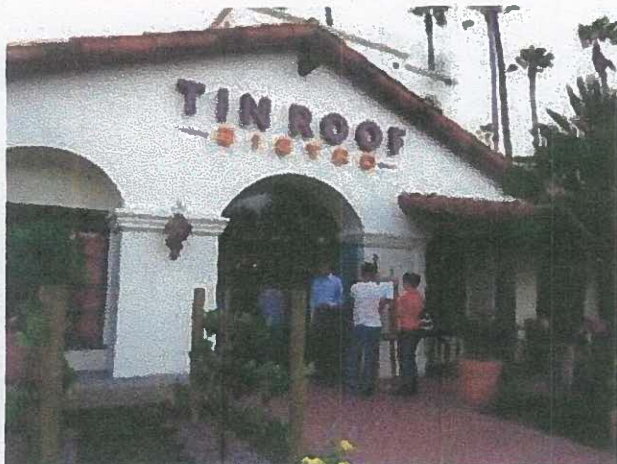


# Manhattan Village Mall



Proposed Expansion  
3500 Sepulveda  
Recap and Appeal



### Presentation Items

1. **Facts beat Myths**
  - Residents' View, Parking, Tax revenue scare tactics
2. **Fiscal Implications**
  - Kosmont Co. Analysis, Construction Impact, Sunnyvale
3. **Problems with the EIR**
  - Alternatives, Traffic, Construction Parking, Utilities
4. **Resolution Requirements**
  - Keeping Fry's, Macy's first, Private Agreements, Due Process, Spot Zoning, Macy's Put Option
5. **Broken Promises & Unanswered questions**
  - Master Sign Program, Bike Center, Theater, Owner-Applicant
6. **Legal Appeal**

### Fact: Local Residents' Viewpoint

- We are not opposed to smart expansion and growth in the City.
- We understand the Mall needs to keep up with times and be refreshed.
- Any plan should do what is best for Residents and the health of The City of Manhattan Beach over improving the property value of a large out-of-town Wall Street Bank.
- Any project should be well thought-out to minimize disruption to residents, existing businesses & neighbors.

### Facts - Parking

- Most Residents of Manhattan Beach believe that Parking will be easier and more plentiful after the renovation.
- While RREEF is increasing quantity, the actual parking ratio e.g. number of parking spaces per square foot of retail space at the Core Mall area goes down.
- Now, Residents easily look for parking on a surface lot.
- Proposed plan has shoppers searching between three different structures, and 9 levels for parking.

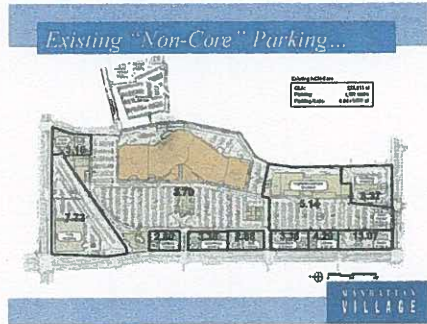
**This is an overall negative to the project**

### Facts – Total Mall Parking Ratios

#### Mall used to have more parking.

- 1980-2001 Ratio           **4.6/K sf**
- After 2002 Expansion       **4.1/K sf**
  
- MB Parking Requirement   **4.1/K sf.**
- The Point Parking           **6.0/K sf**

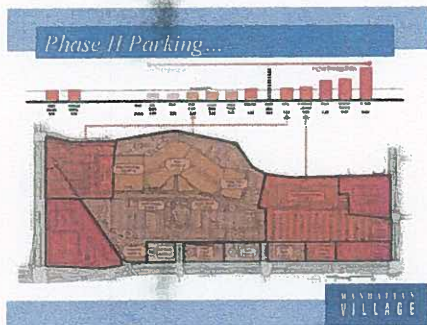
### Facts – Non-Core Parking



### Facts – Core Mall Parking Ratios

- Current Ratio **3.70/K sf**
- After Phase I **3.22/K sf**
- After Phase II **3.6/K sf**
  
- MB Overall Parking Rqmt **4.1/K sf.**
- The Point Parking **6.0/K sf**

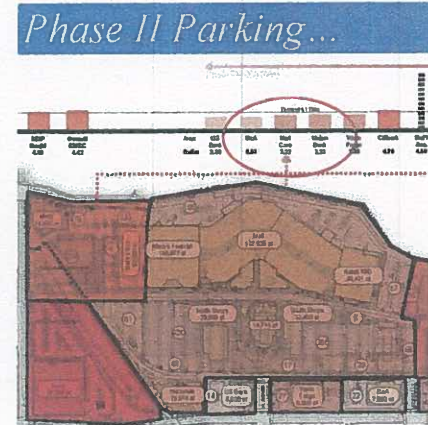
### Facts - Core Mall Parking Ratio



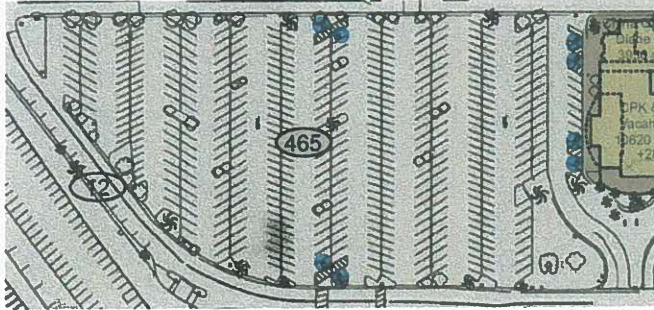
### Facts – Core Mall

**3.22 spaces / ksf**

**Source:**  
**RREEF 1-14-14**  
**Presentation to**  
**City Council**

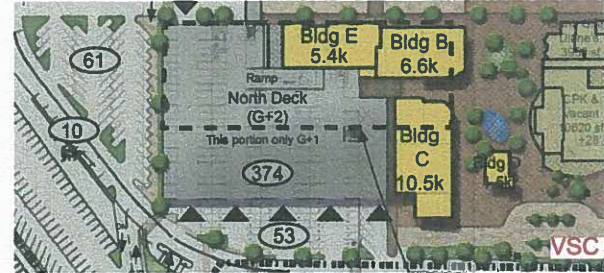


### Facts - Core Mall Parking - Lot F Today



Total Lot F = 477 spaces

### Facts - Core Mall - Lot F Phase1 Complete



<b>Added ksf of buildings</b>	<b>Added Parking</b>	<b>Total New</b>	<b>498</b>
5.4	374	<b>Existing</b>	<b>477</b>
6.6	53	<b>New Spaces</b>	<b>21</b>
10.5	61	<b>Ratio</b>	<b>21/24ksf=</b>
<u>1.5</u>	<u>10</u>		<b>0.88 spaces/ksf</b>
<b>Total</b>	<b>24,000 sf</b>	<b>498 spaces</b>	

### Facts – Parking from RREEF’s own Presentation

**Parking Ratios**

- Parking Norm is 4.0 to 4.5
- L.A. Centers Range from 3.77 to 6.07 (per Gibson Transportation, city traffic consultant)
- Manhattan Village Designed at 4.2 (overall)
- However, that 4.2 Ratio is Misleading
  - 5.6 Ratio in Bank/Grocery areas
  - Only 3.7 in the “Core” Mall Area
  - Results in Average of 4.2 Overall

**Parking Supply**

Ratio's Spaces per 1,000 SF Completion

	Existing Ratio	Prior VSC	New VSC
North Core	3.90	3.62	3.22
South Core	3.53	3.79	3.22
<b>Total Core</b>	<b>3.74</b>	<b>3.70</b>	<b>3.22</b>

### Facts – Parking from RREEF’s own Presentation

#### Parking Supply Conclusion

- Existing ratios below industry standard and competitive set
- If there is surplus parking it is not in the core
- Phase 3 is opportunity to reduce parking ratio

MANHATTAN VILLAGE

### Facts - History - Zoning/Entitlements Timeline

- **1980** Manhattan Village Mall originally built
- **1995** MUP approved a **8,370 SF** Expansion  
– PC 94-35 Master Use Permit
- **2001** MUP approved a **16,000 SF** Expansion  
– PC 01-27 MUP Amendment
- **2013** RREEF proposed **133,389 SF** Expansion  
– PC 13-10 MUP Proposed Amendment

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### Facts - Pat Gibson – KAKU

- In 2001 Pat Gibson – KAKU
- Convinced the City to **REDUCE** the parking requirement for Manhattan Village.
- Parking was required to be **4.6** spaces per ksf
- Requirement reduced to **4.1** spaces per ksf.
- A **12% REDUCTION** in parking
- This goes against what residents and shoppers want-- more parking not less parking.
- Point – El Segundo has 6.0 spaces per 1,000

### Facts – Source material for Traffic Study 2001 Expansion & Parking Reduction

**II. PARKING SUPPLY AND DEMAND**

This chapter reviews the existing parking conditions at the Manhattan Village Shopping Center and investigates the future parking conditions after the project completion a renovation that would result in the net addition of 16,000 square feet of floor area to the site.

**LAND USE**

Table 7 details a summary of the land uses on site. With approximately 600,000 sf of development on site, the total parking of the development totals approximately 428,000 sf.

These tables do not include the existing plays retail stores which is located on an adjacent parcel and is not a part of the Master Use Permit (MUP) for the site. For the purposes of this parking analysis, the land use and parking totals will not include the Play's site.

**PARKING SUPPLY**

The existing development is served by a parking supply of 2,947 spaces. Included in this total is a 710-space lot located on the lower east south of the library development site. This lot is controlled by the City and is primarily used by shopping center customers.

Taking the retail and office spaces together, the site is not served by a parking supply that meets a parking ratio of 4.00 (approximately 1,800 sf of building area on site).

**RENOVATION OF THE MANHATTAN VILLAGE SHOPPING CENTER**  
Manhattan Beach, California  
**TRAFFIC AND PARKING ANALYSIS**

OCTOBER 2001

**MADISON MARQUETTE**  
3200 N. Sepulveda

**APPROVED**  
[Signature]  
[Signature]  
[Signature]

27

### Facts - Pat Gibson – About Gibson TC



Gibson Transportation Consulting, Inc. was formed in 2009 to provide the highest quality traffic engineering, transportation planning, and parking consulting services to both public and private sector clients. We offer over 160 years of collective transportation analysis experience, most of which has been gained on projects located in Southern California and across the western United States. We specialize in the preparation of the transportation and parking sections of environmental documents for large and small development projects, general and specific plans, and regional and local transportation projects. We work collaboratively with multi-disciplinary teams to produce clear, logical, and readable technical reports, and we excel in interaction with the public and with decision-makers to explain the analyses and the mitigation programs contained in those reports. We work on a wide variety of projects that vary in both size and scope, and our primary goal is to effectively serve all of our clients.

Gibson Transportation Consulting staff members have prepared transportation studies for some of the largest and most controversial development projects in Southern California, including Playa Vista, the Disneyland Resort expansion, NBC Universal Evolution Plan, Metro Universal transit-oriented development, the Balboafield Commons Mixed-Use Development Master Plan, the Los Angeles Convention Center Expansion Plan, and the Wilshire Grand Redevelopment Project in downtown Los Angeles.

Gibson Transportation Consulting is currently conducting transportation analyses for Dodger Stadium, the AMPAS Academy Museum of Motion Pictures, The Cliveden Outlets, and Century City Center. We are also conducting studies for the LAX Northside Plan Update, as well as the Master Plans for Paramount Pictures Studios, the University of Southern California, the University of Redlands, and The Huntington Library Education and Visitors Center Project. We recently completed studies for a proposed new large professional baseball stadium in the Central Valley, a renewable energy center in Idaho and for Disney | ABC at its Golden Oak Ranch in the unincorporated Santa Clarita Valley area of Los Angeles County.

We are preparing, or have prepared, traffic and parking studies for Westfield LLC at its regional shopping centers at Culver City, Eastland, North County Plaza Camino Real, Santa Anita, Topanga, The Village at Westfield Topanga, University Towne Center, Valencia Town Center, and West County. For The Irvine Company and its regional shopping centers at Fashion Island, Irvine Spectrum Center, and Tustin Marketplace, as well as its entire neighborhood shopping center portfolio; for RREEF/Avaya Lang LaSalle at Manhattan Village and Villa Marina Marketplace; for Macerich at Lakewood Center, Los Cerritos Center, Panorama Mall, Santa Monica Place,

**Facts - Pat Gibson – About Gibson TC**

**Quote:**

*"We are preparing, or have prepared, traffic and parking studies for ... RREEF/Jones Lang LaSalle at Manhattan Village"* From Gibson TC – Website About the Company

**Note:**

- The website makes no mention of working for the City of Manhattan Beach.
- This is the consultant hired to look out for the City and Residents' best interests.

**Facts – Tax Revenue Scare Tactics**

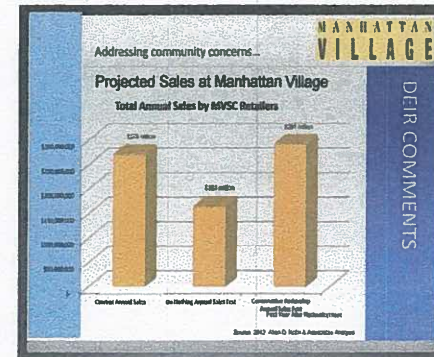
- RREEF and City Staff have used scare tactics that have led residents and even some Council Members believe that that a large renovation is tied to Apple, Macy's and Fry's staying
- The truth is:
  - Macy's owns its land and store. They stated at City Council that their stores are profitable and are happy being in Manhattan Beach. Macy's staying is not dependent on the expansion
  - Apple has a lease deal are currently expanding into the new location within the mall. Apple staying is NOT dependent on the expansion.
  - Fry's had to send a letter directly to MB (revealed at 11/12/13 meeting) stating their strong desire to stay. Before that, RREEF insisted that Fry's was the one who wanted to leave. Fry's high tax revenue is good for the City, but low rent is a negative for RREEF
  - Good faith negotiations? RREEF's proposed 3 1-year extension deal sends the message to Fry's to GET OUT.

**Fiscal Implications**

- Kosmont Co.
- Fry's
- Dead Soldiers
- Construction Parking Program
- Impact of Construction on existing mall business and adjacent business
- How much money will ensure RREEF completes the project. Sunnyvale

**Fiscal Implications – Kosmont Co.**

- The City paid Kosmont \$150,000.
- Kosmont used old projections—that were prepared by RREEF
- Kosmont failed to report or even comment on lost revenue to the City and businesses during construction period.



**Fiscal Implications - Fry's (The Real Story)**

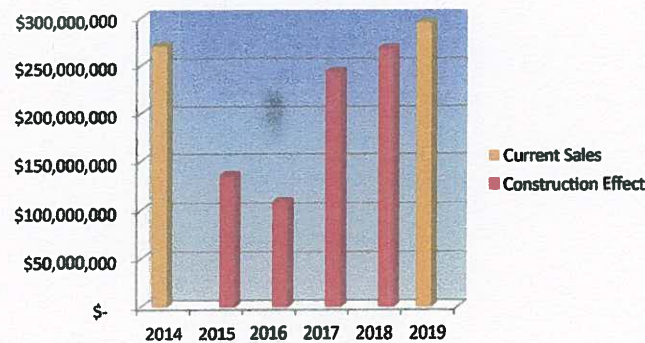
- Economic Consultant Represents Fry's sales at \$40 Million
- Other sources report Fry's actual sales volume at a minimum of \$70 Million
- Difference of \$30 Million equals \$300,000 per year to City Revenues

**City Finance Director or Kosmont Co should provide source and back-up to support its reporting of Fry's actual sales.**

**Fiscal Implications – Construction Parking Program**

- 122 construction workers coming daily
- 270 spaces removed during construction
- 122 + 270 = 392 less spaces available for shoppers
- $392 / 1,345 = 29.1\%$  reduction in parking
- Reduction in Parking = Reduction in Tax Revenue
- 29% reduction in Parking has strong correlation to reduction in mall tenants' (and adjacent business') sales and City tax revenue.
- Reduction in Parking does not affect RREEF's rental income.

**Fiscal Implications - Manhattan Village Sales During Construction**



**Financial Implications - Lost Revenue During Construction**

Quote:

*"It takes two weeks for customers to know construction has started, and it takes two months for them to know it's done."*

Bob Rich – Manhattan Beach Resident & Operations Manager -Becker's Hermosa Beach

Note:

- Lost sales could total about \$300M
- Lost revenue to City could total about \$3.1M

**Financial Implications - Dead Soldiers**

- Kosmont strongly denounced Banks as “Dead Soldiers” but Staff has not addressed the issue.
- Council could;
  - Condition “No non-conforming banks in the future”
  - Convert these buildings to tax productive uses.

<u>Bank</u>	<u>Lease Expiration</u>
• CitiBank	11-18-15
• US Bank	4-30-20
• B of A	5-31-20
• Wells Fargo	5-27-25
• Union Bank	4-30-26
• Chase	10-30-30

**Financial Implications –  
3500 Sepulveda WAS a Dead Soldier**

- In 2005, the 3500 Building was purchased as a Dead Soldier.
- A dedicated group of local residents and small business invested in Manhattan Beach.
- The building was renovated, without requesting increased density from the City.
- New tenants invested in Manhattan Beach.
- Well run small businesses such as Tin Roof Bistro, Susie Cakes, The Vintage Shoppe.

**Today the property is very productive for the City.  
Generating \$75,000 thousand in sales tax and  
business license revenue to the City.**

**Financial Implications – RREEF - Sunnyvale**

**The City of Sunnyvale & RREEF Development Agreement**

- a partnership of RREEF America III (RREEF) and Sand Hill Property Company acquired the project On October 2, 2006, Downtown Sunnyvale Mixed Use, LLC, DSMU.
- The City of Sunnyvale signed a redevelopment agreement with the partnership based upon a thorough 62 page legal agreement with over 20 exhibits.

**The City of Sunnyvale thought they had a  
stable financial partner in RREEF.**

**Financial Implications RREEF - Sunnyvale**

**The City of Sunnyvale - Town Center background**

- Sunnyvale Town Center is a 36-acre shopping mall located in Sunnyvale, CA.
- It was anchored by Macy’s, Target and J.C. Penney.
- RREEF invested approximately \$220 million of private equity and \$108 million in bank loans in the Project.
- As of March 2013, only the Target and Macy’s stores remain operational:
- Much of the mall consists of a construction site on which work is stalled as a result of a legal dispute.



### Financial Implications - RREEF - Sunnyvale

- RREEF abandoned this project and The City of Sunnyvale.
- Despite RREEF/DSMU's approx \$220 million of private equity investment, in Feb 2009 RREEF/DSMU told the City of Sunnyvale that it would not be able to meet the \$108 million loan when due.
- The loans were foreclosed on in October, 2009,
- The Superior Court appointed a Receiver for the Sunnyvale the Town Center.
- RREEF/DSMU forfeited approximately \$220 million of private equity and defaulted on \$108 million in bank loans.  
\$220 Million dollars written – off as a business expense  
**The City of Sunnyvale is out of luck**

**Has anyone called  
The City of Sunnyvale?**

### Problems with the EIR

- Alternatives studied in the EIR
- Alternatives REJECTED by Planning Commission
- Alternatives NOT studied
- Traffic Traffic Traffic
- Construction Parking, Staging & Phasing

### EIR - Project Alternatives Studied

#### Planning Commission Findings per Ordinance

- **Alternative A – Build Nothing - Rejected**
- **Alternative B – Build Phase One Only**  
Rejected by Planning Commission as Socially Infeasible
  - Does not incorporate Fry's corner
  - Does not enhance spatial relationships
  - Does not promote pedestrian access
  - Does not maximize use of site
  - Does not consolidate Macy's Men Store
- **Alternative C – Phase One in front of Ralphs**  
 – Rejected
- **Alternative D – Environmentally Superior**  
 – None found

**EIR - Project Alternatives NOT Studied  
Phase 1 & 2 Only**  
(Reminder: this is the option you are voting on)

- has same faults as REJECTED option
- Does not incorporate Fry's Corner
- Does not enhance spatial relationships
- Does not promote pedestrian access

**Only way to GUARANTEE Macy's consolidation is to do it first.**

**EIR – Planning Commission REJECTS Phase 1 only**

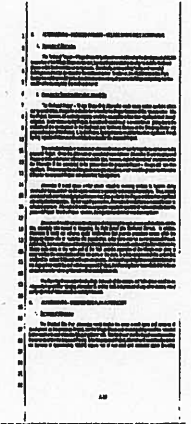
18 Alternative B would not meet the objective of integrating the various uses and structures into the  
 19 Site, especially with respect to integrating the Fry's parcel (the Northwest Corner). In addition,  
 20 Alternative B would not enhance spatial relationships that promote pedestrian access within the  
 21 Shopping Center site or maximize site opportunities in the same manner as the proposed Project.  
 22 Additionally, the consolidation of the Macy's Men's store from the south portion of the Main Mall into the  
 23 Macy's main store at the north end of the Mall, and the expansion of the Macy's main store to  
 24 accommodate the consolidation of the two parts of the store, is a key component of the project that  
 would not be realized if Alternative B were constructed. As these Project objectives would not be met to  
 the degree they would be met with the proposed Project, the Planning Commission finds this to be an  
 adequate basis for rejecting Alternative B as socially infeasible.

The Planning Commission hereby finds that each of the reasons set forth above would be an  
 independent ground for rejecting Alternative B, and by itself, independent of any other reason, would  
 justify rejection of Alternative B as socially infeasible.

**"The Planning Commission hereby finds that each of the reasons set forth above would be an independent ground for rejecting Alternative B, and by itself, independent of any other reason, would justify rejection of Alternative B as socially infeasible"**

**EIR - Planning Commission Conclusion**

- For a Denovo hearing, Staff should present to City Council all the facts.
- Complete facts have not been presented to City Council.
- If you want to rely upon your experts, the Planning Commission—has rejected this option.
- The option currently presented has the same fatal flaws.

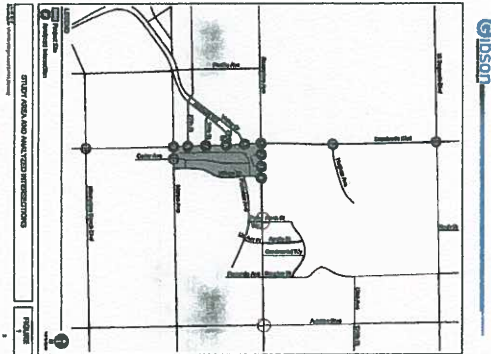


**EIR - Construction Parking Program**

- A complete parking program should be submitted, reviewed and approved prior to APPROVAL of a Village Mall Expansion
- Phase One
  - Starts: March 2015
  - Ends: June 2017
- 28 Months of Construction
- Over 2 years of construction—if everything goes right.

**Construction Parking will impact all existing Mall businesses and sale tax revenues to the City of Manhattan Beach.**

**EIR – Traffic Inconsistencies –  
Gibson Studied Rosecrans in 2001, But Not in 2012?**



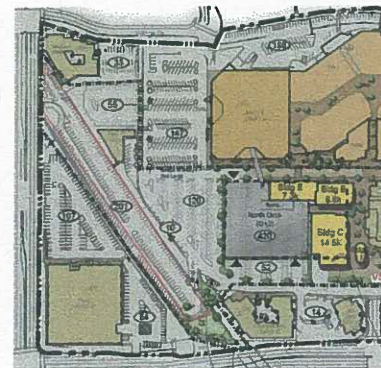
**EIR – Traffic Inconsistencies –  
Revised Intersections Added To Traffic Study**

- Certified Traffic Engineer, Gabriel Elliott submitted a letter 9-17-13 questioning the traffic study.
- One of many flaws was less intersections studied for this expansion, than the last 16,000 sf expansion.
- In September of 2013, Gibson studied additional intersections in response to this question.
- Despite Gibson’s 1/14/14 declaration that “all questions have been answered”, this answer was issued last Thursday.
- Last Thursday’s answer was buried in the 600 page Staff report and Final EIR addendum.

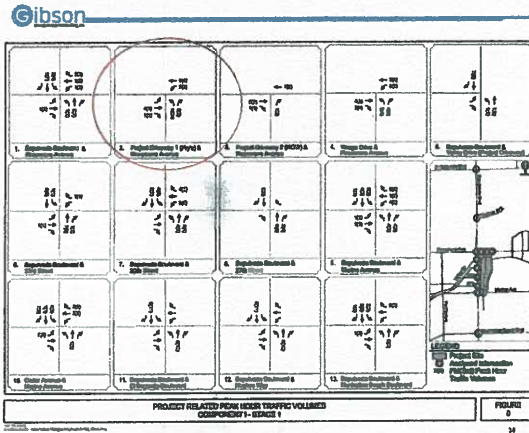
**EIR – Traffic Inconsistencies -  
Phase 1 Complete – Common Sense**

- Phase 1 does not require Cedar Way so there is no road or vehicular connection between the Mall and Fry’s.
- The traffic report allows traffic trips to be added to Fry’s driveways.
- Fry’s is Phase 3. Not a part of this application.
- How do the cars get across the Veterans Parkway ditch?
- One of the many flaws in the traffic study.

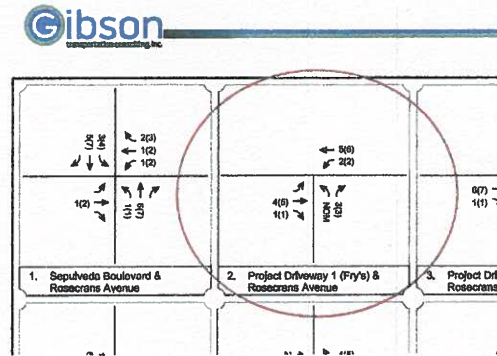
**EIR – Traffic Inconsistencies –  
Phase 1 Complete – Common Sense**



### EIR - Phase 1 Traffic Distribution



### EIR - Fry's Rosecrans Driveway



### EIR – Traffic Inconsistencies

Quote:

“Fry’s staying does not increase traffic.”

source; - Gibson traffic study presentation

#### Trip Generation – PM Peak Hour

Existing	1,893 + 375 + 83	=	2,351
Village Shops	71 + 76	=	147
NE Corner	112 - 83	=	29
NW Corner	183 - 375	=	(192)
	<b>TOTAL</b>		<b>2,336</b>
	<b>NET DIFFERENCE</b>		<b>(16)</b>

### EIR - Traffic Inconsistencies

With Phase 3 omitted and Fry’s staying:  
Traffic does INCREASE

#### • Trip Generation – PM Peak Hour

- Existing	1,893 + 375 + 83 =	2,351
- Village Shops	71 + 76 =	147
- NEC – Macy’s (60K)	135 - 83 =	52
- NWC (Fry’s)	375 - 375 =	0
-	<b>Total</b>	<b>= 2,550</b>
-	<b>Net pm Trips Increase</b>	<b>= 199</b>

#### • **SIGNIFICANT TRAFFIC INCREASE 8.5%**

### EIR – Traffic Equivalency Program

- The Equivalency Program is a major change to the City's zoning regulations.
- Despite repeated Council requests, City Staff has never presented it to the City Council.
- Council should require Staff and Gibson to provide information from another CA City that has used Equivalency Program to change the parking requirements.

**Will Council approve an EIR and traffic study based on this premise that has not been explained?**

### Resolution Requirements in response to City Council requests

- Keeping Fry's (the real story)
- Macy's first
- On-Site improvements first
- Private Agreements
- Due Process
- Down Zoning
- Spot Zoning

### Resolution Requirements – Keep Fry's

**RREEF wants Fry's out for a higher-rent tenant**

- Resolution: "Negotiate in good faith"
- Three 1-year extensions is like asking Fry's to leave.



### Resolution Requirement – Consolidate Macy's

**The only way to GUARANTEE Macy's; is to require Macy's consolidates first.**

- Macy's owns its own land and building.
- Macy's has stated that their existing stores are successful and they are happy in MB.



**Resolution Requirement - Macy's or Whatever RREEF wants??**

EIR allow replacement of Macy's Expansion/Consolidation with 60,000 sf of other retail.

Marathon Village Shopping Center Expansion Program  
VI. Annual Program Schedule

Building	Site	SF	Construction - Major Items*		Construction - Other/Minor		Expansion/Reconstruction		Reconstruction - Other	
			Start	End	Start	End	Start	End	Start	End
Shopping Center	156,000	0	0	0	0	0	0	0	0	0
Expansion	60,000	0	0	0	0	0	0	0	0	0
Consolidation	156,000	0	0	0	0	0	0	0	0	0
Other	156,000	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>372,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*The Report also shows a Construction requirement of \$2,500,000 of other expansion. This report assumes a Construction requirement of \$2,500,000 of other expansion. If an alternative to this alternative development program results in a total replacement of the existing building, expansion of the store footprint, or other expansion, the amount of other expansion will be adjusted accordingly. All other expansion will be assumed to be completed by the end of the construction period. All other expansion will be assumed to be completed by the end of the construction period. All other expansion will be assumed to be completed by the end of the construction period. All other expansion will be assumed to be completed by the end of the construction period.

**Resolution Requirement - Macy's Consolidation**

**If no Macy's Consolidation, then RREEF can build 60,000 sf of retail**

- In Component II, one alternative development proposal includes a 60 ksf expansion of the Macy's Fashion building; however, if the Macy's Fashion Store were not to expand, any amount of the 60 ksf could be developed as shopping center retail uses without altering the results of this analysis.

Source: Final EIR - Gibson Transportation Consulting, 2014.

**Resolution Requirement - Macy's Put Option**

- Council's decision is based heavily on the "Put Option".
- Is the Put Option signed?
- Or is it just a non-binding Letter of Intent?
- Has Staff, the Economic Consultant, the City Attorney, or better yet a Council Member read "The Put Option" ?
- Council is in their rights to require a copy before approving the project.

**Resolution Requirement - RREEF's Offer of Commitment**

Event	Event Description	Timeline	Notes
1. Enable Phase II	\$2,500,000 - Includes site prep, construction, utilities, and project management, etc. Includes 2 years of RREEF personnel time.	Starts in April 2014. 40% of costs already incurred.	If RREEF does not proceed, or RREEF does not meet conditions, Macy's, RREEF is unable to recover its investment in these costs.
2. Negotiate Macy's Separate Agreement	\$500,000 - Includes site prep, construction, utilities, and project management, etc. Includes 2 years of RREEF personnel time.	Starts in April 2014. 60% of costs already incurred.	If RREEF does not proceed, or RREEF does not meet conditions, Macy's, RREEF is unable to recover its investment in these costs.
3. Plan Check Submitted for Macy's Fashion Store Expansion	\$1,700,000 - Includes design, construction, and project management, etc. Includes 2 years of RREEF personnel time.	Starts in April 2014. 60% of costs already incurred.	If RREEF does not proceed, or RREEF does not meet conditions, Macy's, RREEF is unable to recover its investment in these costs.
4. Pre-Paid Plan Check & Construction Permit Fee	\$400,000 - RREEF will pre-pay all construction permit fees for Phase II as a condition for enabling Phase I permits.	June 2015	Fees are forfeit and non-refundable if RREEF fails to commence Macy's.
5. Macy's Alter's Renovation Agreement	\$2,500,000 - If RREEF fails to exercise the consolidation option to Macy's, it will be required to immediately pay Macy's an amount to cover the site's share.	July 2015	RREEF member not responsible for other costs. RREEF is unable to recover its investment in these costs.
6. Land reversion and forfeit property value	\$2,500,000 p.a. - If RREEF fails to exercise the consolidation option to Macy's, it will forfeit the investment made from reversion benefits to Macy's Alter's Store (after recovery fees \$2,500,000 p.a.). A consolidated Macy's need replacement retail structure that are connected to the store and among all retailers build the link and in turn, facilitates higher retail growth over time.	In perpetuity starting in 2018.	Reversion reverts to RREEF, which impacts the value of Marathon Village.

### Resolution Requirement -Deutsche Bank-RREEF

- DB-RREEF is a \$3.2 Billion Wall Street bank.
- The amounts listed in the commitment matrix are comparable to you and I buying a cup of coffee at Starbucks.
- A pro-forma estimate shows DB-RREEF making a \$30 Million profit from Phase 1 only.
- If Phase 2 does not happen, these amounts are a tax deduction to RREEF, not a penalty.

### Deutsche Bank – RREEF Sunnyvale Town Center



### Resolution Requirement - Private Agreements

- The City of Manhattan Beach required 3500 to enter into a Settlement Agreement with 3500's neighbor RREEF, prior to allowing 3500 to make economic use of 3500's building.
- City Staff insists it does not recognize private agreements, which conflicts with their past actions.
- The proposed Master Use Permit (MUP) violates this same Settlement Agreement the City required.
- The City recognizes and respects the COREA between Macy's and RREEF.
- The COREA governs RREEF's expansion, but is being ignored by the City.
- Kosmont Co explained Macy's controls the shopping center by the COREA.
- City Staff is NOT requiring RREEF to get 3500's COREA Approval.
- To knowingly approve a master use permit that allows two of the three parties (RREEF and Macy's) to gain economically, by violating terms of the COREA with the new Master Use Permit, while the third party's (3500) property is down zoned, and will cause 3500 to suffer economic loss is exposing the City to real Financial Liability.

To ignore Recorded private agreements, is to cause conflict and project delays.

### Resolution Requirements - Due Process

- Throughout this application and hearing process, 3500 has not been given due process, by the City of Manhattan Beach
- 3500 was limited by the Planning Commission to three minutes of public comment.
- Applicant or Owner? Why does status keep changing?
- As an applicant, 3500 again requested to be copied on all project correspondence on 1-25-14.
- This request has not been met.
- Why is 3500 being left out of negotiations affecting 3500's property rights?

### Due Process - Applicant or Owner

from page 15 of 408 of the Staff report:

As a condition to obtaining its necessary entitlements to operate the Tin Roof Bistro, 3500 Sepulveda LLC agreed to be a "co-applicant" for the Project and to "cooperate" in obtaining necessary entitlements. On September 17th, its attorney stated that it would withdraw its application. Whether 3500 Sepulveda is an applicant or not has no bearing on the seminal issue here: Is this proposed expansion best for the Manhattan Beach community? Further, it has no impact on whether the application can proceed if 3500 Sepulveda LLC withdraws its signature from the application. RREEF is entitled to a decision on the application and the City's processing of the application will continue. (At most, it may be necessary to review any entitlements provided to 3500 Sepulveda LLC if it rescinds its co-applicant status.)

- The first sentence states that a condition was placed on Tin Roof's permit process.
- Here the City is not only admitting that it held Tin Roof's permit "hostage" but also that the City does indeed help enforce a private agreements between two property owners.
- It is also relevant that the City required 3500 Sepulveda to get approval from RREEF on the Tin Roof project. Why was that?
- The City erroneously states that 3500 agreed to be Co-Applicant.
- Again why is 3500 listed simply as Property Owner in the Staff reports for Planning Commission.

### Due Process - Applicant or Owner (cont)

- Wouldn't it make sense that any cooperation from 3500 Sepulveda would be consistent with the "Settlement Agreement" signed by the Mall and 3500?
- 3500 has publicly stated that it would abide by the plan in the Settlement Agreement.
- Is the City saying that 3500 must agree to ANYTHING that the Mall's project has now morphed into?
- Whether 3500 is the applicant or not IS relevant for several reasons, but it surely speaks to the inaccuracy of the process and report.
- The last line appears to be a thinly veiled threat that if 3500 Sepulveda doesn't like what the mall project has morphed into—the City will retaliate and will questions their property rights.
- When this was discussed at the November Council meeting, Staff backed down and the Attorney backed down from their threat.

### Resolution Requirement - Down Zoning

- City Staff admits that they required 3500 to sign application.
- RREEF and Macy's are gaining valuable expansion rights from the City.
- 3500 is losing the following uses by right;
  - Personal Services
  - Travel Services
  - Commercial Recreation and Entertainment

### Down Zoning – Personal, Banks & Travel Services

- **Personal Services** - Provision of recurrently needed services of a personal nature. This classification includes barber and beauty shops (including incidental massage), seamstresses, tailors, shoe repair shops, dry-cleaning businesses (excluding large-scale bulk cleaning plants), photo-copying, and self-service laundries.
- **Banks** - Financial institutions that provide retail banking services to individuals and businesses. This classification includes only those institutions engaged in the on-site circulation of cash money. It also includes businesses offering check-cashing facilities.
- **Travel Services** - Establishments providing travel information and reservations to individuals and businesses. This classification excludes car rental agencies.



### Down Zoning - Commercial Recreation and Entertainment.

- Provision of participant or spectator recreation or entertainment. This classification includes theaters, sports stadiums and arenas, amusement parks, bowling alleys, billiard parlors, poolrooms, dance halls, ice/roller skating rinks, golf courses, miniature golf courses, scale-model courses, shooting galleries, tennis/racquetball courts, health/fitness clubs, game centers which include any place open to the public in which there are more than three (3) games or amusements, including but not limited to, electronic video, pinball machines, whether coin operated or on free play and card rooms.
- **Limited.** Indoor movie theaters, game centers as defined herein, and performing arts theaters.

### Resolution Requirement -Spot Zoning

- The draft Resolution No. 14-0026
  - Restricts a small parcel (3500) and gives it less rights than the surrounding property.
- The draft Resolution No. RES. 14-00026 , Section 18d, pages 25 and 26 of 38, removes the current discretion vested with the Hacienda Building owners and imposes two new conditions on the Hacienda Building, (1) that “the total office combined square footage of the entire Mall site does not exceed 98,100 square feet, and (2) that the parking requirements are met.”

### Unanswered Questions & Broken Promises

- Master Sign Program
- Owner vs Applicant
- Bicycle Center
- Theater - Requests from residents have been ignored
- Equivalency Program

### Unanswered Questions - Master Sign Program

**Quote:**

*“RREEF looks forward to presenting the master sign program to the City Council...”*

Mark English September 2013

**Note:**

- Presentation never happened.
- Master Sign Program not approved by Planning Commission.
- Approves Variances to City Municipal Code.
- Council should insist on presentation and review before approving.

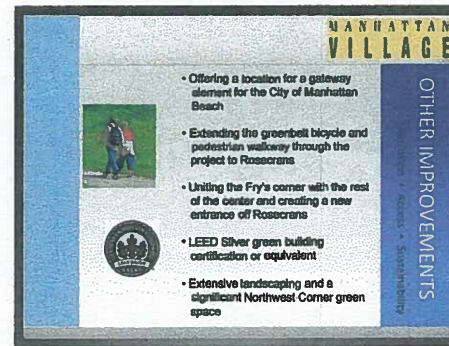
**Unanswered Questions - Applicant or Owner**

- Forced to sign – This is illegal
- Denied a voice at Planning Commission
  - As 3500's property was being rezoned to benefit RREEF and Macy's
- Status mysteriously changed
  - Owner to Applicant when project went to City Council.
  - City Attorney and Staff have not answered why.

**Per April Beach Reporter Formal Legal notice:  
3500 Sepulveda nor Macy's are listed as  
"Applicant"**

**Broken Promises –**

Improvements promised by Staff to Planning Commission and Public.  
What happened to them?

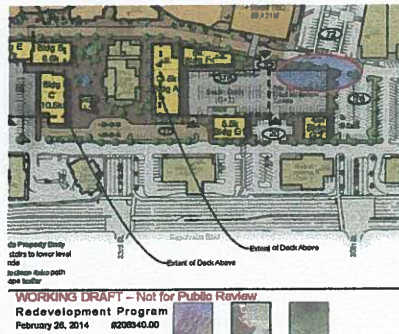


**Broken Promises - Bicycle Center**

Planning Commission spent hours working on including bicycles in the plan.

RREEF promised a bike center like Santa Monica Place.

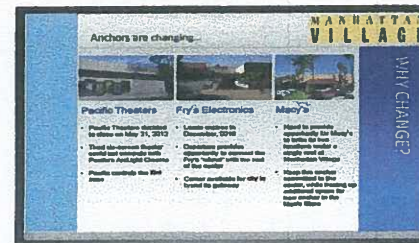
Where is it specifically designated?



**Broken Promises - Theater**

RREEF told Residents that it was not RREEF's fault that the theater left.

**FACT:** RREEF made deal to get Pacific Theaters to leave before lease expired.



**Time has shown these conclusions to be  
FALSE**

- **Traffic and Parking Conclusions**
  - Project does not generate Significant Impacts
- **Construction Scheduled to Meet Parking Demand**
  - Reality shows 29% reduction in parking during construction.
- **Internal and External Circulation Improvements**
  - Where are the improvements?
  - No required right pockets on Sepulveda.
  - No improvements to internal circulation.

**Legal Appeal**

**Briggs Law Corporation  
Presentation**