

## OUR FIRM HAS BEEN TRANSPARENT ON THE RAILYARD

By: Stan Thomas  
Thomas Enterprises, Inc.

When Thomas Enterprises first got involved in the Railyards in 2002, it was a massive toxic wasteland, fenced off with hazardous-waste signs with abandoned buildings and no infrastructure or zoning. The site had been isolated from the City for 150 years with numerous failed efforts to redevelop the site over decades. I poured tens of millions of dollars of my own money into this site before the purchase was even realized, all at significant risk. When the acquisition stalled due to toxics, many including the Bee, called for us to move aside and allow other developers to step in. We remained determined and closed the transaction in December of 2006 without a loan, pouring tens of millions of additional money of my own along with funds from the sale of property to the City. We closed on the acquisition even though the site was not zoned, primarily un-remediated and we had no assurance of public funding.

After the closing, we borrowed private money secured in part by the Railyards. The Bee, for reasons I don't understand, suggests that there was wrongdoing in replenishing the funds I had earlier advanced from my other projects. The Bee also curiously fails to mention that the loans were secured by other Thomas projects with substantial equity to support the loans. These loans were obtained with the knowledge of the City. Lastly, the Bee fails to point out that public funds coming into the project have gone directly to public infrastructure for which they are earmarked and for land to be dedicated to the public. There is no misappropriation of funds and none of the public dollars have gone into other Thomas projects.

We have been transparent with the community and our public partners. We hired local employees, union contractors and vendors creating significant jobs with thousands more on the way during unprecedented economic times. During the nearly four years since we have owned the property, we substantially completed the soil clean-up, worked extensively with the community to incorporate their vision for the development and entitled the property. In spite of tremendous state-wide competition and calls by the Bee and others to fund other projects, we secured significant infrastructure funding that is currently transforming the historic buildings and constructing the 5th - 6th Street bridges. Work will soon start on the intermodal facility and other roads which enhance the region's transportation infrastructure irrespective of the Railyards development. All of this has occurred on one of the largest and most challenging urban infill projects in the nation during the worst recession since the Great Depression, while other less complex projects in the region and nationally sit stalled.

As we are working on a transaction with our lender that allows this transformative project to continue, I remain committed to deliver on my promise to the Sacramento community.