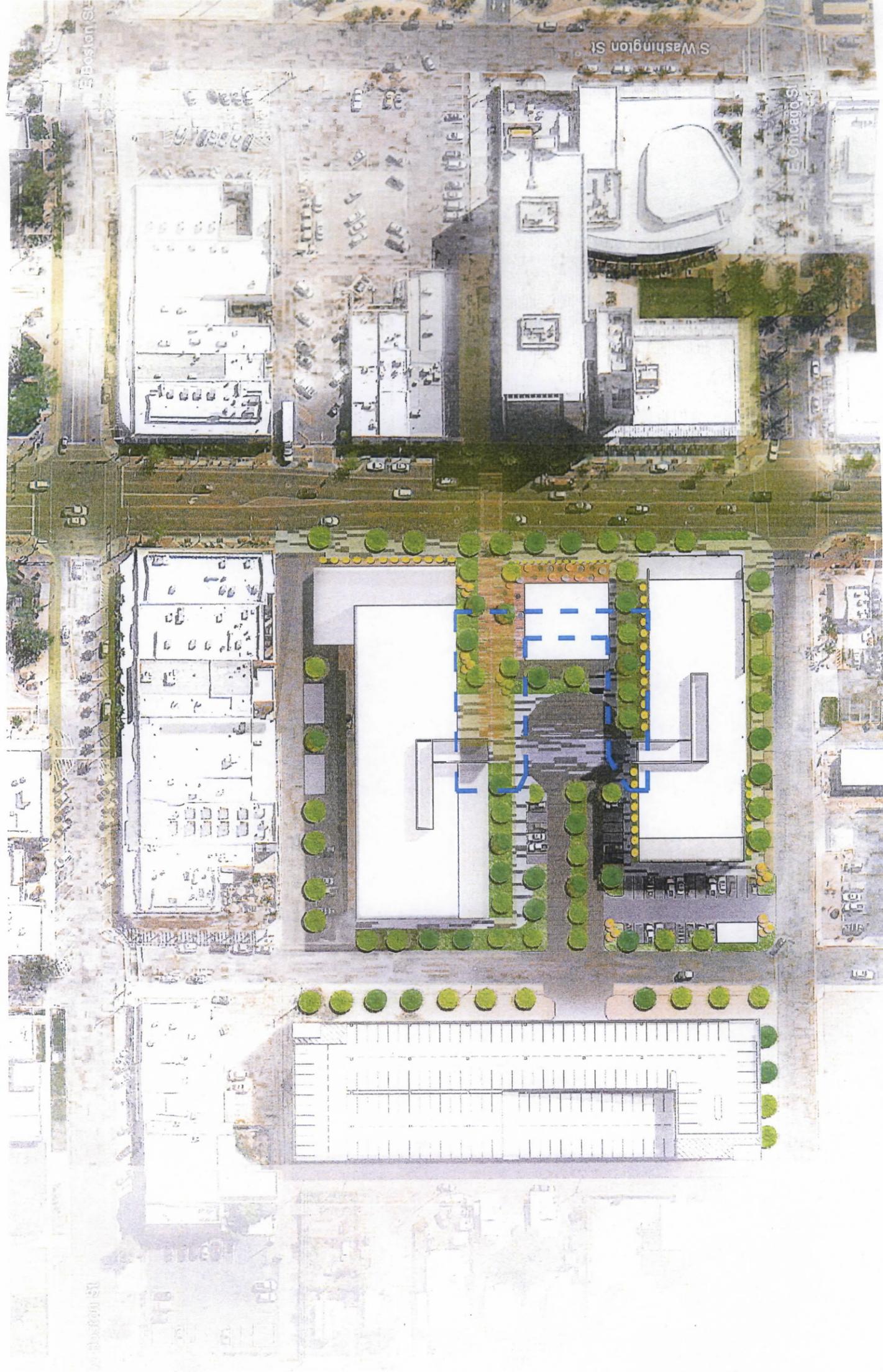
The connection to City Hall will align with the mid-block crossing on Arizona Avenue and with the main entry to the Phase 2 Office, and potentially, a conference center. The space is wide enough to allow about 15 to 20 feet for outdoor dining/gathering and about 30 to 35 feet for pedestrian walkways. A special focal element may also be developed in this space such as an interactive fountain. Colorful shrub planting or plant pots will provide year round interest, and special paving and paving patterns will contribute to the plaza-like character of the space. The outdoor dining/gathering areas will be defined by low patio fencing and shade will be provided by umbrellas and shade trees. Lighting, signage and other furnishings will also be provided.

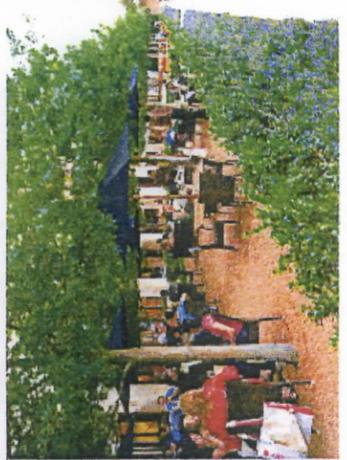
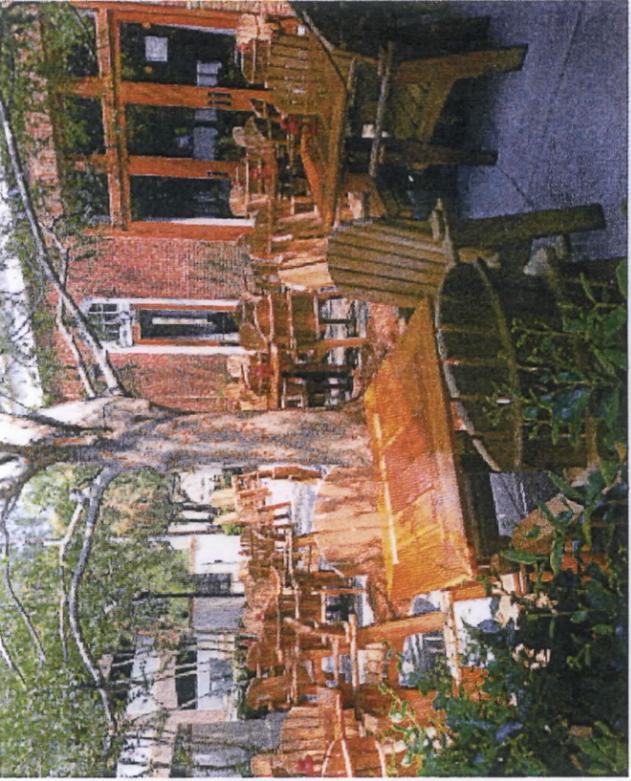
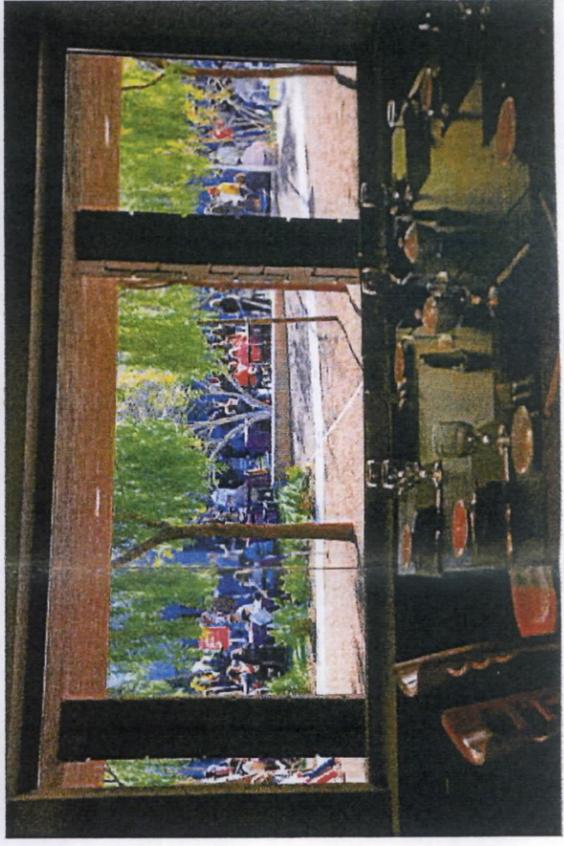
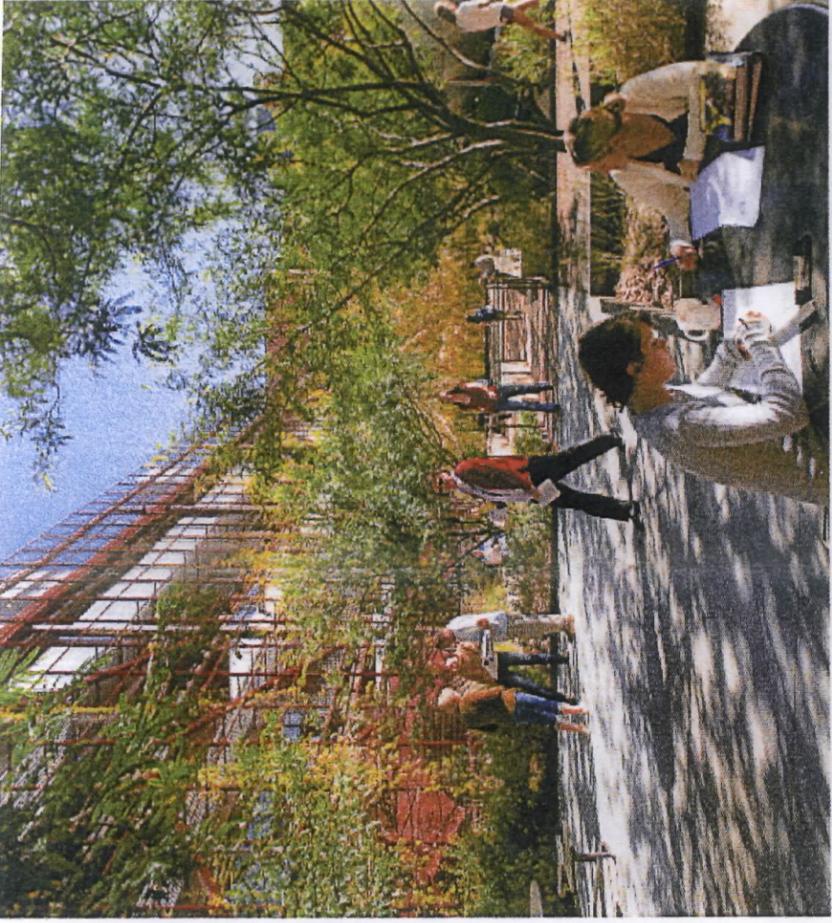
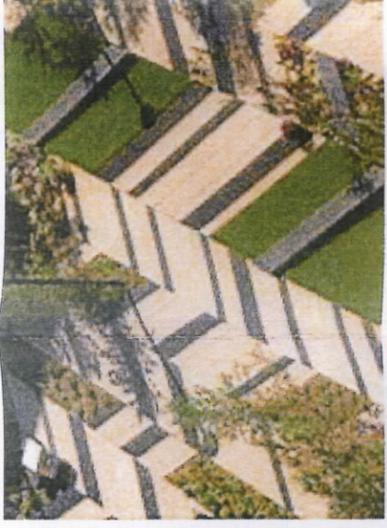
The existing streetscape along the west side of Arizona Avenue will be augmented by an additional 25 feet of open space adjacent to the restaurant/retail. On-street parking along Arizona Avenue is convenient and it also serves as a buffer between the traffic on the street and the pedestrians and people sitting outside.

Please refer to the site plans and images on the pages that follow.



PUBLIC OPEN SPACE
- 13,360 SF





5. Public Parking

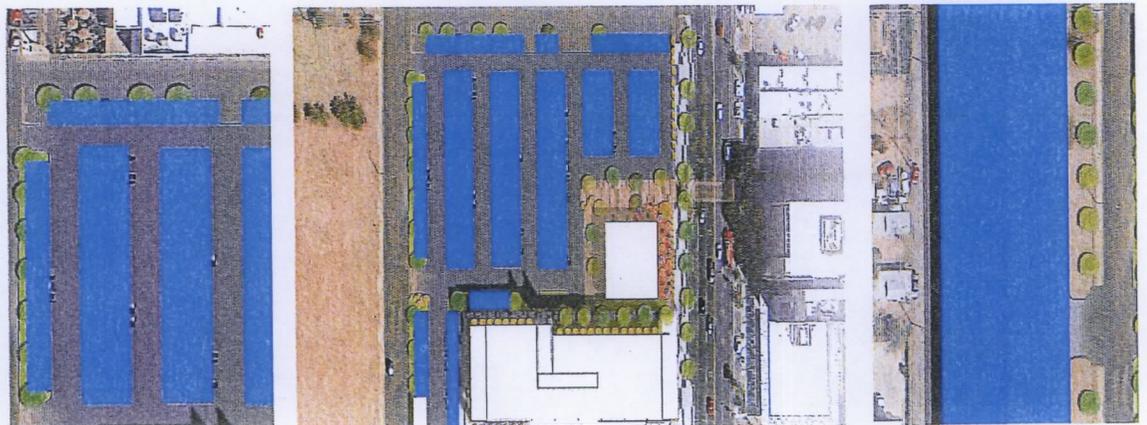
Discussion of how parking requirements of the site will be met as well as the availability of onsite public parking that can be utilized to support activity in Downtown Chandler. A description of cross-utilization of parking and the days/times that parking will be available for public use is also requested.

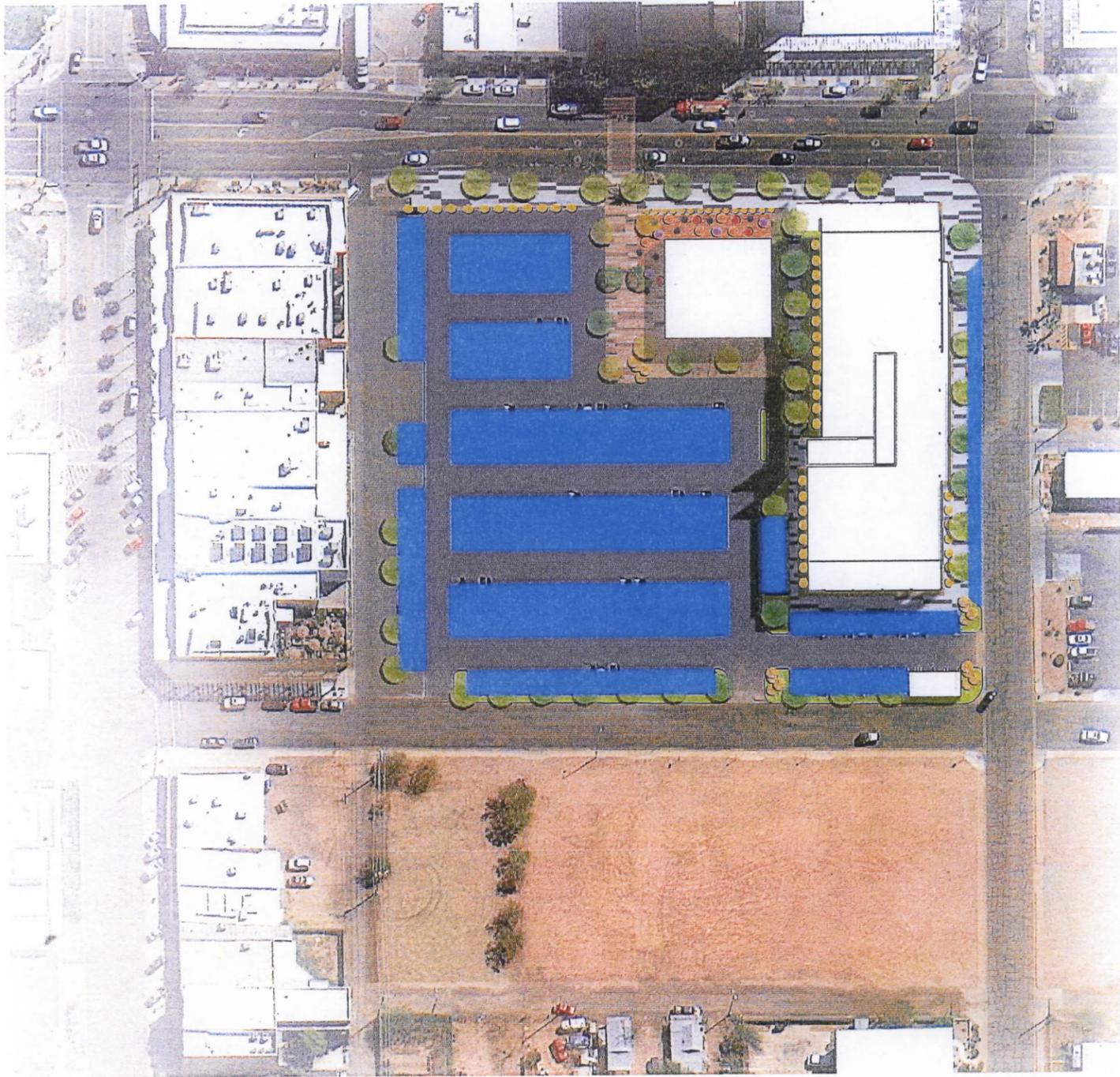
THE DEVELOPMENT OF SITE 6 may involve some parking challenges. However, our Parking Phase Plan, on the following page, addresses many of these concerns and is an integral part of the solution. Our team proposes to work with the City to develop a shared parking model. Essentially the parking will be used for the Site 6 office and retail employees and customers during the day. After 6pm on weekdays and all day on the weekends, the parking will be available for the general public use.

Parking for Phase 1 of Site 6 will support the initial office building, as well as restaurant/retail, at 45,300 SF. We propose to provide all the necessary parking on grade, and on site, except for a few on street parking spaces on Arizona Avenue and W. Chicago St. The total number of parking spaces provided is for 253 vehicles, which equates to 5.6 parking spaces per 1,000 SF of building area.

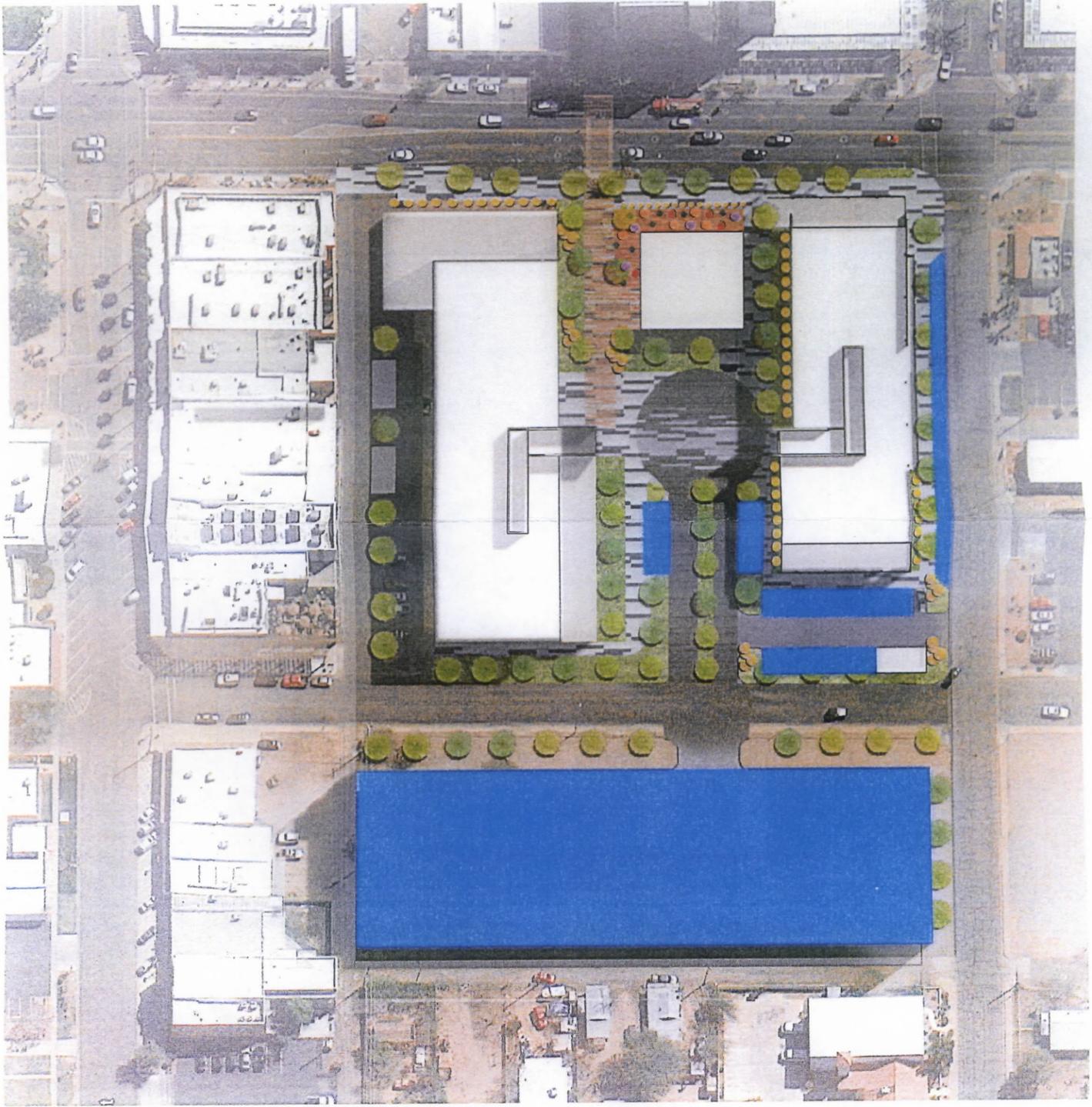
A parking structure west of south Oregon Street will be Phase 1A of the project. This structure will provide spaces for the 45,300 SF Phase 1 and eventually the required parking for Phase 2. The number of spaces required for Phase 2 will be determined by the amount of area that will be ultimately built for the Phase 2 office building. The goal is to provide a parking ratio which is market driven. The site west of Oregon can accommodate a parking structure with approximately 150 cars per level. At the completion of this structure, the surface parking can be removed, making way for the Phase 2 buildings.

Please see the following phased parking site plans.





PHASE 1: 253 SPACES



PHASE 2: 659 SPACES

6. Phasing

Information regarding the phasing of the project, particularly when each component will be developed and the market conditions that may impact the proposed plan.

MARKET CONDITIONS THAT IMPACT our proposed Site 6 plan are the ability to be competitive and deliver market rents. The challenge for a project such as this is the dichotomy of developing the smaller project first yet not overburdening it with an inordinate amount of infrastructure, off-site, and other extraneous costs. We will work diligently with the City of Chandler to manage through these issues and put this project in the best position for success.

PHASE 1 - THE OFFICE BUILDING AND STAND ALONE RESTAURANT/RETAIL is consistent with our development strategy discussed in Item 1, Phase 1 would include a 40,000 SF office building. Although the leasing timing will be market driven, we anticipate designing and building approximately 5,000 SF of retail/restaurant space to the north of the office building contingent on tenant demand.

PHASE 1A - THE PARKING STRUCTURE has been investigated for a number of parking solutions, and we believe the optimal solution for the 40,000 SF Phase 1 building is a partial parking structure. While the timing of Phase 2 is somewhat unknown, we believe that a partial parking structure built during Phase 1 would do the following:

- Alleviate additional costs of building temporary surface parking on the north half of the Site 6 larger parcel until the Phase 2 building kickoff
- Alleviate a pinch point of parking when construction of the Phase 2 building begins
- Create adequate public parking through the transition into Phase 2
- Potentially generate revenue for the covered parking amenity

PHASE 2 - THE LARGER OFFICE BUILDING could range from 75,000 to 150,000 SF. The balance of the Phase 1A Partial Parking Structure would be designed and constructed to accommodate the basic parking requirements for the Phase 2 office building. Due to the Phase 1A Partial Parking Structure already being in place, the balance of the parking structure would have an abbreviated schedule which would provide the advantage of a faster delivery to the market for the Phase 2 building.

Depending on prospective tenants' larger office square footage and parking ratio requirements, the parking solution might entail above grade parking integral to the building as a podium structure.



7. Timeline

A detailed timeline for development of the project including planned dates for receiving entitlements and permits and commencing and completing construction. Information detailing when City involvement and/or participation should also be provided.

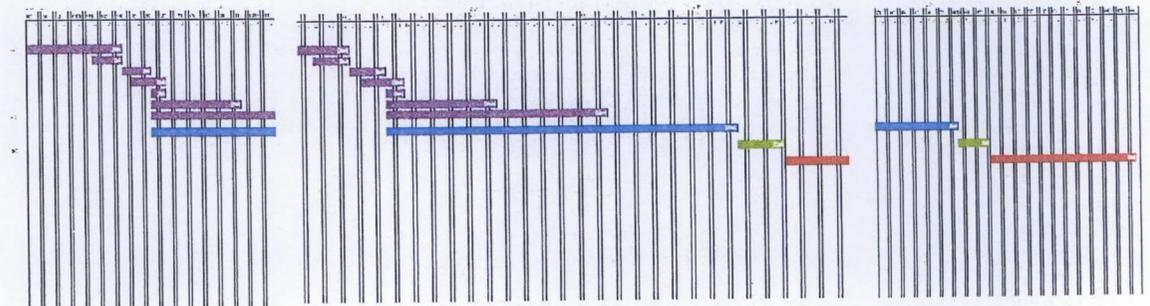
THE PROJECT TIMELINE includes variables that could affect the timing of the design and construction of project components. Timing of the leasing efforts to get a build to suit tenant(s) to meet the preleasing requirements is one of the most significant factors.

One of the key factors of our development strategy is to be flexible and scalable to respond to a broader range of opportunities in the market and to offer a range of possibilities which could mean changes in phasing and changes in the site plan. For this submission, we will focus on the phasing as depicted with the Phase 1 40,000 SF Building with the Phase 1A Partial Parking Structure, followed by the Phase 2 ~75,000 SF Building with the Phase 1B Partial Parking Structure.

Fortunately we have the benefit of the top real estate brokers' experience and research, along with our development experience and expertise to create our schedule models. There are certain activities that are foreseeable with prescribed durations that do not vary regardless of how the leasing of space unfolds over time. Some of these activities involve City processes, which we have included.

- Receiving entitlements is during the PAD & PDP Rezoning Process from 8-15-14 to 2-6-15
- Negotiation and City Council Approval of Development Agreement is from 7-1-14 to 9-10-14
- Pretech process dates are from 8-14-14 to 9-12-14
- Anticipated permitting dates for Phase 1 Building; Phase 1A Partial Parking Garage, and Phase 1 Tenant Improvements are from 12-19-15 to 3-18-16
- Anticipated permitting dates for Phase 1B Partial Parking Garage are from 9-9-14 to 12-9-16
- Anticipated permitting dates for Phase 2 Building and tenant improvements are from 11-25-16 to 2-10-17

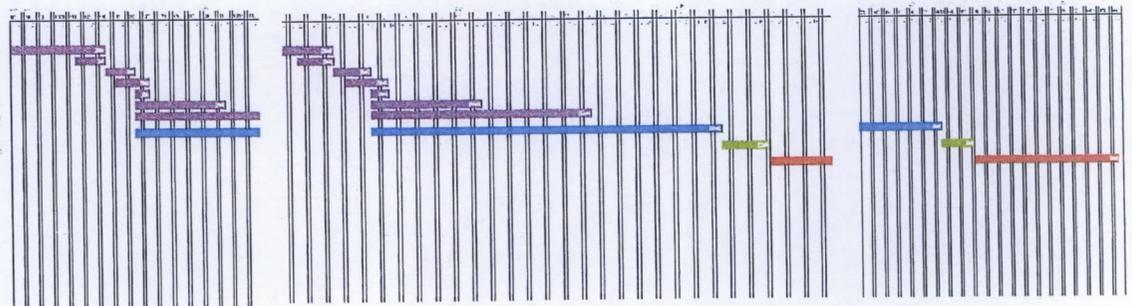
All of the aforementioned time frames will require City involvement and /or participation.



The anticipated construction start and completion time frames are as follows:

- Phase 1 Building and Tenant Improvement and Phase 1A Partial Parking Garage Construction: 3-21-16 to 12-9-16
- Phase 1B Partial Parking Garage Construction: 11-19-16 to 6-9-17
- Phase 2 Building and Tenant Improvement Construction: 6-12-17 to 5-8-18

The proposed project schedule is shown graphically on the following page.



8. Images / Renderings

Our Chandler Site 6 Project Team has added the following section to showcase some additional images and renderings of the project.

ADDITIONAL IMAGES / RENDERINGS are on the pages that follow.



STREET VIEW
IMAGES / RENDERINGS





Sun Shading and Colonnade



Downtown Chandler
Redevelopment Site 6



Site 6 City Owned Land