

April 24, 2019

Justus Enterprises, LLC, hereby submits this Proposal for the Development of the former BKK Landfill Site in response to the City of West Covina Community Development Department Request For Proposals For Former BKK Landfill Development Opportunity Site.

Developer Name: Justus Enterprises, LLC

Developer Mailing Address: PO Box 60094
San Diego, CA 92166

Developer Current Legal Status: A California limited liability company

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By:


Howard Justus

1. Project Description:

Justus Enterprises (JE) proposes to develop the BKK Landfill site into a marquee entertainment and recreational use project that will benefit the community of West Covina and surrounding areas for years to come. When completed, the development will include 14 soccer/lacrosse fields, a 250-room hotel with meeting and banquet facilities, a 15,000-seat regional amphitheater and a 50-acre flat top deck that will be further developed in a future phase into compatible uses.

This proposal covers the entire BKK landfill area rather than just the City owned/controlled 218-acre Development Site. We believe that a Plan that takes into consideration the full site, even if developed in phases, is preferable to a piecemeal approach that only considers the property controlled by the City, while waiting to consider development options for the remaining land until it becomes available. As a result, this proposal is contingent upon reaching a development/purchase agreement with BKK, Inc, the BKK Working Group, the City of West Covina and the Department of Toxic Substance Control (“DTSC”) for the full site.

Our proposal is to develop the full site in three phases. The first phase is to develop a soccer/lacrosse park on the 84-acre Top Deck site. The soccer/lacrosse park will have 14 regulation size soccer/lacrosse fields, a covered pavilion with restrooms and full kitchen/concession facilities, a food truck area and paved parking for 580 cars. This first phase will only develop property belonging or licensed to the City of West Covina and will not interfere with the work being performed by the BKK Working Group. During Phase one, an access road will be constructed from the end of the existing Giambi Way at the Field of Dreams to the parking lot for the soccer/lacrosse fields.

Phase one will start upon the receipt of building permits and certification of CEQA documents. It will take approximately six months to construct.

Phase two will involve portions of the Class 1 landfill property and is subject to further planning with the BBK corporation, the BKK working group and the DTSC. The design of Phase two will be conducted jointly with the design of the Class 1 landfill closure to ensure the infrastructure being created for the Class 1 landfill works seamlessly with the improvements being proposed.

Phase two will include the development of a 250-room hotel just to the northwest of the soccer/lacrosse fields, a 15,000-seat regional amphitheater and the filling of the area between Class 3 top deck and the Class 1 top deck to create a 90-acre super pad. The hotel will be full-service to provide lodging for the business community during the week and for visiting family members of soccer/lacrosse and Field of Dreams teams on the weekends. The hotel will command sweeping views of the West Covina area, the San Gabriel Mountains, and downtown Los Angeles. The hotel will also have 20,000 square feet of indoor and outdoor space for banquet facilities designed to host private parties, weddings and corporate events.

The 15,000-seat amphitheater will be constructed between the Class 1 and Class 3 landfills, utilizing the slope of the Class 1 landfill for its seating and using the small flat deck on the side of the Class 1 landfill as a VIP pavilion area. It will be suitable for touring musical acts to perform and it is anticipated that the site would be leased to an operator in the business of managing such facilities. Parking will be provided on a parking lot that will be constructed on the lower Class 1 top deck shown on figure 1. During phase two, the remainder of the perimeter road will be constructed and the portion from the soccer/lacrosse field’s parking lot to the amphitheater parking would be widened to 4 lanes and connected to Giambi

Lane on the south side of the property, improving the secondary access and creating a loop road around the entire site.

Construction for the phase two improvements will be timed to start jointly with the Class 1 landfill closure work. It is projected the Phase two improvements will require eighteen months to construct.

Phase 3 will be the development of the new 80-acre super pad site. Future plans for this larger top deck may include the expansion of the soccer/lacrosse park or some other use that may be allowed by DTSC and the BKK working group. This area will be subject to future planning efforts and consultation with interested parties, including the City of West Covina.

2. Developer's Experience:

JE is currently acquiring, remediating and developing the former Fingers Landfill in Roseville, California. Fingers Landfill was a privately-owned, twenty-five-acre Class 3 landfill that operated in Roseville from 1946 to 1987. It was formally closed by CalRecycle in 1992. JE and its capital partner are developing the site into a lifestyle mall of restaurants, health club, retail and office buildings.

JE is acquiring the property by first advancing the current owner (a bankruptcy trustee) a \$2.6 million loan that is secured by first trust deed mortgage. Part of the proceeds from that loan were used to hire consultants to study the contents of the landfill, to make recommendations on the remediation required to develop the property. JE has been actively negotiating with the Regional Water Quality Control Board to determine the improvements that must be made to develop the property and the future maintenance and reporting requirements. JE and the owner have entered into an agreement for the purchase/sale of the property. The sale is expected to close in July after the purchase/sale agreement has been approved by the Bankruptcy Court.

In addition, JE is entering into an exclusive negotiating agreement with the City of Roseville to acquire their 119-acre site that was formerly the home of the City of Roseville's municipal landfill. On that site, JE is proposing to build a 287-unit luxury apartment building and a 1.5-acre automobile service station.

Other non-landfill properties currently being developed by JE include the 6,600-acre Sargent Ranch in Gilroy, California that is being developed into the Sargent Quarry (www.sargentquarry.net) a working sand mine and the 1,200-acre Tapia Ranch (www.TapiaRanch.com) in Castaic, California being developed into a 405 home master planned community. Both projects have been fully designed and their Environmental Impact Reports have been drafted and are waiting the screen check review by the Counties of Santa Clara and Los Angeles, respectively. We expect both projects to receive their entitlements in early 2020.

3. Proformas:

Following is the projected budget for the design and construction of the soccer/lacrosse fields, a pavilion and supporting structures, the road from the Field of Dreams to the soccer/lacrosse fields and a five-acre parking lot:

5. Any Other Information:

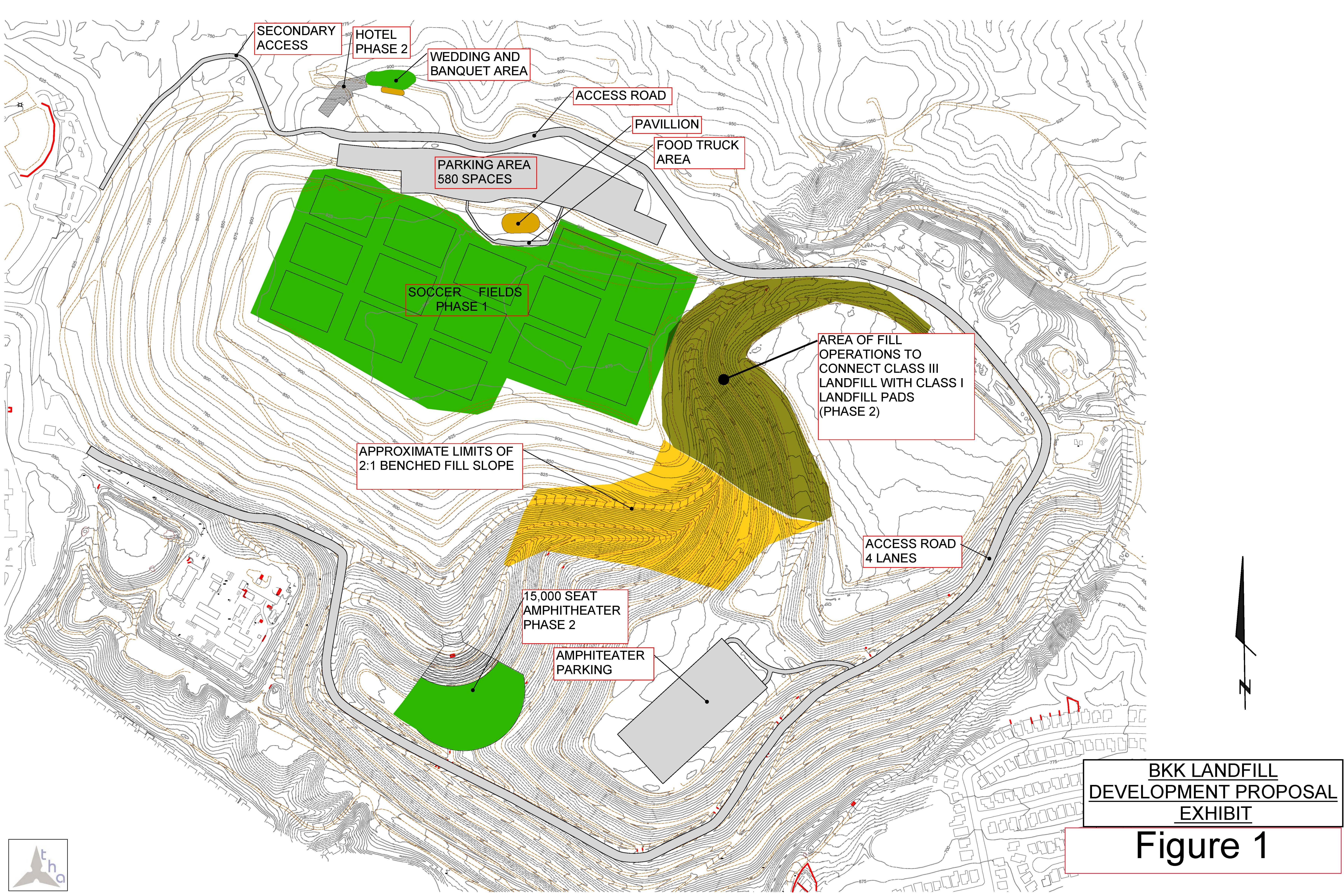
The Response to the Request For Proposal is only intended to be JE's conceptual vision for the entire BKK landfill site. Given the short time period to respond, JE cannot furnish detailed financials of the cost to build the amphitheater, a complete picture of the revenues projected to be generated for the City or the costs and benefits from creating the super pad between the Class 3 and Class 1 top decks. Full financial proformas can only be constructed after substantial negotiations are conducted with all the parties in interest.

The concept presented expands the City's vision of creating recreation opportunities for the community with the destination soccer/lacrosse park and adds a hotel to service midweek business travelers and the out of town users of the Field of Dreams and soccer/lacrosse park to keep those revenues within the City. The amphitheater will create a significant City icon with the potential of being a major revenue generator for the City.

Redeveloping a closed landfill property limits the potential development opportunities due to uneven settling, liquification and health and safety concerns. The uses that we have proposed are proven successful on other closed landfills in California and beyond. (See the Shoreline Amphitheater in Mountain View, California as an example of a regional amphitheater built on a former landfill site.)

Should the City be interested, we would encourage the refinement of these plans and concepts through ongoing discussion and negotiation conducted subject to an exclusive negotiating agreement.

Respectfully submitted.



SECONDARY ACCESS

HOTEL PHASE 2

WEDDING AND BANQUET AREA

ACCESS ROAD

PAVILLION

FOOD TRUCK AREA

PARKING AREA 580 SPACES

SOCCER FIELDS PHASE 1

AREA OF FILL OPERATIONS TO CONNECT CLASS III LANDFILL WITH CLASS I LANDFILL PADS (PHASE 2)

APPROXIMATE LIMITS OF 2:1 BENCHED FILL SLOPE

ACCESS ROAD 4 LANES

15,000 SEAT AMPHITEATER PHASE 2

AMPHITEATER PARKING

BKK LANDFILL DEVELOPMENT PROPOSAL EXHIBIT

Figure 1

