

## Question: Can You Name This Place?

2005: "When built out over the next couple of years, the 80-acre \$100 million master-planned development will include parks, restaurants, stores, offices, and two hotels, including a convention center hotel and meeting space."

"The park-like setting of the mixed-use development has an atmosphere of relaxation, fun and diversity. The development includes 430,000 sq. ft. of lifestyle and attraction retail and restaurants, 130,000 sq. ft. of class-A office space, a full service hotel with 200 rooms and 20,000 sq. ft. of conference facility, and a business hotel with 125 rooms."

"The pedestrian-oriented plan calls for a public square, amphitheater, 7 acres of parks, including a 2-acre vineyard, 3.5-acre family park with amusement rides and a 2-acre wooded grove."

"The first phase, which will be open in May, will feature 380,000 square feet of restaurants and stores."

"With more than 100,000 cars driving through the Interstate corridor every day, drawing a large trade from one metro area to another, a lifestyle center makes sense." "It's a landmark location," said a leasing agent.

"This is obviously a jewel of a property," said the Mayor. "For us this represents a big step forward for the economic vitality of the city."

"It's in the midst of one of the fastest-growing counties in California" said the developer, "You combine those two things together, and it's a dream project."

"During a hearing, the developer told the City Council that the project would be a 24-hour entertainment hub that makes us a destination again. 'There is no project like this anywhere in the country,' he said. Council members were eager to approve the project but emphasized that they want something unique, 'not,' as as one councilwoman said, 'like every other place.'"

(answer on reverse)

## Answer: The Nut Tree in Vacaville

Vacaville City officials projected the Nut Tree development would generate \$1.5 million in annual sales tax revenue when complete. Taxpayers spent \$15 million on a highway interchange to support the project and covered various other costs.

From 2006 Q3 to 2007 Q3, the actual tax revenues for the Nut Tree were \$625,000. This was the first full year after completion of Phase 1. (Phase II was never finished and phase III never started.)

The project did not come up short because of the economy. By the end of that first year, there was only 8% vacancy. The development landed anchor tenants Best Buy, Sports Chalet, Old Navy, and Borders. The larger retailers still indicate strong sales at the Nut Tree. "The national marketing efforts and brand recognition for these tenants have strengthened their ability to create sales in this difficult economic time." "The retail took off right away."

In 2005, the Vacaville Reporter asked, "After numerous attempts at turning the ashes of the landmark into a phoenix, what made this attempt work?" "The timing," said the developer, "The city has been very cooperative and there was some excellent design work. And the economy is in good shape now."

Nevertheless, the Nut Tree failed to become a *regional* destination. Why? The design was "an experiment that didn't work out quite the way we thought," said the master developer in early 2008. "We are fixing it."

It didn't get fixed. Fast forward to 2009. The developer is new, the talk is not: "This iconic venue will be a one-of-a-kind experience for our retail patrons," said the general manager. "In addition, we are planning a special events area, a conversion of the closed family park into a museum and events center, working closely with the city to have a major connection to their planned hotel and convention center site, and working with the county to re-establish a pilot-friendly connection to the airport."

