

Revisions Proposed in RREEF letter 11/1/13

- Garage Relocation/Revisions
 - Moving the garage 55 feet to the north is detrimental to 3500 Sepulveda.
 - Further reduces the adjacent surface parking by 72 spaces.
 - Increases the building footprint that conflicts with the Grant Deed easement area.
 - Reduces the parking supply adjacent to added shops further reducing prime space for 3500 customers
 - Increases the proximity of construction to the restaurant
 - The drive aisle “change” was made over a year ago for Macy’s benefit.
- North East Garage (Macy’s) Construction Phasing - Open and then Close?
 - In a densely developed operating mall, it makes better sense to build the whole garage at once.
 - Phases require garage to be shutdown and construction parking issues all over again.
- Decommissioning existing mall space (page 4 of 5 of staff report)
 - RREEF proposes to leave 8,656 sf of the Macy’s Men’s Store dead.
 - With land at such premium at the mall why build new space just to leave existing space decommissioned?
 - Why not demolish and create parking (24 cars) or add to the open space?
 - Or not build 8,000 sf of new space.

Revisions Proposed in RREEF letter 11/1/13

- EIR does not include construction parking plan for trucks and worker parking.
- Phase 1 Construction Parking Plan - received 11/11/13
 - During Phase 1 existing parking will be removed right away reducing the already congested parking supply.
 - Also, no parking is shown for construction workers and trucks. Construction traffic will add to the demand.
 - How will RREEF handle the increased parking demand with a reduced supply?

Unanswered Questions from past Meetings

- Edison
 - Detailed electrical analysis still required, “Will Serve” letter is not an analysis.
 - Where is the main transformer going to be relocated? This location is critical because it takes a lot of space, requires major planning and affects all property owners, shops and every business in the mall.
 - Edison must confirm that supply for the additional demand is even available?
- Theater
 - To get Pacific Theater to leave early, RREEF agreed not to lease to another theater.
 - No Theater allowed for 15 years
 - Recorded Deed Restriction until June 7, 2027

RREEF Easement Conflicts

- Easements are important property rights that are recorded against the all deeds.
 - 3500 Parking Easement
 - Macy's Parking Easement
 - Gap, Corner Bakery and Chili's have recorded Common Area Easements
- These easements precede DB-RREEF's ownership of the property.
- DB-RREEF has chosen to either;
 - Not resolve these issues, or
 - Ignore these issues and let next owner resolve them.
- Modifying the easements require RREEF, Macy's and 3500's collective agreement and consent.

Traffic Concerns

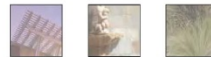
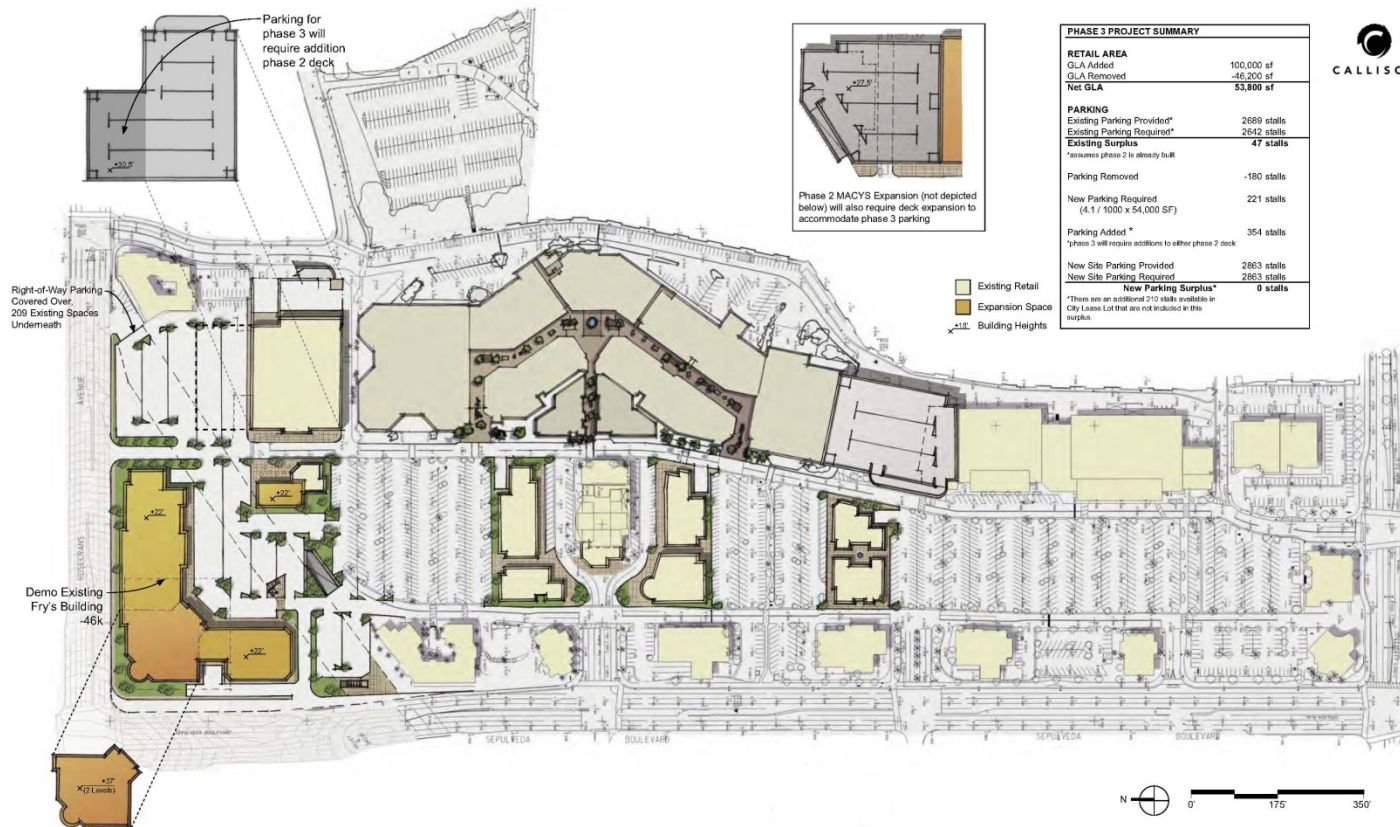
New Road – Rosecrans to Cedar Way

- This is the only traffic access improvement proposed for the entire project
- Currently scheduled for Phase 2
- The majority of traffic is generated in Phase 1
- Cedar Way should be built before new retail is built to match the demand
- No financial guarantee for this improvement (ie Bond) is currently required.

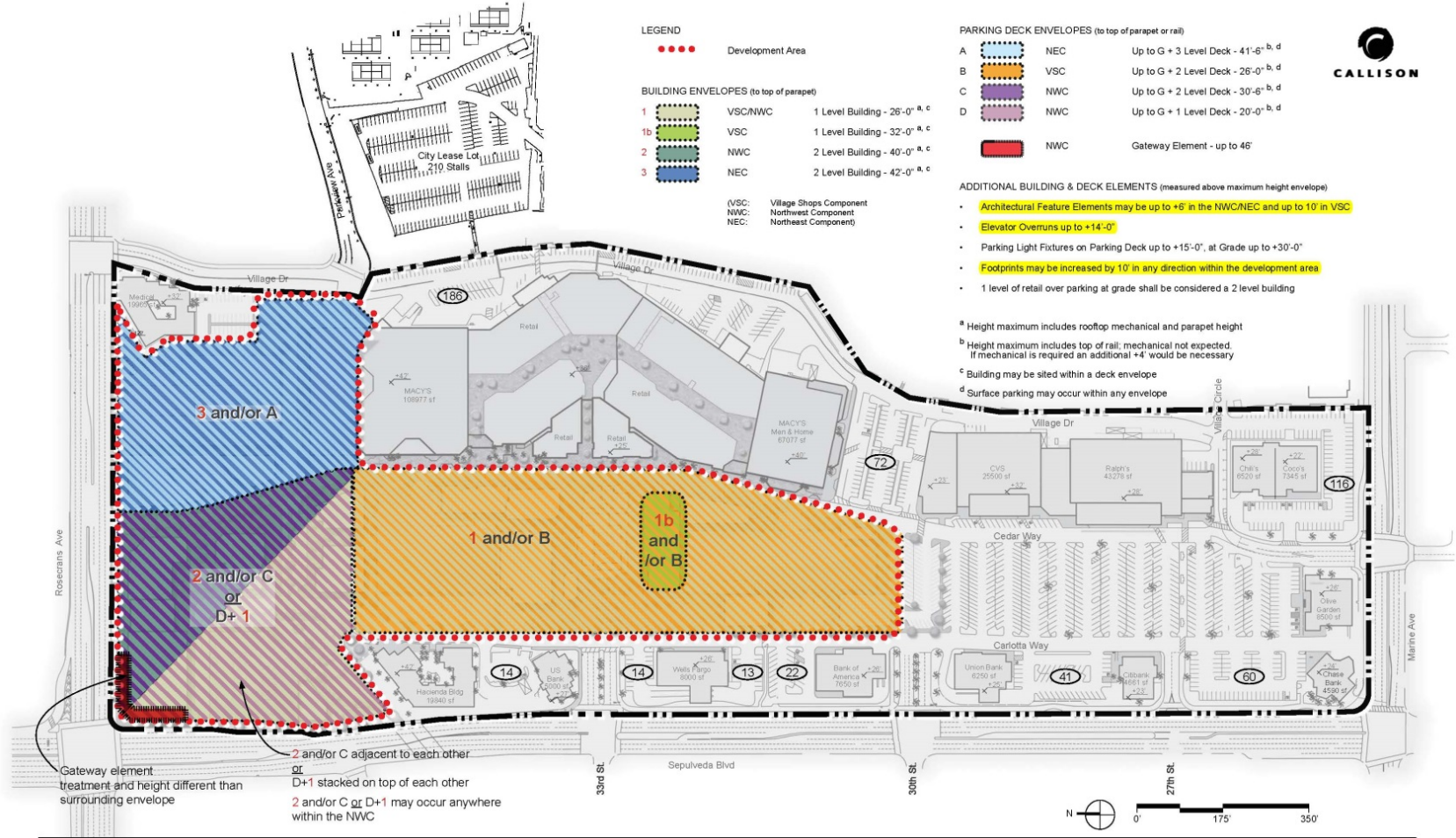
Site Plans

- Original 2006 Plan had no Village Shops garages, Why are they needed now?
- Envelope Plan Approval, Not Site Plan Approval

November 2006 Plan



DB-RREEF Envelopes and Height Diagram



Phasing

- DB-RREEF has Deal with Macy's
 - A Put Option at RREEF's election and expense
- The Bad News - May never happen
 - Scheduled for Phase 2
 - Includes key traffic improvement – Cedar Way extension to Rosecrans. (Should be in Phase 1)

Phasing Plan / Order

- Largest benefit to community comes from Phase 3 – Fry's corner.
 - Creates one cohesive shopping center.
 - Improves traffic by allowing on-site circulation
 - Visual improvement to the corner of Rosecrans and Sepulveda.
 - Opportunity for Gateway to Manhattan Beach

Phasing – Fry’s Corner

- Fry’s
 - Yesterday RREEF stated they may extend Fry’s lease
 - Today Fry’s submits a letter stating they have not had meaningful conversations with RREEF to stay.
- If Fry’s extends lease does Phase 3 ever happen?
- “Fry’s corner very expensive to build”
 - Mark English has repeatedly stated this over the last two years, and reaffirmed it in a conversation yesterday.
 - It appears RREEF has no intention of building Phase 3

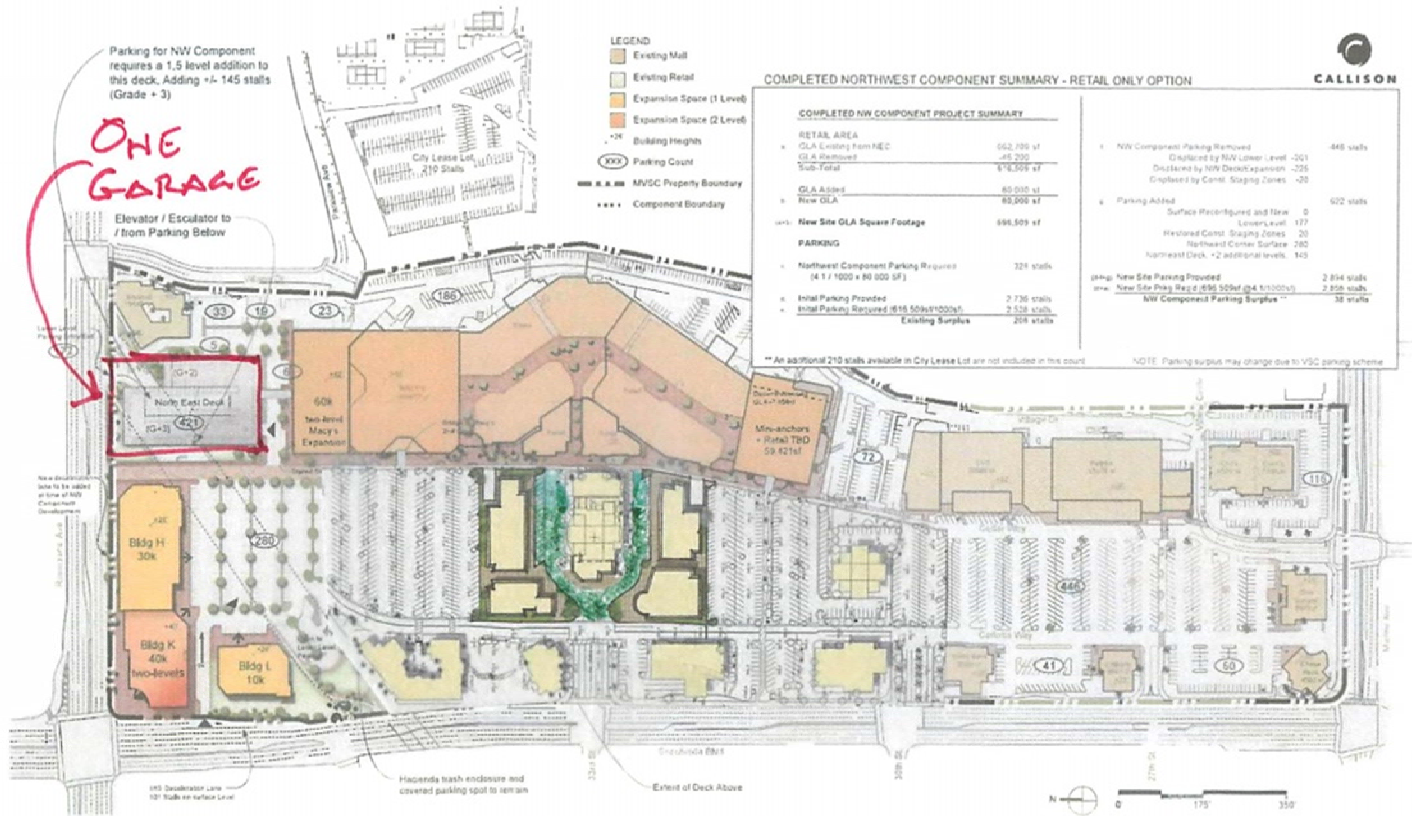
Phasing Plan Benefitting the Community

Phase

1. Build one large garage north of Macy's
2. Build Macy's addition.
3. Building New Village Shops
4. New Tenants Macy's Men's and Village Shops
5. Require Fry's corner to be integrated into site, or left vacant as a condition of approval.

Plan for the Community

PHASE 3



MANHATTAN VILLAGE



WORKING DRAFT - Not for Public Review

MVSC Enhancement Project

Call Number: #206340 00

11-12-13



Site Plan: Fry's Departure Northwest Component Complete NWC - Option A

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EIR

- EIR Rejects Phase One as a stand alone project.
- Why approve it now?
- Approving current project with no requirements that Phase 2 & 3 are built, is the same as approving Phase 1 only.
- Envelope Plan Approval, Not Site Plan Approval

Council Action

- 3500 Sepulveda requests the City Council Approve appeal of the EIR and send project back to planning for revisions.