
From: Mark English [<mailto:mark.english@db.com>]

Sent: Friday, November 01, 2013 12:22 PM

To: rthompson@citymb.info; ljesther@citymb.info

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Subject: Manhattan Village Expansion Proposed Site Plan + Conditions Modifications

Dear Richard & Laurie,

Attached please find a letter regarding modifications to the Manhattan Village Site Plan and Conditions of Approval that are being proposed by MVSC.

(See attached file: MVSC Proposed Modifications Site Plan plus Conditions 11.1.13.pdf)

Kind regards,
Mark English



Mark English

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Passion to Perform

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November 1st , 2013

Richard Thompson – Director of Community
Development
Laurie Jester – Planning Manager
City of Manhattan Beach
1400 Highland Ave
Manhattan Beach, CA 90266

RE: Proposed Modifications to the Manhattan Village Shopping Center Enhancement Project Site Plans and Conditions of Approval

Dear Richard and Laurie,

Thank you for meeting with us to discuss proposed modifications to the Manhattan Village Shopping Center Enhancement Project. In advance of the scheduled continuation of the City Council hearing on the Project on November 12th, 2013, I am writing to summarize RREEF's proposed modifications to the Site Plan and Conditions of Approval. These modifications are intended to provide a balanced compromise to address issues raised through the public hearing process, specifically those expressed by: (a) members of the Manhattan Beach City Council, (b) Manhattan Beach City Community Development staff, (c) the ownership group of 3500 Sepulveda represented by Mark Neumann and Richard Rizika, and (d) members of the general public. A number of the proposed revisions to both the Site Plan and the Conditions of Approval involve significant financial costs to Manhattan Village and its owners, and as such, the offered items do not work in isolation or as part of a different basket of revisions – therefore each modification is joint and several with others.

1. Site Plan.

- a. A proposed, modified Site Plan is attached as Exhibit A. The development plan will follow the previous staged expansion plans: (a) Phase 1 – Village Shops, (b) Phase 2 – Macy's Consolidation, and (c) Phase 3 – Northwest Corner. This revised site plan closely resembles one of the two alternative Phase 3 site plans approved by the Planning Commission, specifically Alternative B, which locates the retail buildings in roughly an "L" shape at the Sepulveda Blvd / Rosecrans Ave intersection.
- b. The Village Shops the North Shops component (including the North Deck) are relocated approximately 55 feet north to create a larger public space to the north of the California Pizza Kitchen Building. RREEF is preparing a rendering that will

provide the quality of the hardscape, landscape, and architectural features (e.g., clock tower and water feature), which will be included in the revised Project Design Guideline Package.

- c. The Macy's Consolidation is modified so that the connection from Cedar Way to Rosecrans Avenue is completed as part of Phase 2. The connection was previously proposed to occur as part of Phase 3.
- d. For comparison's sake, and as depicted in Exhibit B attached hereto, the revised Site Plan does not differ in any material respect when compared to the 2008 Site Plan, which was agreed to between RREEF and 3500 Sepulveda in 2008.

2. Permitted Uses In Conditions of Approval

- a. RREEF proposes that Resolution No. PC 13-10 Condition 18 be revised to remove the maximum square footages for land use types Offices, Business and Professional, Medical and Dental Offices and Banks and Savings and Loans.
- b. RREEF proposes that Resolution No. PC 13-10 Condition 18 be further revised to provide that the Equivalency Program govern the exchange of permitted land uses.
- c. RREEF proposes that Medical and Dental Offices will be allowed only in the 3500 Sepulveda building and the 1200 Rosecrans building. Currently, Medical and Dental Office comprises 21,0712 square feet of space in the 1200 Rosecrans and 3500 Sepulveda. Of 19,617 square feet of leasable area (including outdoor dining area) at 3500 Sepulveda, 3,141 square feet is presently used as Medical and Dental Office, 6,152 is used as Restaurant space, and the remaining approximately 10,324 square feet is general office or retail. 3500 Sepulveda may convert any or all of the non-Medical and Dental Office space to Medical and Dental Office space, subject to evidence from 3500 of its ability to provide additional required parking, if any.
- d. RREEF proposes that new, stand-alone banks (in addition to those which already exist) and any retail bank with GLA exceeding 2,000 square feet are not a permitted land use.
- e. RREEF proposes that Resolution No. PC 13-10 Condition 18 be further revised to provide for 89,000 square feet of Eating and Drinking Establishments (restaurants) for the existing Shopping Center and Phases 1 and 2. An additional 20,000 square feet of Eating and Drinking Establishments (restaurants) is proposed for the Northwest Corner (Phase III). As set forth in the EIR, an additional 2.6 parking spaces is required for each 1,000 square feet of restaurant use above 89,000 square feet.

3. Traffic Improvements

- a. The PC 13-10 Conditions of Approval require Manhattan Village to provide an irrevocable dedication of land to facilitate a series of offsite improvements noted below. These dedications of land are required to have been offered before building permits for the Village Shops are issued.

- b. In addition to the dedications and as a pre-condition to receipt of building permits for the Phase 1 Village Shops, MVSC will provide a letter of credit, or equivalent instrument, to the City of MB in an amount equal to the estimated costs to build the following traffic improvements:
 - i. Corner of Rosecrans and Sepulveda
 - ii. All acceleration and deceleration lanes serving entrances off Rosecrans, between Sepulveda and Village Drive.
 - iii. Improvements to the corner of Rosecrans/Village Drive, and restriping of Village Drive and re-location of the sidewalk on the West side of Village Drive which represents part of the work contemplated at the intersection.
 - iv. Veteran's Parkway Improvements which constitute the park and the bike and multi-purpose pathways.

- c. The letter of credit, or equivalent instrument, shall provide that funds associated with each of the above improvements may be drawn by MVSC (or alternately the face value of the instrument reduced) to complete the above improvements. If not initiated by the applicant by a set sunset date, the City may elect to construct the improvements and draw the funds. In the event the City constructs the improvements, its sole recourse against RREEF for funds shall be the letter of credit, or equivalent instrument, at its face value or the cost of the improvement, whichever is lesser. The proposed sunset dates are:
 - i. Corner of Rosecrans and Sepulveda: January 1, 2019
 - ii. Along Rosecrans between Sepulveda and Village Drive: January 1, 2019
 - iii. Corner of Rosecrans/Village Drive, and restriping of Village Drive and re-location of the sidewalk on the West side of Village Drive: January 1, 2018
 - iv. Veteran's Parkway Improvements: to be constructed as part of Village Shops: January 1, 2017.

- 4. **Funding of Oak Avenue Traffic Study** –The traffic analysis demonstrates that the Project does not cause a significant impact from cut-through traffic on the Oak Avenue neighborhood. Consequently, no mitigation is required. Nevertheless, MVSC agrees that it shall fund the City Staff and 3rd Party consultant costs to perform and monitor a traffic improvement plan for Oak Avenue, up to a cap of \$20,000. This commitment shall run for 3 years from the date of approval of the project by Manhattan Beach City Council.

- 5. **Extension of Cedar Way to Rosecrans** – As addressed in paragraph 1, MVSC shall include the extension of Cedar Way north to connect with Rosecrans as part of the Macy's Consolidation, accelerating this work from the previous plan for the Northwest Corner.

As discussed in our meeting on Thursday October 24th, 2013 Manhattan Village is at a critical strategic juncture. The recent decision by a key MVSC tenant, Coach, to close down its

operations in December 2013 underscores the need to refresh both the interior mall, as well as strengthen Manhattan Village's overall position in the marketplace by adding open-air retail space to reinforce the interior mall, consolidate Macy's and reposition the vacated Men's Store, and finally redevelop the Northwest Corner. This strategic repositioning of the center will take time to accomplish, and between (a) the entitlements approval, (b) aggressive steps Del Amo, South Bay Galleria and Plaza El Segundo are taking to address a dynamic retail marketplace, and (c) Macy's commitment to the process here at Manhattan Village, we have a window of opportunity that is about to close if we do not receive project approval and are not able to proceed to predevelopment of the Village Shops in January 2014.

RREEF's proposed Enhancement Project, as it has been presented to the City Council and as modified by this letter, represents a project that we as owners of Manhattan Village are proud of and believe will serve as an improved amenity base and gathering place for Manhattan Beach. While we value a thorough and dynamic planning process, this project has been actively before Planning Commission and City Council for an aggregate of 20 months, during which time we have earnestly addressed multiple concerns raised by various stakeholders and decision-makers balancing the need to proceed with a project which does not jeopardize the objectives of the expansion and repositioning. This letter serves as our final proposed modifications to the project, and we respectfully request that the City Council proceed to a vote on the project in December 2013.

Sincerely yours,



Mark English

CC:

City of Manhattan Beach City Council

David Lesser, Mayor

Wayne Powell, Council Member

Richard Burton, Council Member

Tony D'Errico, Council Member

Amy Howorth, Mayor Pro Tem

David Carmany, City Manager

Quinn Barrow, City Attorney

Macy's

Kelvin Peyton

Charan Jackson

3500 Sepulveda

Mark Neumann

Richard Rizika

Peter Guitierrez, Latham & Watkins

Beth Gordie, Latham & Watkins
Charles E. Fancher, Jr., Fancher Partners LLC
Joseph Saunders, RREEF

- LEGEND:**
- Existing Mall
 - Existing Retail
 - Expansion Space (1 Level)
 - Expansion Space (2 Level)
 - Building Heights
 - Parking Count
 - MVSC Property Boundary
 - Component Boundary

COMPLETED NORTHWEST COMPONENT SUMMARY - RETAIL ONLY OPTION

COMPLETED NW COMPONENT PROJECT SUMMARY		
RETAIL AREA		
a. GLA Existing from NEC	662,709 sf	
GLA Removed	-46,200	
Sub-Total	616,509 sf	
b. GLA Added	80,000 sf	
New GLA	80,000 sf	
(a+b) New Site GLA Square Footage	696,509 sf	
PARKING		
c. Northwest Component Parking Required (4.1 / 1000 x 80,000 SF)	328 stalls	
d. Initial Parking Provided	2,736 stalls	
e. Initial Parking Required (616,509sf/1000sf)	2,528 stalls	
Existing Surplus	208 stalls	
f. NW Component Parking Removed	-446 stalls	
Displaced by NW Lower Level:	-201	
Displaced by NW Deck/Expansion:	-225	
Displaced by Const. Staging Zones:	-20	
g. Parking Added	622 stalls	
Surface Reconfigured and New	0	
Lower Level:	177	
Restored Const. Staging Zones:	20	
Northwest Corner Surface	280	
Northeast Deck, +2 additional levels:	145	
(d-f+g) New Site Parking Provided	2,894 stalls	
(c+e) New Site Prkg Req'd (696,509sf @4.1/1000sf)	2,856 stalls	
NW Component Parking Surplus **	38 stalls	

** An additional 210 stalls available in City Lease Lot are not included in this count. NOTE: Parking surplus may change due to VSC parking scheme.

Parking for NW Component requires a 1.5 level addition to this deck. Adding +/- 145 stalls (Grade + 3)

Elevator / Escalator to / from Parking Below

Lower Level Parking Entry/Exit

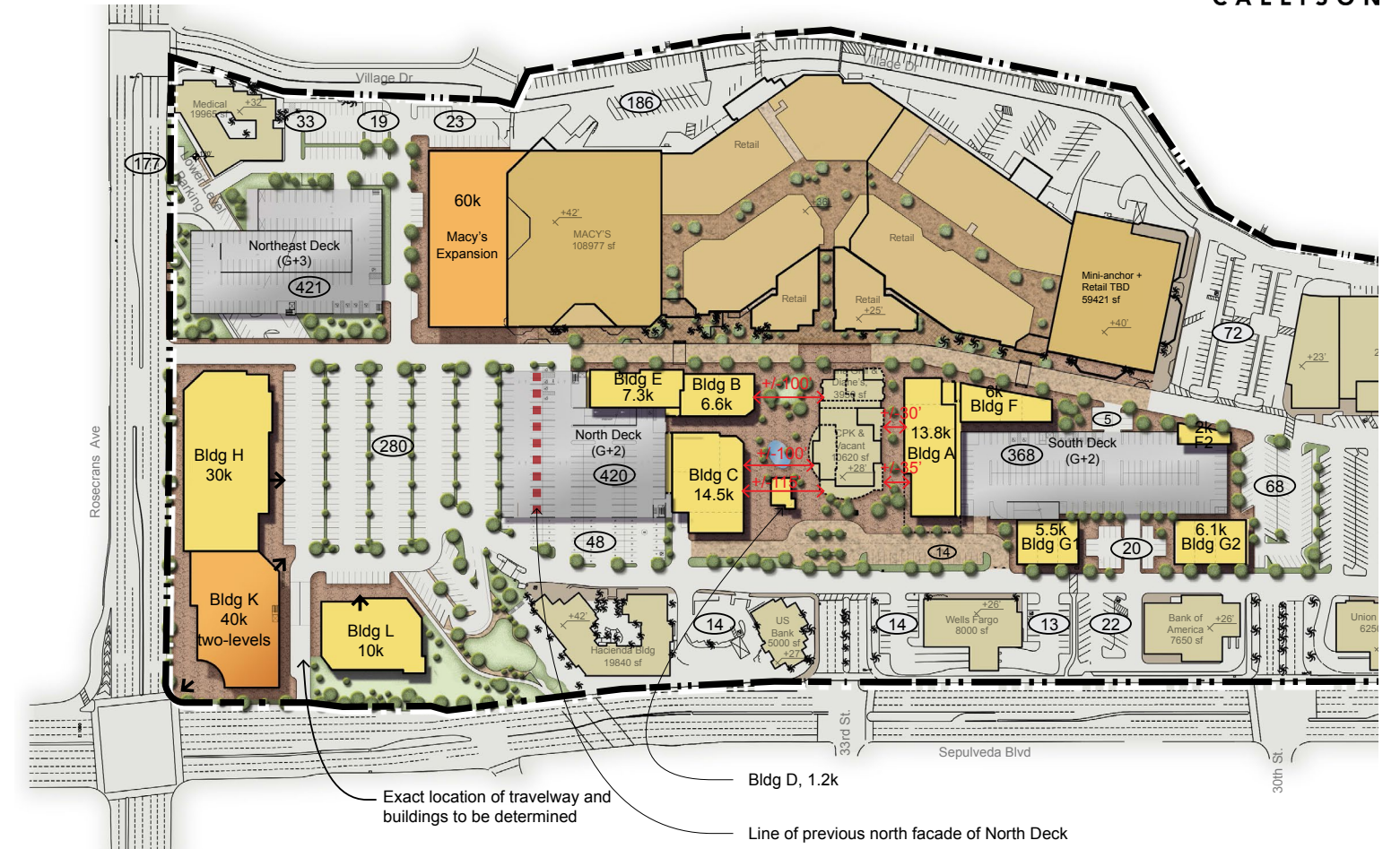
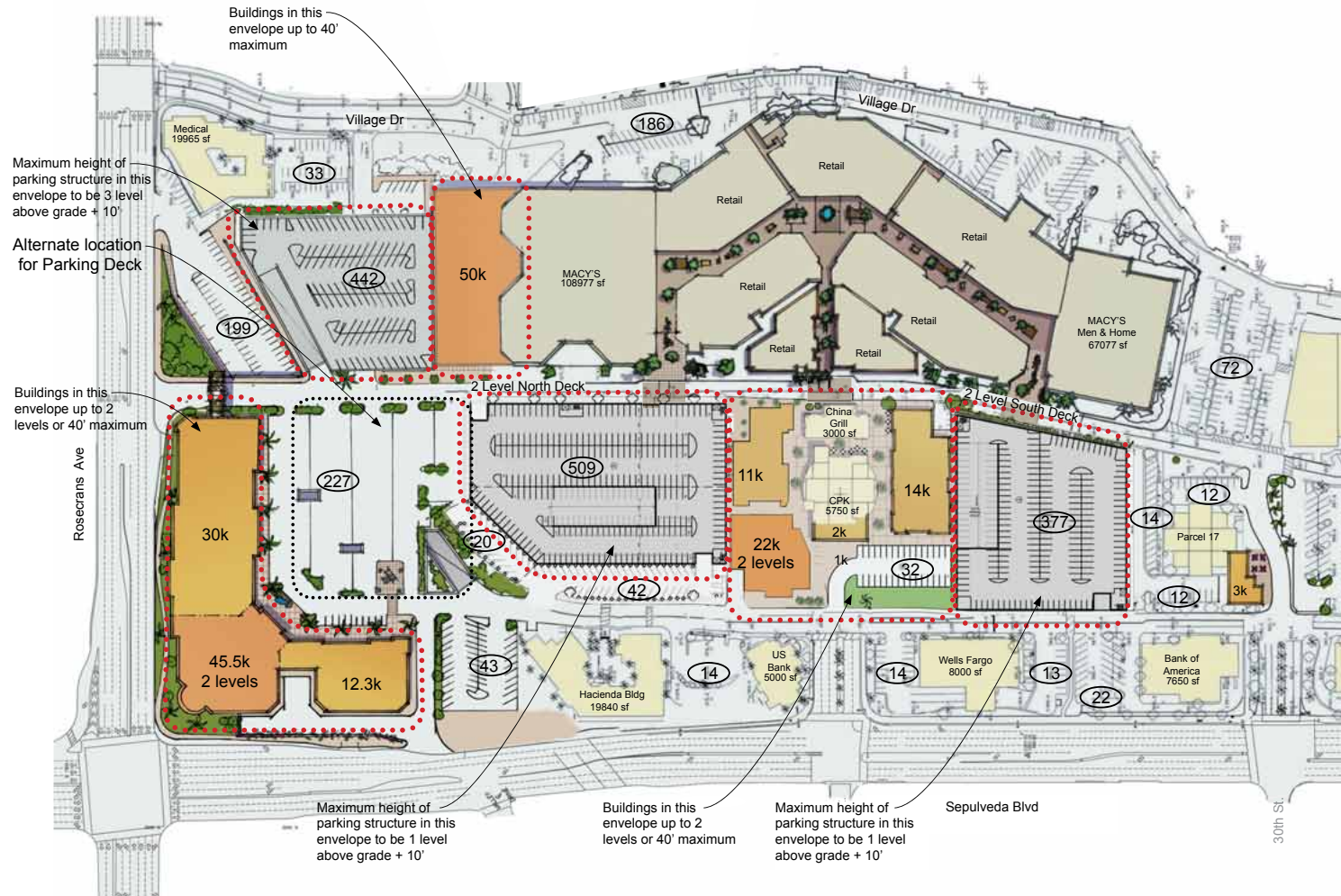
New deceleration lane to be added at time of NW Component Development

185' Deceleration Lane
101 Stalls on surface Level

Hacienda trash enclosure and covered parking spot to remain

Extent of Deck Above





	2008 Concept Plan	2013 New Concept Plan
VSC Building Heights	40' Top of Parapet	26' Top of Parapet
NWC Building Heights	46' Top of Parapet	46' Top of Parapet
VSC Deck Height	26'	26'
NWC Deck Height	30'-6"	30' -6"
Total GLA	131,000 sf	153,300 sf
Net New GLA	118,828 sf	122,172 sf

	2008 Concept Plan	2013 New Concept Plan
South Deck Footprint	64,000 sf	47,000 sf
North Deck Footprint	81,000 sf	45,000 sf
Total	145,000 sf	92,000 sf
Distance From Sepulveda to South Deck	160 Feet	240 Feet
Distance From Sepulveda to North Deck	240 Feet	260 Feet
Surface Lot Parking Count	1,599 Stalls	1,675 Stalls
Deck Parking Count	1,328 Stalls	1,209 Stalls
Total	2,927 Stalls	2,884 Stalls
Parking Ratio	4.20 / 1,000 sf	4.15 / 1,000 sf

