TO: HONORABLE MAYOR AND CITY COUNCIL

THRU: ANTON DAHLERBRUCH, CITY MANAGER /S/

FROM: SHERI REPP-LOADSMAN, DEPUTY CITY MANAGER / PLANNING & BUILDING DIRECTOR /S/

SUBJECT: AUTHORIZATION TO PARTICIPATE IN A GRANT APPLICATION FOR A PROPOSED MALAGA COVE PLAZA LAND USE AND ECONOMIC DEVELOPMENT STUDY

DATE: APRIL 12, 2016

____________________________

ISSUE/PURPOSE

Shall the City Council approve participation with the Land Economics Foundation of Lambda Alpha International and authorize a $5,000 contribution to be utilized with $22,000 in grant funds to complete a land use and economic development study of the Malaga Cove Plaza?

BACKGROUND

The Los Angeles Chapter of Lambda Alpha International (LAI) has prepared the attached grant proposal to the Trustees of Lambda Alpha International for evaluating the feasibility of transforming the ground level of office space in Malaga Cove Plaza into retail space. The grant proposal calls for a City contribution of $5,000 toward the study. As described by the attached documents, the study will be prepared in a joint effort by the Los Angeles Chapter of LAI, the City of Palos Verdes Estates, Altoon Partners and Keyser Marston. The Land Economics Foundation will contract directly with Alton Partners and Keyser Marston.

In presenting this concept, the Los Angeles Chapter of LAI has been working with Ray Burns, a local property owner, and Virginia Butler, representing the local businesses, to determine support for the study. Based upon individual discussions with a majority of the property...
owners and property managers, there is support for the study. There is general consensus that improvements within the Malaga Cove Plaza would benefit the ability to attract a broad range of tenants. Parking continues to be one of the dominant concerns raised by those contacted. The potential for an assessment district or other financial participation from property owners will be based upon the level of support for proposed improvements.

**DISCUSSION**

Malaga Cove Plaza is an important and iconic plaza for its architecture, location, and fountain that is memorialized in the City seal. While a weekend gathering site for runners and bicyclists and a location for regular community art shows, the plaza’s predominance of ground-level offices also represents an under-utilization of space from an urban planning and economic development perspective. Contributing to the current limitation of uses is the finite amount of space for vehicular parking.

The City Council and Traffic Safety Committee have frequently addressed the parking challenges resulting from the varying interests of employees and visitors of the plaza. As a means of addressing the a more diverse range of commercial uses, the Los Angeles Chapter of the LAI proposes a study to consider the enhancements and opportunities for creating a center with more vitality inclusive of capital improvements that address parking. The Los Angeles Chapter of the LAI is proposing the City support a grant application that will provide preliminary data for evaluating a future vision for Malaga Cove Plaza. The Trustees of LAI meet on April 23, 2016. A City response is requested in advance of this date.

Malaga Cove Plaza could become more of a community center with a variety of services, retail stores and restaurants. It would require a collective commitment of the property owners as well as, potentially, the City to consider zoning changes to incentivize the reallocation of space. Parking, lighting, signage and other improvements would need to be addressed if such a transition were to be contemplated. The proposed study is a preliminary effort to evaluate the feasibility and opportunities associated with ground-level retail.

**FISCAL IMPACT**

The study is projected to cost $27,000. The City is being asked to contribute $5,000 towards the cost as its contribution and commitment to the study. Funds are available within the budget for this study.

**NOTIFICATION**

This matter has been posted and noticed consistent with the City’s practice and policy as is required. The Los Angeles Chapter of the LAI, Mr. Buss, Mr. Burns and Mrs. Butler have been informed this is on the agenda and in turn, are advising the property owners of Malaga Cove Plaza.
ALTERNATIVES

The alternatives available to the City Council include:

1. Authorize the expenditure of $5,000 in support of the proposed study.
2. Decline to authorize the expenditure of $5,000 for the proposed study.
3. Request further information and provide direction to staff.

RECOMMENDATION

It is recommended that the City Council approve participation with the Land Economics Foundation in a grant application for the Malaga Cove Land Use and Economic Development Study and authorize the expenditure of $5,000.

ATTACHMENTS:

A - Letter of introduction from Mr. Buss
B - Grant proposal
C - Keyser Marston proposal
D - Altoon Partners proposal
E - Email explanation
F - Photographs of area
G - Map of ownership
March 29, 2016

PVE City Council
340 Palos Verdes Drive West
Palos Verdes Estates, CA 90274

Attention: Mr. Anton Dahlerbruch
City Manager

Reference: Funding Request - $5,000
Malaga Cove Plaza (Phase I)

Ladies & Gentlemen:

The Los Angeles Chapter of Lambda Alpha International (LAI) has committed the personnel resources to join collaboratively with two professional firms to revisit the stature and usage of Malaga Cove Plaza which has changed since being built in the early 1950’s; initially a retail/commercial focus with support second floor offices, to currently an office/business park with commercial limited to an undersized market and nearby restaurant. The existing structural character is to be preserved; deficiencies exist due to the lack of lighting, parking and patron friendly environment. The Los Angeles Chapter is requesting the City to contribute $5,000 to the Land Economics Foundation additional funding of $22,000 to facilitate the $27,000 effort to address the long range potential of a 60-year old center which encompasses over 200,000 square feet of space.

The Land Economics Foundation (LEF) is a not-for-profit foundation created in 1965 to administer a grant-making investment fund on behalf of the membership of Lambda Alpha International, an honorary society for the promotion of land economics. Typical grant amounts range from $5,000 to $25,000, with preference given to projects with multiple funding sources that can leverage the LEF grant; the Foundation funds two endeavors each year at a minimum. These grants can be applied to planning projects, academic research, books, conferences, historical archiving, topical educational events, and related activities. Effectively the end product is a Benefit-Cost Analysis which will have a broader “shelf life” than just addressing upgrading a center like Malaga Cove. The aggregate Malaga Cove funding is for two professional firms that specialize in revitalization of older commercial plazas in established communities, they are recapped below.

Keyser Marston Associates - $17,000

- Evaluating the market potential for the Plaza,
- Identifying potential tenant type and mix for the Plaza, and
- Preparing a financial feasibility assessment of repositioning and renovating the Plaza.
Altoon Partners - $10,000

- Phase I provides visuals as to the enhancement prospects of the Plaza in terms of lighting, added parking at least two locations, parking time limits, patron seating, signage, landscaping, etc.,

- Narrative references as to seasonal and/or temporary decorative strategies, Art Program, Disabled Access issues, shared restrooms, pedestrian corridors, etc., and

- Provide cost input for both lighting, decorative features and increase land areas for patron and City parking.

Altoon Partners will request input from both City Planning and Engineering staff to ensure flexibility and practicality. The Plaza encompasses 21 legal parcels with 17 property owners; there will be no financial requirement by these ownerships to undertake the initial Phase 1 studies. In the event that Benefits – Costs outlook is favorable, the implementation by the ownerships and the City would be through an assessment district which would also be coordinated by LAI’s Los Angeles Chapter membership. Thank you in advance for your commitment to the Plaza studies and potentially its long term enhancement.

Respectfully submitted,

Ronald L. Buss
Chairman

LAND ECONOMICS FOUNDATION
Ronald L. Buss
Chairman
Application for Funding a Research Project

I propose that the Trustees of Lambda Alpha International underwrite the project summarized below:

Title of Project *
Malaga Cove Plaza Enhancement

Dollar Amount Requested *
$27,000

Submitted By *
Millard A. Lee, President, Los Angeles Chapter, Lambda Alpha International

Address *
AC Martin & Associates
444 South Flower Street, Suite 1200
Los Angeles, California 90071

Phone Number *
213-614-6122

Fax Number

Email Address *
millard.lee@acmartin.com

Concept of Project *

http://lai-lef.org/application/
Malaga Plaza is one of the oldest examples of a Public Private Partnership, where the buildings are owned privately and the common parking, circulation and vehicular access routes are owned by the City. Over the ensuing 60 years the Plaza has transitioned to effectively an office park, the extent of commercial space is the post office, two banks,

Overview *

Malaga Cove Plaza was created at the entrance of Palos Verdes Estates (PVE) over a three-year period (1950–52) to service both the commercial (banks/post office), retail (restaurants/shops) and office space (realtors/insurance/service providers/local occupants). On the westerly flank may be found City Hall, PVE Police Department and LA County Fire

Timetable *

The overall upgrading plan will be prepared by Altoon Partners, a retail architectural and land planning firm with previous experience at Malaga Cove Plaza. The market research, commercial sustainability, market rent and ascertain demand will be provided by Keyser Marston Associates. The latter cost versus benefits analysis, with cost input by Altoon Partners,

Budget *

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<tr>
<th>City of Palos Verdes Estates</th>
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<tr>
<td>Land Economics Foundation</td>
<td>22,000</td>
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Total Phase I Cost.................................. $27,000

Responsible Parties *

LAI – Los Angeles Chapter
Altoon Partners
Keyser Marston Associates

Sustainability *
While the Foundation has funded a similar project in Santa Fe, New Mexico through the SiMCO Chapter, the timeline has been slow due to the City's slow to respond involvement in this instance, the activities are being led by LAI members and the outside consultants which were selected as to their expertise in the respective components of the Alliance Partners:

Los Angeles Chapter Members
City of Palos Verdes Planning Staff

Supplementary Materials

Submit
CONCEPT OF PROJECT

Malaga Plaza is one of the oldest examples of a Public Private Partnership, where the buildings are owned privately and the common parking, circulation and vehicular access routes are owned by the City. Over the ensuing 60 years the Plaza has transitioned to effectively an office park, the extent of commercial space is the post office, two banks, one coffee shop and a small market. As a practical matter, there are no retail or service providers in-place, dominated by real estate, escrow, insurance and locale office users, excess capacity exists causing rent levels to remain conservative, declining in some upper floor spaces. These types of tenancies require either all day, or prolonged periods of parking rights, there is a shortage of parking due to the current tenant mix.

It is proposed to repopulate portions of the ground floor space with the type of retail service providers that populated the center the first 3 decades, key and established real estate brokerage firms to remain due in part to high visibility and major tenant improvements, there are blocks of ground level space well suited to other users than office, there is ample second level space available and vacant.

It is proposed to install parking lot lighting as none exists at present nor in front of the individual structures which have overhead canopy covering walkway, pedestrian friendly landscaping enhancement and walkways, create additional parking in two areas now in open space to alleviate parking constraints. Except for increased parking areas, no external improvement additions are contemplated, due in-part to the historic nature and quality of the structures. This assumes the cost versus benefits study prepared by Keyser Marston is favorable, the second phase of implementation is to be overseen by Altoon Partners being the implementation of the Plaza upgrading including the additional parking areas. Due to the multiple ownerships involved, an assessment district would be formed, due to the multiple ownership components of the Plaza.

OVERVIEW

Malaga Cove Plaza was created at the entrance of Palos Verdes Estates (PVE) over a three-year period (1950-52) to service both the commercial (banks/post office), retail (restaurants/shops) and office space (realtors/insurance/service providers/local occupants). On the westerly flank may be found City Hall, PVE Police Department and LA County Fire Station. Unique to the aggregate 224,822 square feet, all in one and two level primarily brick structures. Also unique to the plaza is the ownership composition which encompasses 20 legal parcels fronting three streets with 17 different property owners. Parking areas and open space lands which complement and service the Plaza are city owned, the westerly portion also services the municipal entities previously pointed out.

TIMETABLE

The overall upgrading plan will be prepared by Altoon Partners, a retail architectural and land planning firm with previous experience at Malaga Cove Plaza. The market research, commercial sustainability, market rent and ascertain demand will be provided by Keyer Marston Associates. The latter cost versus benefits analysis, with cost input by Altoon Partners, will determine whether or not the proposed upgrades are economically feasible and proceed
forward into the Phase II implementation. Various members of LAI with specific expertise in this field will assist by firms with background information; if successful, the end product will be presented to both the Los Angeles and Orange County Chapter of LAI. The City is funding a portion of the Phase I efforts, total timeline is projected at 90 to 120 days for the initial studies.

BUDGET

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<td>Total Phase I Cost</td>
<td>$27,000</td>
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SUSTAINABILITY

While the Foundation has funded a similar project in Santa Fe, New Mexico through the SIMCO Chapter, the timeline has been slow due to the City's slow to respond involvement in this instance, the activities are being led by LAI members and the outside consultants which were selected as to their expertise in the respective components of the assignment. The end "Cost versus Benefits" study should be available online by late fall of this year, a model for other Chapters to replicate if they are interested.
March 1, 2016

Mr. Ronald Buss
Chairman
Land Economic Foundation
865 South Figueroa Street, Suite 3338
Los Angeles, California 90017

Re: Malaga Cove Plaza Market and Feasibility Analysis

Dear Mr. Buss:

Pursuant to your request, Keyser Marston Associates, Inc. (KMA) prepared the following proposal to provide selective consulting services to the Land Economic Foundation (Client) related to Malaga Cove Plaza (Project). Specifically, it is our understanding that the City of Palos Verdes Estates (City) is interested in the following issues:

1. Evaluating the market potential for the Project;
2. Identifying potential tenant types for the Project; and
3. Preparing preliminary assessments of the financial feasibility for repositioning and renovating the Project.

With this understanding, KMA is pleased to submit the following letter proposal to the Client. The proposal is organized as follows:

1. KMA’s relevant qualifications are summarized;
2. The proposed scope of services is described; and
3. The proposed budget and timing for the engagement are provided.
STATEMENT OF QUALIFICATIONS

Description of the Firm

KMA is a full service real estate, financial, and economic consulting firm specializing in real estate advisory and evaluation services. KMA is a privately held corporation that was incorporated in 1973. We have one of the largest real estate advisory practices on the West Coast, and the majority of KMA assignments involve long-standing client relationships.

KMA’s services fall within the following general areas:

- Real Estate Evaluation and Transaction Services
- Strategic Planning and Economic Development Services
- Affordable Housing
- Valuation and Litigation Support
- Fiscal Impact Analyses
- Infrastructure and Public Finance Structuring

The increased complexities of real estate transactions demand a strong technical understanding of market opportunities and constraints. KMA can provide services that are grounded in a fundamental understanding of the coastal Los Angeles County real estate market, valuations and investment financing. Unique characteristics possessed by KMA include:

Experience

KMA has over 40 years of experience assisting clients throughout the West in real estate market and evaluation services; negotiation services; structuring public/private transactions; and project implementation services.

Cost Effectiveness

KMA is able to be cost effective for our clients given our ability to provide comprehensive services relating to market and financial feasibility, economic analysis, direct implementation experience and public finance without the need for multiple consultants.
Commitment

KMA offers the commitment of principals who are recognized leaders in real estate advisory services throughout California. The philosophy and structure of KMA results in clients having maximum direct contact with the firm’s principals.

PROPOSED SCOPE OF SERVICES

KMA is proposing to undertake the following work scope, which is separated into the three tasks outlined below. Tasks I and II provide the background data and information that inform the findings presented in the Task III identification of opportunities.

Task I – Market Area Review

KMA will analyze the makeup of the residents within the following areas:

1. The pertinent market area;
2. The City of Palos Verdes Estates; and
3. Los Angeles County.

There are a number of important demographic and economic characteristics that will profoundly impact the market support for commercial development. Included among these are the number of households, household formation, population, income levels and the resulting retail expenditures potential. This information will be obtained from state and local governmental agencies; private firms specializing in demographic data; and market research conducted by KMA. In addition, KMA will review any reports recently completed for the Client, if available.

Task II – Market Conditions Analysis

The Market Area Review will set the stage for KMA’s subsequent research. By first identifying the salient factors that will impact future development, KMA can proceed with an assessment of market conditions to identify near- to mid-term opportunities. The assessment of market conditions will consider the strengths, weaknesses and opportunities for present and future tenants in the Project. The analysis will evaluate the following:

- Real Estate Conditions
  - Local and regional rent levels
  - Vacancy rates
Based on the information compiled, KMA will evaluate the existing market opportunities and the implications for the Project. Information sources will include:

1. Interviews with brokers and developers active in the area;
2. Real estate market reports prepared by real estate service corporations;
3. Publications prepared by local governmental agencies;
4. Information obtained from private firms that specialize in demographic data production; and
5. Market research conducted by KMA.

**Task III – Malaga Cove Plaza Opportunities**

Based on the information collected in Tasks I and II, KMA will identify opportunities for the Project based on the following factors:

**Entitlements and Physical Constraints**

KMA will review the existing entitlements and physical properties of the Project to identify limitations, concerns and issues.

**Market Considerations**

The information compiled in the previous tasks will be utilized to evaluate the market opportunities for the Project. This evaluation will consider the depth of demand for various development types throughout the larger market area, and the appropriateness of these uses in the Project. Specifically, KMA will identify the types of commercial with market support and consider their appropriateness for the Project, with particular attention given to the potential format of the retail space (e.g. small tenant mixed-use retail, small box retail,
big box retail, etc.). Key outputs of the market consideration analysis will include a summary of the range of retail rents, occupancy rates and general demand for retail space in the Project.

**Project Feasibility Analysis**

Working with the Client, KMA will prepare a pro forma analysis evaluating the feasibility of repositioning and renovating the Project. To this end, KMA will perform the following tasks:

1. KMA will prepare pro forma analyses, which will be based on the following assumptions:
   a. KMA will use construction cost and development plan information prepared by the planning consultant retained by Client.
   b. Market and value information will be incorporated from the KMA Market Conditions Analysis; operating expense information will be drawn from KMA’s files in consultation with the Client.
   c. Development return requirements will be based upon a review of current investment parameters for the uses being evaluated.

2. The returns supported by the pro forma analysis will provide an indication of development feasibility.

Upon completing the analysis, KMA will prepare a memorandum summarizing the key findings for the City including:

1. A summary of socioeconomic and demographic conditions;
2. Projected market rates and market demand; and
3. Development feasibility of repositioning and renovating the Project.

**TIMING / BUDGET**

KMA anticipates completing Tasks I and II within four weeks of receiving authorization to proceed from the Client. KMA will complete Task III within four weeks following the Client’s review and acceptance of the draft Task I and II findings. However, working with the Client will be an iterative process, which may affect the timing of this analysis.

KMA proposes to undertake the proposed scope of services for a not-to-exceed budget of $17,000. This budget includes KMA attendance at up to two in-person meetings with the Client. Any additional meetings will be billed on a time-and-expenses basis in accordance
with the attached rate schedule. Reimbursable expenses will be billed in addition to the identified budget amount.

For reference purposes, the KMA hourly billing rates for the staff members that will be assigned to this engagement are presented in the following table:

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<th>Role</th>
<th>Rate</th>
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<tr>
<td>Senior Principals</td>
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<tr>
<td>Senior Associates</td>
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<tr>
<td>Administrative Staff</td>
<td>$80.00</td>
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KMA appreciates the opportunity to submit this proposal. If the proposal can be modified to be more responsive to your needs, please do not hesitate to contact us.

Sincerely,
Keyser Marston Associates, Inc.

Kevin Engstrom
Senior Principal

James Rabe, CRE
Senior Principal
March 16, 2016

Land Economic Foundation
c/o Mr. Ron Buss, Chairman
Buss Shelger Associates
970 West 190th Street, Suite 350
Torrance, CA 90502

Re: Malaga Cove Urban Design Consulting Services

Dear Ron,

Thank you for requesting this Proposal for Urban Design Consulting Design Services for Malaga Cove. We appreciate the opportunity to collaborate with you and your team at The Land Economic Foundation and Stakeholders at Malaga Cove.

1. PROJECT DESCRIPTION

The Malaga Cove Plaza is a unique community asset in the Palos Verdes Estates and is well known outside of the area by both architects for its Mediterranean or Spanish Revival Architecture, and people in the retail industry for its overlay of uses in the heart of the small community. It is a treasure, unique in many ways but is similar to other such places in the region. It has a combination of one- and two-levels of some 200,000 Sf of retail, commercial and office, surrounding and forming a Plaza, with parking, the fountain and arcade. The ownership of the buildings wrapping the plaza and forming the arcade is split among different groups or individuals, while the parking area in the center of the formed plaza is publicly owned and not currently managed or metered. With the shortage of parking for visitors to City Hall and other uses, and the lack of controls, parking is available all day long and therefore directly impacts the shopper traffic to any retail use. The plaza is essentially level but the greater site has significant slopes which can be leveraged to create additional convenient and needed parking for civic and office uses, but arranged to help traffic and be visually discrete. This will allows managing the most convenient parking to enable retail activity in the Plaza.

2. PHASE 1 – SCOPE OF URBAN DESIGN CONSULTING SERVICES

We have elaborated upon the initial discussion and the written request on Phase I services to include a brief report with visuals as to the enhancement of the Plaza in terms of lighting (non-existent), added parking for city employees, Plaza parking time limits, landscaping, patron seating, signage etc. Basic structures will remain (historical) intact. Further, as follows:
2.1 Narrative, reference imagery and diagrams to convey proposed architectural and urban
design elements, including but not limited to:

2.1.1 Architecture – preserving and enhancing the elements
2.1.2 Landscape – trees, shrubs and covering hierarchy
2.1.3 Hardscape – typologies, surfaces and colors
2.1.4 Paving – overall and accents
2.1.5 Seating – fixed and moveable
2.1.6 Amenities – ash and trash receptacles, recycling bins, charging stations, etc.
2.1.7 Lighting – site, parking, arcade, façade, landscape
2.1.8 Environmental Graphics & Wayfinding Signage
2.1.9 Blade Sign Bracket Program
2.1.10 Website and Digital Presence examples
2.1.11 Retail Storefront and Signage Design Guidelines processes

2.2 Narrative approach to seasonal and/or temporary decoration strategies
2.3 Narrative approach to Art Program
2.4 Narrative approach to site Disabled Access issues and opportunities
2.5 Narrative approach to potentially shared facility such as Restrooms

3. PHASE II – IMPLEMENTATION

Not included at this time, but can be provided upon determination of scope, schedule, budget and
other inputs on a fixed fee basis.

4. SCHEDULE MILESTONES FOR PHASE I - CONCEPT DESIGN SERVICES

4 weeks – Approximate start date of April 4, 2016

5. SERVICES NOT INCLUDED

The services and consultants listed below are not included within the scope of AP’s services for
Phase I (however proposals can be provided upon request):

5.1 Design, engineering and other specialty consultants as may be required, including but not
limited to:

5.1.1 Landscape / Hardscape
5.1.2 Architectural Lighting
5.1.3 Environmental Graphics and Wayfinding Signage

5.2 Presentation models and renderings
6. OWNER RESPONSIBILITIES

Services, decisions and information are required to be provided by the Owner to AP in an expeditious manner in order to ensure timely progress of the design services. AP shall be entitled to rely on the accuracy and completeness of the Owner's information. The responsibilities of the Owner shall include, but not be limited to, the following:

6.1 Prior to commencing services, provide all necessary documents including, but not limited to site plan, topographic and boundary survey, vicinity map

6.2 Provide information and coordination regarding design requirements for the Project such as facility program, engineering data, development regulations (including land use and building codes.)

6.3 Provide a copy of market study and program

6.4 Provide a copy of parking requirements and/or demands for surrounding properties

7. COMPENSATION AND PAYMENTS

AP will be paid a lump-sum fee of Ten Thousand Dollars ($10,000.00).

Standard reimbursable expenses, including but not limited to, plotting (bond, vellum, and color), color laser printing, black and white and color reproduction, photographic film and processing, long distance phone charges, travel, mileage, parking fees, commercial messenger charges, overnight delivery, postage and handling. These expenses will be billed at 1.10 times cost.

8. ADDITIONAL SERVICES

Additional Services which may be requested by the Owner, and which are not included within the scope of the above stated basic services, shall be provided upon written approval and payment of additional fees. These may include such items as: a) extended periods of services; c) revisions to previously approved services and documents; d) added Project Scope; or e) added Scope of Services. Fees will be based upon AP's hourly billing rates.

9. TERMS AND CONDITIONS

Below are outlined basic terms and conditions that apply to this Proposal:

9.1 The drawings and other documents prepared by AP and any AP consultants are instruments of AP's services for use solely with respect to this Project, and unless otherwise provided, AP shall be deemed the author of these documents and shall retain all common law and statutory and other reserved rights, including copyright. Drawings and other documents prepared by AP shall not be used by the Owner or others on other projects, except by agreement in writing and with appropriate compensation to AP.
We have included a brief firm profile here into for your review and reference. If you have any questions concerning our firm, or any questions regarding this proposal, please do not hesitate to contact me. We are prepared to offer you our highest level of expertise and professional service, and thank you again for the opportunity to submit our proposal and qualifications for your consideration of Alton Partners.

We look forward to speaking with you soon.

Sincerely,

ALTOON PARTNERS

[Signature]

James C. Auld, AIA, CDP
Partner

cc: Partners, L. Young, M. Owen – Alton Partners

AGREED AND ACCEPTED BY:
LAND ECONOMIC FOUNDATION
c/o Ron Buss, Chairman

______________________________
Signed

______________________________
Name and Title

______________________________
Date
From: Ron Buss
Sent: Monday, March 28, 2016 10:11 AM
To: Millard A. Lee <adahlerbruch@pvestates.org>; Sheri Repp <srepp@pvestates.org>
Subject: Fw: AC Martin Fee Quotes - Malaga Cove Plaza

Background:

The Malaga Cove Plaza is a unique community asset in the Palos Verdes Estates and is well known outside of the area by both Architects for it Mediterranean or Spanish Revival Architecture and people in the retail industry for its overlay of uses in the heart of the small community. It’s a treasure, unique in many ways but is similar to other such places in the region. It has a combination in one and two levels of some 200,000 Sf of retail, commercial and office, surrounding and forming a Plaza, with parking and the fountain and arcade. The ownership of the buildings wrapping the plaza and forming the arcade is split among 18 different groups or individuals, while the parking area in the center of the formed plaza is publicly owned and not currently managed or metered. With the shortage of parking for visitors to City Hall and other uses, and the lack of controls, parking is all day long and therefore directly impacts the shopper traffic to any retail use. The plaza is essentially level but the greater site has significant slopes which can be leveraged to create additional convenient and needed parking for civic and office uses, but arranged to help traffic and be visually discrete. This will allows managing the most convenient parking to enable retail activity in the Plaza.

It just needs a careful overlay of strategies, policies and certain key designed and built solutions.

So we can share examples of similar projects and places in our region that have created management practices, public policies, and implemented design solutions to attract and keep great retailers, serve customers and the community. These examples will be between best management strategies and effective design solutions which can over time create the infrastructure to attract back the tenants that deserve to be in Malaga Cove Plaza.

The challenges faced here are not insurmountable nor without example of good practices and approaches to get back to solid ground. But there will need to be a centralized authority, association, review board who can implement these things and then over time keep them relevant. Retail is always changing and so Malaga Cove Plaza needs a group to take this on and keep it going.

Without a “business improvement district” or singular ownership, or a guiding force or even guideline let alone binding agreement, 18 separate property owners surrounding the “plaza” and The City of Palos Verdes Estates controlling the immediate parking area, it has been difficult for the “plaza” to compete to keep and attract a full spectrum of community serving retail, dining, entertainment and convenient service uses. While this has created t

I think what we discussed was the desire to put together a compelling story, with diagrams and images and other illustrative to show pl retailers to go together with your Market Study for retail.

Here are some places in the region we know that have some of the same challenges and opportunities that Malaga Cove Plaza There are others for sure, but this is a good start:

Larchmont Boulevard

http://larchmont.com/about.html

Brentwood Country Mart

http://www.brentwoodcountrymart.com/

Malibu Lumberyard
And Malibu Country Mart

http://www.malibucountrymart.com/

Santa Barbara

http://www.downtownsb.org/about/who-we-are

The phase I is easy, I think:

We would provide some narrative, reference imagery and diagrams to describe the various aspects of the existing project that can be implemented to make such moves forward together with your marketing study and a municipal parking facility, creation of an association, facilities improvement district or BID:

Architecture
Landscape-Hardscape-Paving
Seating
Amenities like ash and trash, recycling bins, charging stations, etc.
Lighting – site, parking, arcade, façade, landscape
Environmental Graphics
Blade Sign Program
Website and digital presence
Retail Storefront and Signage Design Guidelines

Seasonal and Or Temporary Strategies
Art Program
Disabled Access
Restrooms

No presentations would be needed at first by us, as it sounded like you would do so to the City and 18 Property Owners Group.

Phase II, implementation would be dependent upon on the direction ultimately desired. Consultants may need to be engaged to execute portions of the plan.

Urban Design Strategy for Malaga Cove Plaza

It’s really the center of the Malaga Cove Community and it should be treated that way. While under ownership of the City and 17 individual property owners, most visitors, citizens and potential retailers so this as a district, place or singular experience.

Jim

James C. Auld, AIA, CDP, Partner
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Millard,
as a follow-up to our conversation on Wednesday, the involvement of AC Martin would probably be on two levels subject
to your recommendations.

**Phase I**
A brief report with visuals as to the enhancement of the Plaza in terms of lighting (non-existent), added parking for city
employees (see photo), Plaza parking time limits, landscaping, patron seating, signage etc. Basic structures will remain
(historical) intact.

**Phase II**
Bid the various contracts required and oversee the renovation process to make the Plaza more commercial friendly; there
is ample second floor office space available for ground floor relocation.

Attached is a diagram of the Plaza configuration; the ownerships are circled and listed (17) on the following page.
Photographs are included for visual orientation; please feel free to call, or meet on-site if you prefer. The enhancement
program to be funded through an assessment district due to the number of ownerships involved. LEF would provide the
bulk of the funding, the City would provide the balance. LAI Los Angeles would submit the application; yours truly
would prepare it for your signature. The major “stakeholders” have already been contacted; preliminary cost estimate on
file to expanded parking along Via Tejon, the easterly side of the Plaza. Direct your proposal to the:

Land Economic Foundation
c/o Ron Buss, Chairman

(e-mail is fine)

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Future Parking Area For City Hall/Police Department

Commercial/Municipal Parking Off Tejon Place, west of Via Corta
Corner Structure Via Corta and Plaza, Fronting Public Park

Corner Building Fronting Plaza Parking
Westerly View of Plaza Parking

Two-Story Building Fronting Plaza Parking
Via Chico Archway From Plaza

Westerly View of Plaza Parking Area
Building at Southeast Corner Via Chico & Via Tejon

Via Tejon Easterly, Open Space on Left Side (Future Parking)
Via Tejon Building From East End of Plaza

One Way Access Out Off Via Tejon
### MALAGE COVE PLAZA

#### PROPERTY STATUS

<table>
<thead>
<tr>
<th>Property Address</th>
<th>Current Ownership</th>
<th>Current Usage</th>
<th>Square Feet</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Building</td>
<td>Land</td>
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<tr>
<td>Via Chico East</td>
<td></td>
<td></td>
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<tr>
<td>2554 Via Tejon</td>
<td>CW Real Estate Holding</td>
<td>Office</td>
<td>4,726 4,957</td>
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<td>Via Chico to Via Corta</td>
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<td>20 Parcels</td>
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