



WESTFIELD CULVER CITY DFD AMENDMENT REQUEST

OCTOBER 3, 2023



UNIBAIL-RODAMCO-WESTFIELD

OVERVIEW



UNIBAIL-RODAMCO-WESTFIELD

Overview

Background:

- Fox Hills Mall, LP & CMF Fox Hills, LLC (Westfield) and Culver City Redevelopment Agency executed an Owner Participation Agreement in April 2008 which contained conditions and obligations of Westfield in-order to receive a Net Present Value of at least \$10M of subsidy for the investment being made in the shopping center by Westfield.
- The shopping center redevelopment commenced in 2007 and opened in October 2009 (see Development Plans on sheets 4-6) – investment was approximately \$200M.
- As part of the redevelopment Westfield was proposing large format signs that were integrated into the overall structure of the building.
- The OPA includes an obligation of Westfield to share the sign revenue on 3 of the primary faces (see Signage Plan on sheet 7) until either the signs no longer exist or are no longer in use. The signage was a critical element of the project to Westfield based on the assumed rental revenue.
- The OPA obligates Westfield to pay 1) an annual payment to the City of Culver of \$225,000 which is the “base payment” 2) an additional annual payment in an amount equal to (a) 50% of the gross sign revenue during a calendar year which is in excess of \$2.2M less (b) the base payment.
- In addition to the OPA, a Design for Development (DFD) was adopted by the Agency in December 2007. This document governs and provides governance for the proposed signage being developed in the project. It governs items such as illumination, size, prohibitions, purpose and intent of signage, advertising display, content, etc.
- The DFD includes the permissible advertising content (see DFD Advertising Content on sheet 8)

Current Status:

- Westfield has paid the City roughly \$3.2M since commencement of the signs. Annual base payments have been made, but since the annual gross revenue has never exceeded \$2.2M the City has not benefitted from the revenue sharing component. To note the breakpoint in the OPA is fixed at \$2.2M, meaning there is no escalation which would typically be included based on annual CPI growth rate.
- The content and medium of signage has changed tremendously since 2008. The core categories that are buying exterior advertising is the following: travel, automobiles, gaming, electronics/technology, entertainment (streaming services, movies) and consumer packaged goods.
- Based on the restrictions governed in the DFD on a very narrow advertising content, Westfield has found it very challenging to find advertisers

Request:

- Westfield is requesting to work with the City Attorney’s office and Staff to amend the advertising content definition in the DFD to allow off-site advertising allowing the opportunity for a greater number of advertisers and revenue.
- Westfield will engage outside legal council at Westfield’s expense to assist in this process to ensure all parties are comfortable and aligned

Additional Steps:

- If alignment is reached with the City of Culver City to amend the content definition, Westfield will take the next steps to seek approval from the State of California (see Timeline on sheet 9).

Redevelopment Plans - 2007

A new northwest entrance will become a prominent "front door" entrance to the mall. The pedestrian connection to the transit station at the north portion of the site will be enhanced and landscaped.

The new mall floor and sections of the existing terrazzo floor will be updated with a stone tile or polished concrete floor, providing contrast to brighter repainted walls and ceilings in lieu of the monochromatic palette between floor, wall and ceiling in the existing mall

Level 1



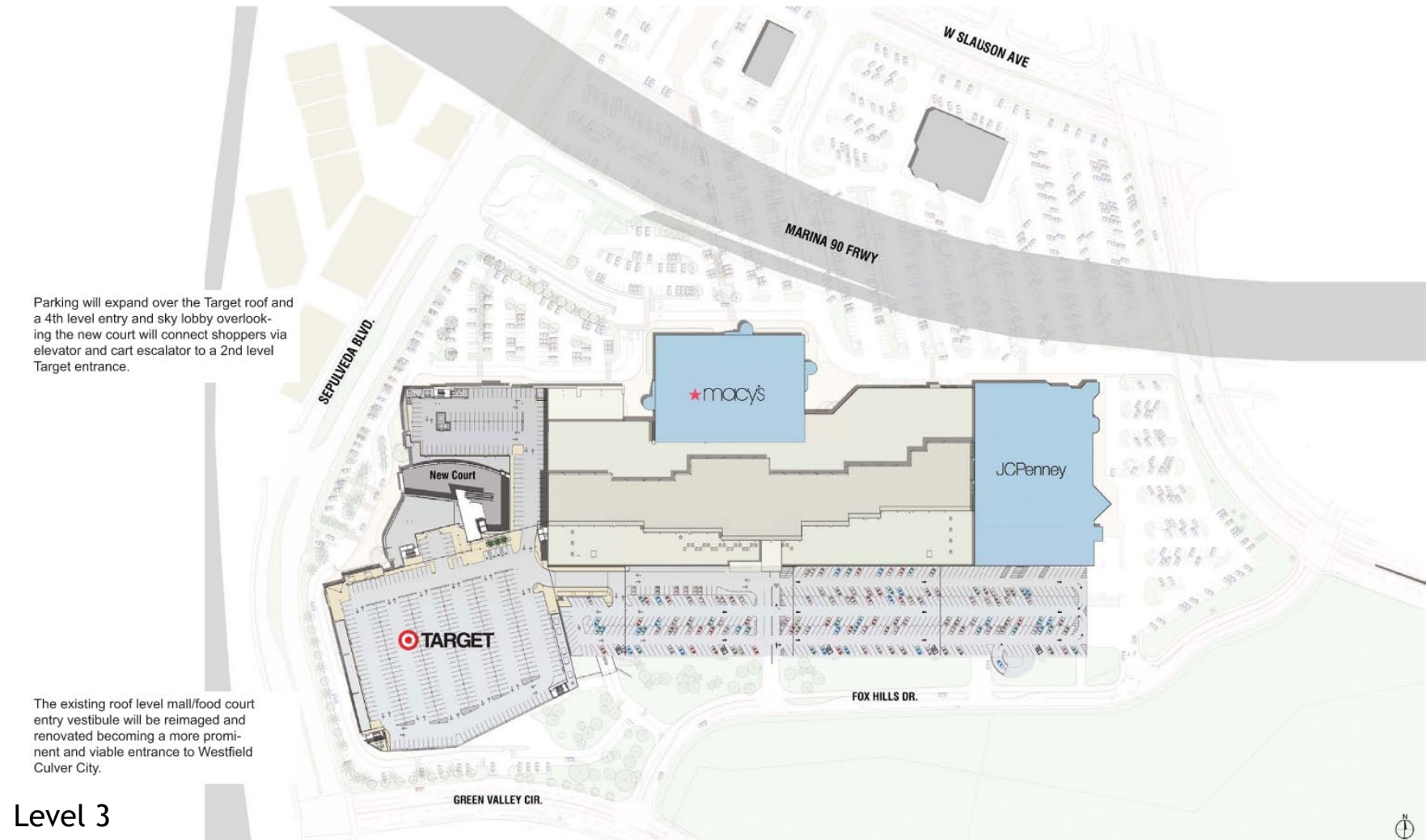
Redevelopment Plans - 2007

Tile pavers throughout the expansion's second level, and select areas of the existing second level, will bring a needed update to their flooring. Full height, all-glass handrails will occur through the mall expansion and will replace the steel picket and wire mesh handrails in the existing mall.

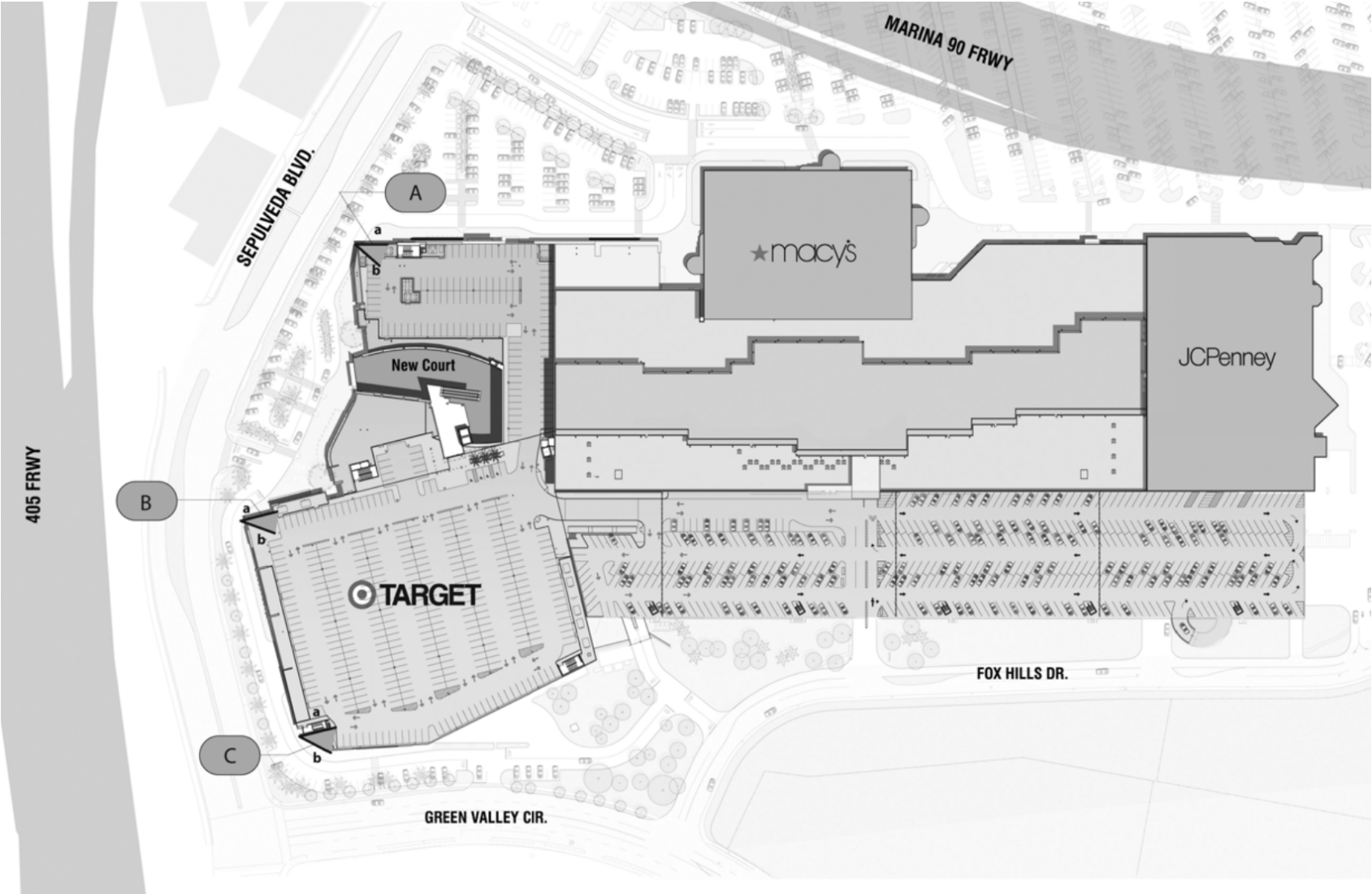
Level 2



Redevelopment Plans - 2007



Signage Plan



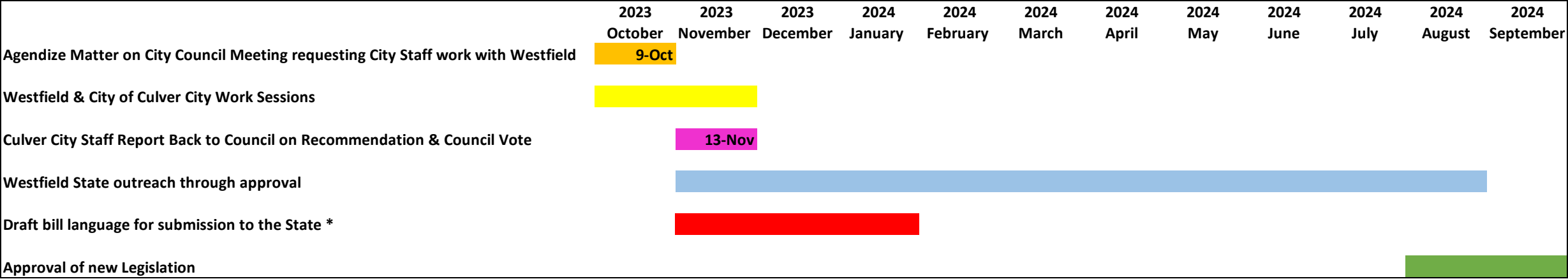
DFD - Advertising Content

C. Advertising Content

Signs will be used exclusively to advertise the business conducted or services rendered or goods produced or sold upon the property upon which the sign(s) is placed. A sign which advertises a brand name, trade name, product or service only incidental to the businesses or services conducted or operating at the Mall shall not be permitted. Goods, products or services are incidental if they do not make up a significant portion of the business. For example, as to the list of restaurants found in Schedule II – Preapproved Tenants to the Owner Participation Agreement, advertising as to alcohol and soft drinks offered at a restaurant would be incidental.



Timeline



* Note - Westfield needs to draft a new bill that goes for approval at the State level requesting the approval of off premises. Advancement to the State level cannot happen without the alignment with the City of Culver City

THANK YOU



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