

July 26, 2021

Michael Brown, City Manager
Joseph Shearouse, Assistant to the City Manager
c/o Purchasing Division
City of Savannah, Georgia
305 Fahm Street
Savannah, Georgia 31402

Re: FAIRGROUNDS RFP “BEST AND FINAL” ADDITIONAL QUESTIONS

Mr. Brown:

Thank you for the opportunity to respond to the questions posed by the City of Savannah regarding our Fairgrounds District conceptual development plan pursuant to the July 21, 2021 email issued by the City within Event No. 7911 (Fairgrounds Development Project). Our responses to the questions presented are below:

1. Explain the density per acre of your proposed development?

Knott Development Team Response – Our Fairgrounds District development plan does not contain any housing units and, as a result, a traditional density calculation for our conceptual plan is not applicable. We have, however, provided information regarding commercial-related improvements planned for the property in our response to Question 3. Based on the overwhelming sentiment expressed by neighborhood residents attending recent development plan open house events, we believe that our decision to exclude housing units of any type is in alignment with the desire of the local community that would be adversely impacted by the development of housing units within any team’s iteration of the Fairgrounds Development Project.

2. How many total housing units are included in your proposal? Please indicate different types – single family, multi-family, townhome, etc.

Knott Development Team Response – Our Fairgrounds District master plan does not contain any housing units of any type. Based on our extensive market research, knowledge of the impact of new housing units on existing properties in value-compromised areas and, most importantly, discussions with residents of adjacent neighborhoods, our team made the conscious decision to exclude housing from our conceptual development plan. Instead, our Fairgrounds District concept incorporates assets that are valued and will be used by the adjacent communities while likewise creating benefits for the City overall.

If awarded the opportunity to execute our Fairgrounds District concept, to the extent that local neighborhood residents are strongly in favor of housing units being incorporated within our development plan, we would work with all potentially

affected neighborhoods to determine the type, composition and density associated with such an addition. Our goal would be, as it has been with each other form of anchor and supportive element of the Fairgrounds District, to include housing elements that are complimentary to established neighborhood housing and in a manner that does not invite gentrification. The Fairgrounds District is intended to supplement and enhance, not replace, existing community assets.

3. How much commercial retail and office square footage is proposed in your development?

Knott Development Team Response – Our Fairgrounds District conceptual development plan includes the Fairgrounds District Village which is comprised of 48,000 square feet of restaurant, retail and office space. As noted during our presentation to the City Council, five generations of development experience has taught us that it takes restraint not to overwhelm a site with an inappropriate level of facility density. It is with this maxim in mind that we have purposely limited commercial spaces to that which supports the Fairgrounds District and the surrounding communities.

In terms of a commercial density calculation, the Fairgrounds District Village represents 48,000 square feet of a total of 1,742,400 square feet proposed to be purchased by Knott Development, an appropriate and neighborhood-friendly 2.75% of purchased acreage. When combined with the remaining portion of the Fairgrounds Development Project property (that which will be retained by the City, but managed by Knott Development), our team’s percentage of commercially developed space drops to 1.66%.

The result of intentionally limited and neighborhood-friendly commercial development results in a dramatic square footage ratio of community recreational and open space to commercially developed area of approximately 60:1. This accomplishment teams well with preserving, as opposed to reducing, surrounding property values. Likewise, our development vision presents a realistic goal of commercial engagement that both supports the Fairgrounds District business model while simultaneously pushing economic development benefits across the City.

4. How does your development connect to the existing community and please explain how it will positively impact the community?

Knott Development Team Response – The Fairgrounds District master plan builds on this site’s legacy as a place of fun and enjoyment, re-envisioned through a diverse array of passive and active open spaces to benefit the area neighborhoods and the City as a whole.

- Fairgrounds District Aquatics & Community Center – Intended for the community, designed by the community. As proposed, this community wellness center includes a lap pool, social pool, fitness center and community meeting rooms.
- Fairgrounds District Sportsplex – The Sportsplex will consist of 2 adjacent facilities, each with 4 multipurpose courts, with primary use as basketball and volleyball courts with additional use by, for example, cheerleading, indoor soccer, indoor lacrosse, archery and other indoor programs. To provide the Sportsplex with a more impactful link to the local community, Sportsplex management will coordinate with the Athletics Inclusion Foundation (please see below for details regarding the foundation).
- Athletics Inclusion Foundation – In addition to specialty-priced programs and community outreach efforts created by Knott Development and Edge Sports Group (partnering management of the Fairgrounds District’s athletic facilities), Knott Development will support low income and youth sports development within neighboring communities through its creation of the Athletics Inclusion Foundation (the Foundation). The Foundation will be a nonprofit organization formed to directly serve the Midtown area youth sports market. In addition to its support of the Midtown community, the Foundation’s

mandate extends to providing economic support to a wide variety of children within the City – children from economically challenged circumstances, minority youth, homeless teenagers and children within the foster care system - to participate in Fairgrounds District-based youth sports programming. Support will also extend to working directly with local youth sports groups and support organizations in the creation of customized programming for children with disabilities and those with developmental disorders. Recipients will receive grants covering the costs associated with team and program fees, practices, equipment and uniforms. The Foundation will be located within the Sportplex, governed by a board of directors chaired by Frank Knott and comprised of local community members and other business leaders with significant philanthropic experience. Local board members will be joined by individuals located within the Washington, D.C. region with whom Mr. Knott has longstanding philanthropic relationships. Mr. Knott will fund all of the Foundation’s administrative expenses and will make the first significant contribution to the Foundation from Knott Development’s proceeds from the Fairgrounds District development. While third party contributions will be eventually sought, any such contributions will be relegated solely to recipient grants and not to administrative overhead or expenses.

- Fairground District Commons – The generous 5.2-acre green space will provide a central gathering place that can serve a wide variety of needs. The Commons serves as a bridge from the active, neighborhood center around the Community Aquatics Center and supporting retail and restaurants to the southeast and transitions to the passive, informal wetlands park to the northwest. The soft edge of the Commons provides an inviting transition to explore the beauty of the hardwood wetlands.
- Neighborhood Parks - The Fairgrounds District Neighborhood Park is envisioned as a neighborhood-scaled park over four acres in size. There is ample space for playgrounds, splashpads, picnic areas, and intimate gathering spaces. The refinement of the programming and design of this park will be heavily informed by the surrounding neighborhood residents during the planning process. The parking plaza directly south of the neighborhood park is envisioned as a beautifully designed space that can serve as an urban plaza to host food trucks and community gatherings as well.
- Civic Plazas – The Fairgrounds District Aquatics and Community Center will be anchored by a generous civic plaza that acts as a front door and community gathering space. Another civic plaza anchors the west end of the site, connecting the two Sportsplex buildings and inviting entry. These civic plazas present endless opportunities to incorporate fountains, civic art, seating areas, and landscape.
- Fountain Festival Street – Fountain Street, as it enters the Fairgrounds District, will provide a local connection to the Feiler Park/Hussards Terrace neighborhood as well as other neighborhoods. This street is envisioned as a pedestrian-priority street that can also be closed off to vehicular use for special events and activities. While sidewalks, street trees, lighting, and street furniture will be included on all streets, the Fountain Festival Street may also include additional design enhancements such as pavers or stamped concrete, raised crosswalks, and plentiful gathering spots.
- Wetlands Park – In a city known for our beautiful squares and urban parks, publicly-accessible natural areas are much harder to come by but should be no less celebrated. The preservation of the Fairgrounds District wetlands presents a wonderful opportunity to expose residents and visitors alike to our native flora and fauna. Enhanced with walking trails, boardwalks, and educational signage, the Wetlands Park will provide an opportunity for community education about the critical roles that wetlands play in our coastal ecosystem – providing flood protection, enhanced water quality, critical habitat, and places of beauty to enhance physical and mental well-being.
- Tide To Town - The existing conceptual plan for Tide To Town brings this 30-mile active transportation network directly to the Fairgrounds District. With the first leg of Tide To Town – the Truman Linear Park Trail – now complete, excitement for Tide To Town continues to grow throughout the community. The integration of this regional bike and pedestrian facility will provide easy access to the new Savannah Arena and Canal District, downtown, neighborhoods, schools, and other area destinations. Similar to the Heritage Trail planned for the Canal District, Knott Development would like to work with the

area neighborhoods to integrate awareness of this area's history and heritage along the Tide To Town corridor. A supplemental network of trails throughout the Fairgrounds District will enhance neighborhood access and recreational opportunities, including direct access to the Tatumville Community Center and existing walking trail.

As required by the BFO, a generous median within a 70' right-of-way is illustrated within Meding Street adjacent to the Fairgrounds District to buffer residential streets to the east. Additional buffers along Kimball Street will be provided to screen the parking area and provide a landscaped gateway into the Fairgrounds District. A vegetated buffer of at least 100 feet is also shown along the northern property line, adjacent to Montgomery Landing, and to the east of this area, adjacent to 60th and 61st Streets.

5. What are the proposed housing rental and ownership (home purchase) rates?

Knott Development Team Response – Our Fairgrounds District development plan does not contain any housing units and, as a result, proposed housing rental and ownership rates are not applicable.

6. How will you protect the surrounding neighborhoods from unwanted intrusion and the devaluing of adjacent properties?

Knott Development Team Response – The Fairgrounds District proposal does not include any housing that may compete with, or provide the basis for, competition with the surrounding neighborhoods and housing. Our proposal does not require the acquisition of any properties beyond the Fairgrounds parcel. Our proposal also provides ample parking to ensure parking can be accommodated on-site and will not infiltrate surrounding neighborhoods.

7. How will you handle gentrification?

Knott Development Team Response – The Fairgrounds District conceptual plan is inherently inclusive by including neighborhood spaces (parks, neighborhood centers, aquatic facilities) in the development concept. These common spaces deter micro-segregation and facilitate gatherings of people of all backgrounds and socioeconomic levels together. We seek to maintain the neighborhood fabric and character while introducing small-scale retail and entrepreneurial workplaces to encourage the development of local businesses. Our proposal does not aim to max-out the development capacity of the site; instead, we are choosing an economic driver that generates a significant rate of return while being sustainable, inclusive, and working for low-wealth populations.

8. What is your traffic mitigation plan and how will it impact the community?

Knott Development Team Response – We have built-in several mitigative strategies into our proposal, the first and foremost is proposing low-intensity site uses that generate less traffic than traditional development models. Based on current travel patterns and expected users, our proposed development plan anticipates most (70%) traffic to and from the south via Ga Hwy 21/I-516 (DeRenne Avenue) and 30% of the traffic to and from downtown Savannah to the north. We anticipate the actual peak conditions to be more focused on weekend activities and non-peak hours due to the nature of the tournaments and sporting events expected at the site. For example, a weekend soccer tournament Friday evening traffic will occur after the PM peak hour and/or during the day on a Saturday and/or Sunday. For any of the weekend day trip generation, it is important to note that the trips for the site will be spread throughout the day focusing on mid-morning to mid-afternoon for peak conditions. By contrast, a development consisting of office/retail/residential will exhibit more traditional traffic impacts for the AM and PM peak hour of the day. As an example, a 300,000 square foot office

development with 100,000 square feet of retail and 800 multi-family residential units will generate 25-30% more daily trips through the weekday and weekend. Other mitigative strategies are detailed in the Conceptual Traffic Study by Barge Design Solutions, dated June 4, 2021 and included in our development team's Best and Final Offer response. Our conceptual site plan demonstrates our careful development approach: (a) An intentional low-intensity site use that generates less traffic; (b) Entry points via existing routes that can handle larger volumes, thereby keeping the slower, residential streets intact. (c) Walkability, connectivity and environmental sensitivity are guiding principles that inform this development.

9. What is the DBE/MBE/WBE Local goal for the following items: (a) Your venture partnership (percentage), (b) Subcontracting (percentage), (c) How many local DBE/MBE are included?

Knott Development Team Response – Of the owners of the Knott Development joint venture to develop Fairgrounds District, 25% is MBE-owned and 15% is WBE-owned. For the construction of Fairgrounds District, Knott Development has committed to 22% of subcontracting work going to DBE/MBE firms with half of that amount (or 11%) going to DBE/MBE Local firms. Given that our Fairgrounds District development plan is in its conceptual stage and without a final, approved scope of work, the total number of local DBE/MBE firms is not calculable. DBE/MBE firms that will participate within the construction and development of Fairgrounds District (outside of its joint venture ownership) will be engaged following the approval of a development agreement with the City and as the final scope of work to construct Fairgrounds District is determined. At the present, two local DBE/MBE firms are included within the Knott Development team – Symbioscity and Transport Studio.

10. What is the percentage of Savannah First businesses engaged in the project?

Knott Development Team Response – Within the Knott Development team, there are presently two Savannah First businesses engaged, Symbioscity and Transport Studio.

11. What local community partners do you have engaged?

Knott Development Team Response - Our local team members are highly engaged in the local community with diverse experiences and relationships. For example, Symbioscity and Barge Design have been working with Healthy Savannah through the Racial and Ethnic Approaches to Community Health (REACH) grant from the Centers for Disease Control since 2018. Our local team members currently serve, and have served, on numerous advisory committees and boards, including Savannah Technical College Community Council, Savannah State University Urban Planning Advisory Committee, SCAD Design Review Council, Savannah-Chatham County Public School System (SCCPSS), Healthy Savannah Steering Committee, and Friends of Tide To Town Board of Directors. We have excellent professional and personal relationships with the business community, governmental agencies (such as the Chatham Savannah Authority for the Homeless), NGOs and local community organizations, such as Parent University, United Way, BikeWalk Savannah, Savannah Tree Foundation, and many others.

12. What is your construction schedule and timeframe?

Knott Development Team Response – Following the execution of a development agreement with the City and all entitlements being approved, Knott Development anticipates a 24 month construction time frame and schedule for the development of Fairgrounds District.

13. What type of recreation is proposed for the community youth and seniors? What is the associated recreation cost for residents?

Knott Development Team Response – While programming of the Aquatics & Community Center, Sportsplex and Sports Park elements has not reached its final determination, Knott Development has designed programming options for community youth participants in soccer, basketball, baseball, softball, football, indoor lacrosse and other indoor and outdoor activities. For senior members of the community, Knott Development has designed programming options for health and wellness activities, general and specific exercise activities and will be working with local community organizations to add customized and health-specific programming to the indoor and outdoor facilities. As mentioned in our response to Question No. 4, the Athletics Inclusion Foundation will be active throughout all of our athletics-oriented facilities, providing financial assistance to those members of the community who wish to participate in Fairgrounds District activities, but where economic participation may be a challenge.

14. What portion of the property will the developer own?

Knott Development Team Response – Knott Development will purchase approximately 40 acres to develop Fairgrounds District. The remaining, and approximately, 26.5 acres of the site will be retained by the City, but will be managed by Knott Development in accordance with its development plan.

15. How will your development team address food insecurity in the community?

Knott Development Team Response - We fully understand the food insecurity challenges present in the community. However, we believe the feasibility of a grocery store at this location is questionable at best due to many factors – including a lack of direct arterial access, limited rooftops within a full radius from the site, and competition from existing nearby retailers. Furthermore, locating a full-service grocery store in the development would draw additional traffic onto surrounding neighborhood streets. Our approach would be to work with healthy food vendors, such as Farm Truck 912, to provide regularly scheduled stops in the Fairgrounds District. Our conceptual master plan identifies a parking plaza intended specifically for this type of use (a recommendation of the Food System Plan, described in more detail below). This area can also accommodate other food trucks, farmer’s markets, and other community events. One of our team members, Whitney Shephard with Transport Studio, has worked extensively with food insecurity issues, including the Plan4Health, Food System Plan, which was funded by the American Planning Association via the Centers for Disease Control. Ms. Shephard managed a diverse team of food system advocates, public health professionals, and planners. The Food System Plan resulted in the City of Savannah’s Healthy Food Finance Initiative, offering low interest loans and incentives to healthy food retailers. Our team will work actively with new retailers in the Fairgrounds District commercial areas to promote access and availability of healthy foods in retail, restaurant, and corner stores.

16. Will any daycare centers be provided as a part of your development?

Knott Development Team Response - While daycare services have not been specifically identified in the Fairgrounds District plan, this would certainly be a complimentary use to incorporate into the neighborhood village area or adjacent to the community park. We intentionally avoided this level of specificity in our plan so we may have the opportunity for conversations with the neighborhoods and the City regarding what mix would best meet the needs of the community.

17. What role will Savannah State University play in your proposal?

Knott Development Team Response – Please refer to our response to Question No. 11. We anticipate partnerships with all area schools and universities, particularly in regard to athletics, recreation, and job training.

18. How many units are proposed for home ownership versus rental in your proposal?

Knott Development Team Response – Knott Development is not proposing any form of housing within its Fairgrounds District development plan. Please refer to our responses to Question No. 1 and Question No. 2 for more information regarding our decision to exclude housing from our master plan.

19. How is public safety going to be addressed in the development?

Knott Development Team Response - Through the incorporation of recreational facilities throughout the site, we are creating active people-places for year-round activities. The presence of people is the single-best deterrent for crime. We will also integrate CPTED (Crime Prevention Through Environmental Design) principles in our detailed site designs. Our team is likewise open to conversations with the City of Savannah Police Department regarding the integration of a police substation, should this need exist in this area.

20. How is technology going to be addresses or integrated for youth and seniors?

Knott Development Team Response – As noted during our presentation to the City Council, Fairgrounds District’s facilities will incorporate secure wifi internet service for all activity and event participants. With specific areas dedicated for youth participants to complete homework before or after athletic activities and general lounge areas that accommodate seniors, Fairgrounds District will provide community members with free internet access.

21. How much funding will be requested from the City of Savannah for your development?

Knott Development Team Response – The Fairgrounds District development plan does not require any funding from the City. To the extent that the City or any related agency governing entitlements for Fairgrounds District requires significant offsite improvements, it is possible that Knott Development would request a partnership with the City on such cost items, however, given our existing financing commitments and present site use analysis we do not expect to make such a request.

22. Explain your financing plan and capacity?

Knott Development Team Response – Knott Development maintains a \$125,000,000 financial commitment for the development and construction of Fairgrounds District from CTL Capital. Based on our relationship with CTL Capital, to the extent additional capacity is required to complete Fairgrounds District, Knott Development retains flexible capacity with CTL Capital to meet the required development and construction needs. As a part of our financing commitment and development structure, Knott Development would seek to enter into a passthrough lease arrangement with the City where (a) Knott Development constructs and owns the Aquatics & Community Center, the Sportsplex and the Sports Park, (b) Knott Development leases these facilities to the City, and (c) the City simultaneously subleases the facilities to an operations entity controlled by Knott Development. The purpose of this lease structure is to provide the City (as stated in

our Response to the Request for Best and Final Offer) with 10% of the lifetime net cash flow generated by the Aquatics & Community Center, the Sportsplex and the Sports Park. This share of net cash flow is in addition to the purchase price for the property set forth in Knott Development's response to the Request for Best and Final Offer.

23. Are there any relationships with your team and City Council members or City staff related to this development?

Knott Development Team Response – Neither Knott Development nor any member of its development team has any relationship (personal, business or familial) with any member of the City Council or with any member of the City staff related to this project. The only relationships maintained by certain members of the Knott Development team with the City (as an entity and not on an individual basis with members of the City Council or members of the City's staff) are pursuant to contractual relationships between the City and the respective firms serving on the Knott Development team.

24. Are you open to changes requested by the residents?

Knott Development Team Response – Yes. In fact, since the open house events, we have been contacted by several residents wishing to discuss certain elements of our development plan for Fairgrounds District. In each case we have engaged in a constructive and informative discussions that have included requests to consider certain changes to the Fairgrounds District development plan. In each case we have openly stated our thanks for the time and thought put forward by each resident and continue to engage with each as we respond to their requests. As has been our experience on other projects, it is these types of interactions that result in the most successful development projects. We will continue to engage with the community and, if presented with the opportunity to develop Fairgrounds District, we look forward to many more informal and formal interactions with residents and business owners to ensure that Fairgrounds District is a mutually beneficial project.

Regards,



Francis J. Knott Jr.
Knott Development Inc.