



CV Development Partners, LLC

100 Town Square Road
Copperopolis, CA 95228

Introduction

CV Development Partners, LLC (“CVD”) is the operating partner for the 7 various entities that now own the former Castle & Cooke (“C&C”) portfolio in Copperopolis. Mike Fletcher and Tom Hix are the two day-to-day operating partners and they both currently live full-time in this special place. The entire portfolio includes nearly 3,000 acres in Copperopolis making it not only one of the largest property owners in the region, but one of the largest taxpayers in the County. As the stewards of this incredible portfolio, CVD is committed to creating an environment that enhances the lifestyle of our community while protecting its important rural character.

To date, CVD has invested in excess of \$12,000,000 excluding the purchase of the portfolio from C&C. The committed equity in the project has been for the upgrades to the Town Square, golf clubhouse, golf course, map engineering, real estate taxes, operational costs and the construction of homes in the Quail Creek subdivision at the Golf Club at Copper Valley (formerly Saddle Creek). To complete all of the development, CVD will be investing in excess of \$300,000,000 over the next 7-10 years.

History

Over the community's first 25 years it was owned and managed by C&C who invested in excess of \$130,000,000 including over \$53,000,000 on the development of the Copperopolis Town Square. To date about approximately one-third of the approved 233,000 SF Town Square has been completed. However, all of the infrastructure is complete.

Although, C&C had a development manager on-site, the principals did not live in the community and effectively created absentee ownership with limited involvement and understanding of the pulse of the community of Copperopolis.

Another important change CVD has made was the retention of Troon Golf to manage the golf and club facility at The Club at Copper Valley. Troon is the largest golf course management firm in the world with well over 475 golf courses worldwide.



The Golf Club at Copper Valley

The Saddle Creek master planned community was originally approved in 1994 as part of the Calaveras Country Club Specific Plan. The 890-acre development was approved for 1,650 residential units, 27 holes of golf, clubhouse, sports club and rental bungalow units for overnight accommodations. To date, 549 lots have been platted and developed and nearly 400 homes have been built. The championship 18-hole golf course, clubhouse and sports club have also been completed.

Additionally, 17 two-bedroom bungalows have been developed that produce TOT revenue for the County. All of the off-site improvements have been completed for the entire development including the required extension of Little John Road from the Highway 4 intersection. In August of 2019, CVD rebranded Saddle Creek as The Golf Club at Copper Valley. The clubhouse has undergone a major remodeling at a cost of over \$500,000 along with a majority of the 17 bungalows.

In addition to the remodeling of the clubhouse, the 18-hole championship golf course maintenance has been substantially improved which has caused it to be named the Best Mountain Golf Course by 209 Magazine. The menu and service at the Club's restaurant is being improved to make it more appealing to the community inside and outside of the property's gates.



The Town Square

The ultimate success of the Club at Copper Valley is directly tied to the successful completion of the Town Square. The planned development of 233,000 square feet of retail, restaurants, office, and residential is the centerpiece of the Copperopolis community and serves as a gathering place for the town. When CVD purchased the portfolio, nearly half of the existing retail space was vacant and 40% of the tenants at that time were delinquent on their rent. CVD has focused a tremendous amount of energy and capital on the Town Square which has resulted in many changes that are currently underway. Nearly all of the existing retail and office space has been leased or committed to a new lease.

The new 29-room Gateway Hotel is currently under construction. The hotel will be located on the ground floor of the iconic Town Hall building and will be opening this fall. It will be the only boutique hotel in Copperopolis. The Gateway Hotel will operate in conjunction with the 34 individual keys at the Bungalows at Copper Valley creating a natural staging location for those wanting to explore all that Calaveras County has to offer. The combined accommodations will substantially contribute to the County's TOT revenue.

Coming soon to the Town Square is the relocation and expansion of the Copperopolis Post Office, and the new Dignity Health Medical Center of nearly 4,000 SF. Several new retail shops and restaurants including Baldi's at Copper Valley with a 3,750 square foot full-service restaurant, Copper's Ice Cream & Candy, and existing favorites such as Griff's BBQ & Grill, Gold Dust Pizza and The Topsy Frog offering a wide variety of food and beverage options. With all of the existing space now leased, plans are underway for the expansion of additional new retail space and 36 small affordably priced condominiums.

The Town Square is also the home of the Copper Valley Experience Program which was created to enhance community enjoyment, and focus on all of the outdoor activities Calaveras County has to offer. The CV Experience Program will offer local adventures and excursions ranging from kayaking on the region's many lakes and rivers, horseback riding, wine tasting tours, snow skiing, watersports, and forging experiences.

We are committed to building relationships with Angels Camp, Murphys, Arnold, and San Andreas to create Copper Valley as the gateway to the Highway 4 corridor and to bring business and tourism dollars to all of Calaveras County's abundant natural resources. Since the Town Square is the first development greeting visitors traveling east, we believe it should have a local and regional focus.

Quail Creek

The first new home community to be built in Copper Valley in over a decade, is under construction. The homes enjoy unobstructed views of preserved open space. The Quail Creek neighborhood will eventually include 55 homes ranging from 2,268 SF to 2,650 SF. These homes are being built on existing finished lots that range from 8,000 to 12,000 SF. Future lots in the project will be substantially smaller and offer more affordable housing to the community.

Reductions in Homes Planned in Copperopolis

Another important decision by CVD was to reduce the total number of planned lots and homes approved by the county in 1994 for the Specific Plan, which is now The Golf Club at Copper Valley, from 1650 to 1349 inclusive of the existing 549 lots. This equates to approximately a 20% reduction in the total number of homes to be built in the project. C&C designed the majority of the developed product on lots that ranged from ¼ acre to custom home lots of 1 acre.

The revised Vested Tentative Map has lots ranging from 4500 SF to 8000 SF with a focus on the design of homes for active adults, families, and empty nesters. Additionally, there are 48 planned condos or bungalows adjacent to the Clubhouse for potential additional overnight accommodations.

It is important to put this voluntary reduction in to context with other major reductions in planned homes in the Copperopolis/Lake Tulloch Basin:

- **Oak Canyon Ranch** - This large project which was approved in the early 2000's included 3,400 approved homes and overnight accommodations on 3,125 acres located north of Saddle Creek along Little John Road. The plan also included over 300,000 SF of commercial space and two golf courses. The recorded approvals were terminated and the land has been converted into a conservation easement in perpetuity.

- **Copper Valley Ranch** - The proposed project by C&C on 1,770 acres was planned for over 2,400 homes and commercial space. The property is located on the southern border of Saddle Creek with over 1.5 miles of frontage on Lake Tulloch. In the current General Plan, the property has been designated as Working Land with a maximum residential density of 88 units. This represents a reduction of 2,312 future homes. Any development of this property will be clustered leaving the majority of the land to permanent open space for outdoor activities including hiking trails, camping, archery. and a wide variety of other experiences.

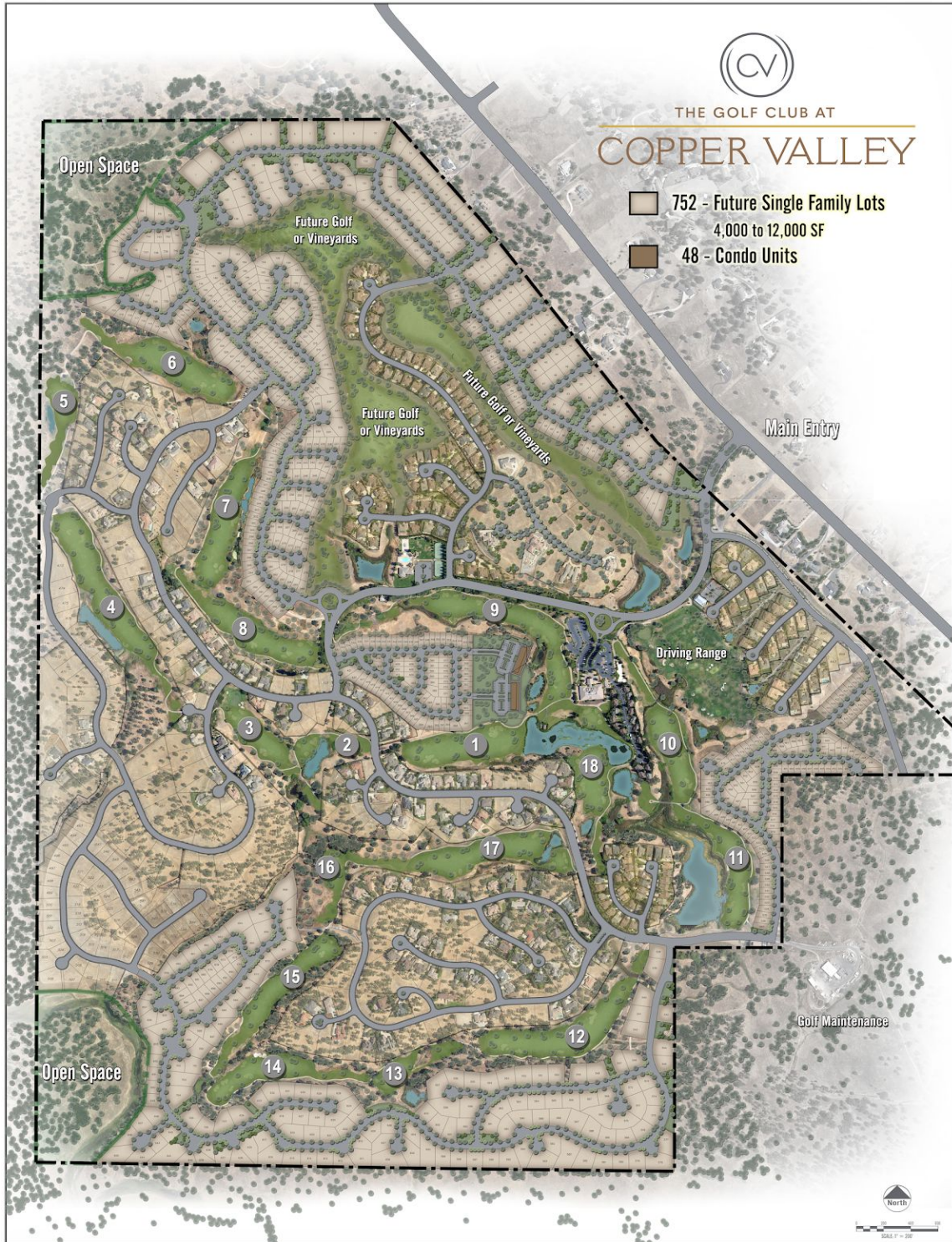
In the aggregate, there has been an elimination of over 6,120 homes from the aforementioned projects for the Copperopolis/Lake Tulloch Basin. The Golf Club at Copper Valley with its remaining 800 lots will be one of the last large projects in the Copperopolis/Lake Tulloch Basin providing a wide variety of housing options, jobs, and a stronger tax base for the County.

The recently approved General Plan has further reduced the number of parcels that can be developed in the future in and around Copperopolis. The remaining land available for development in the Copperopolis/Lake Tulloch Basin is limited.

Copperopolis/Lake Tulloch Basin Map



Revised Updated Plan



As stated previously, the Revised Vested Tentative Map will be predominantly smaller lots which will allow CVD to build smaller more affordable housing primarily designed for active adults, families, and empty nesters. The focus on this demographic will create less traffic, and little to no impact on local schools. However, the schools will see a substantial benefit from the mandatory school fees totalling more than \$5m.

Economic Benefit of Project to Calaveras County

It is important to understand even with these reductions, significant positive economic impact will benefit the County and the region. With some financial support by CVD, a study was commissioned to evaluate the economic benefits of real estate development planned for the overall Copperopolis community. The study was produced by Professor Gökçe Soydemir, Ph.D., Department of Accounting & Finance, College of Business Administration California State University, Stanislaus. Dr. Soydemir chairs the bi-annual Report on the Economy of the San Joaquin Valley.

The following summarizes the economic impact with these key findings.

- Direct labor income - **\$279,003,231**.
- Direct value added **\$392,315,013**.
- Direct impact on output of **\$798,665,991**.
- Total number of new jobs created **5,273**.

The indirect economic impact would generate an additional \$9,371,851 of yearly labor income, \$15,761,745 of value added and \$29,929,779 output. Similarly, induced economic impact would generate \$8,978,046 yearly labor income, \$32,958,920 of value added and \$55,867,388 worth of output.

Annual tax revenue to government would also increase:

- Sales tax revenues increase **\$5,099,451**
- Property taxes from the effect would be **\$8,628,591**
- Total state and local tax would be in the vicinity of **\$27,484,369**

Further, real estate development in the Copperopolis region would result in the payment of additional fees to the local governmental entities. For example, under state law it requires developers to pay \$2.97 per square foot of each home built for school fees in their portion of Calaveras County. Fees for a 2,000 square foot home, for example, would be \$5,940 per home. This does not include separate fees to CCWD for water meters and sewer hook-ups. The remaining homes to be built in the community would result in an approximate payment of over \$5,000,000 in school fees.

A copy of the complete economic study is available.

Benefits of the Approval of the Revised Vested Tentative Map

The approval of the revised Vested Tentative Map for the Golf Club at Copper Valley will benefit not only the region but the entire County. These benefits include:

- Allows for the successful repayment of the existing Bonds that have an outstanding balance of approximately \$3.2M. Without the completion of the project, these Bonds could fail.
- Payment of schools fees estimated at over \$5M over the next 7-10 year build-out of the project.
- Substantial increase in property taxes payable to the County. Currently, CVD pays in excess of \$1.2M annually in taxes on the portfolio.
- CCWD relies on the golf course and associated 27 ponds around the project to deal with their treated effluent. Without the project, CCWD would not be able to discharge the treated effluent from their plant which would create substantial environmental problems. .
- CCWD needs the additional build-out of the homes to pay for needed improvements to the CCWD plant located on the southern border of the project.
- The golf course is not financially sustainable without the complete build-out of the project. Last year CVD subsidized in excess of \$1,600,000 to cover costs to operate the Clubhouse and Golf Course.
- The build-out will take between 7-10 years to complete and will create badly needed high-quality more affordable housing in Calaveras County. The infrastructure associated with Copperopolis is the best in the County and can easily support the growth.
- The project's location on the westernmost boundary of the County substantially reduces impacts on other areas of the County east of Copperopolis.
- As stated above in the economic study, the positive financial benefits to the County are substantial.
- The treated effluent water from CCWD is used to maintain 27 ponds throughout the property with substantial benefits for wildlife and the natural environment.
- The build-out of the project will continue to provide for additional fees to pay for both fire and police in the region.
- Each home built by CVD generates \$25,000 in sewer and water impact fees to CCWD or \$23,000,000 project wide at today's current rates.
- The Club at Copper Valley is the only approved Specific Plan currently in Copperopolis. The Specific Plan provides for orderly planned development that helps create a cohesive community and ensure the viability of the Town Square.
- All off-site improvements have been completed for the project. All the roads within the project are maintained by the Copper Valley Community Service District which has its own taxing authority eliminating liability to the County for road maintenance.

Transportation Issues

Obviously there are always important transportation considerations. This paper is written to address several:

- **Copperopolis Benefit Basin-** In 2002, the County Board of Supervisors established the Copperopolis Benefit Basin which requires a fee of \$1,300 per building permit application for all transportation improvements associated with development. The project will pay well over \$1.2M into the well established program for all homes built which substantially pays for all transportation improvements.
- **Roundabout-** The reduction of the Oak Canyon Ranch and Copper Valley Ranch proposed projects required the construction of a Roundabout at Copper Cove Drive and Little John Road is no longer necessary. This improvement planned by C&C was not popular in the area. This will allow funds set aside for the roundabout to be used for other improvements.
- **Southern Exit-** CVD believes that there should be a southern entrance into the CVD properties. This proposed entrance would be located at Flint Trail and Little John Road. CVD owns the right-of-way for Flint Trail and it will be making improvements on the next approved Final Map. This additional entrance will also provide access to the south for an emergency evacuation.

Conclusion

The completion of the Golf Club at Copper Valley Specific Plan along with other projects in the Copperopolis/Lake Tulloch Basin will have a positive impact not only on our community but the entire County of Calaveras. The economic study prepared by Cal State Stanislaus Professor Gökçe Soydemir, confirms the continued build-out of the project will not only pay for itself without a financial burden on the County but it will create substantial future revenue for the County of nearly \$800M over the course of the estimated 7-10 year construction period and provide new job and opportunities for our citizens.

The project is also essential to the planned improvements to CCWD's facility and critical to the operation of the plant by taking the treated effluent on the golf course and ponds. Additionally, the continued build-out of the project will allow for the successful repayment of the outstanding bonds in the approximate amount of \$3.2M. Without the continued build-out these bonds could fail.

CVD is committed to smart growth strategies that protect our greatest assets: our natural beauty and lifestyle while providing for growth.

Please feel free to reach out to Mike Fletcher or Tom Hix for any further questions at (650) 269-8930 or tom@hixcompanies.com