



## SERITAGE COMMUNITY PLAN AMENDMENT INITIATION

UCPG MEETING FEBRUARY 9, 2021

THE COLLECTION AT UNIVERSITY TOWN CENTER | LA JOLLA, CA



Seritage Growth Properties  
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212-355-7800 | [www.seritage.com](http://www.seritage.com)

# SERITAGE

*Unique platform specializing in intensive redevelopment and the long-term ownership of differentiated, community-oriented real estate*

## SERITAGE GROWTH PROPERTIES

Fully-integrated real estate platform focused on creating revitalized shopping, dining, entertainment and mixed-use destinations that provide enriched experiences for consumers and local communities

### PLATFORM

- Formed specifically to reimagine and redevelop a high-quality retail portfolio acquired from Sears Holdings in July 2015
- Experienced team of 90+ full-time development, construction, leasing, legal, finance and asset management professionals
- Over 100 projects completed or commenced representing \$1.7 billion of capital investment
- Repurposing over 10 million square feet of buildings and 1,000 acres of land
- Leased 9.6 million square feet totaling \$167.5 million of new rental income

### BALANCE SHEET

- Own \$4 billion of real estate across 200 locations
- Berkshire Hathaway is primary lender through \$2.0 billion term loan facility
- Demonstrated access to capital and robust real estate transactions platform
- Raised \$1.5 billion of incremental capital since inception including new debt, preferred equity and asset monetization proceeds
- Nearly \$700 million of liquidity as of 9/30/19

### PARTNERSHIPS

- Established third-party relationships provide capital, non-retail development expertise and supplemental construction, leasing and property management support
- Representative capital partners: Berkshire Hathaway, Invesco Real Estate, M&T Bank
- Representative development partners: KDC, Toll Brothers, Avalon Bay, Mack Urban
- Representative leasing and management partners: JLL, CBRE, Cushman and Wakefield

**BERKSHIRE HATHAWAY INC.**



**M&T Bank**

**Invesco**

**Toll Brothers**

**AvalonBay**  
COMMUNITIES, INC.



# SERITAGE

## PREMIER PROJECTS

Opportunities to significantly increase density and combine retail with residential, office and/or hotel development in an integrated setting. Seritage's portfolio is composed of highly desirable real estate in high growth markets.

Over 20% of Seritage's portfolio is in California including El Cajon, Chula Vista, Ramona, etc.

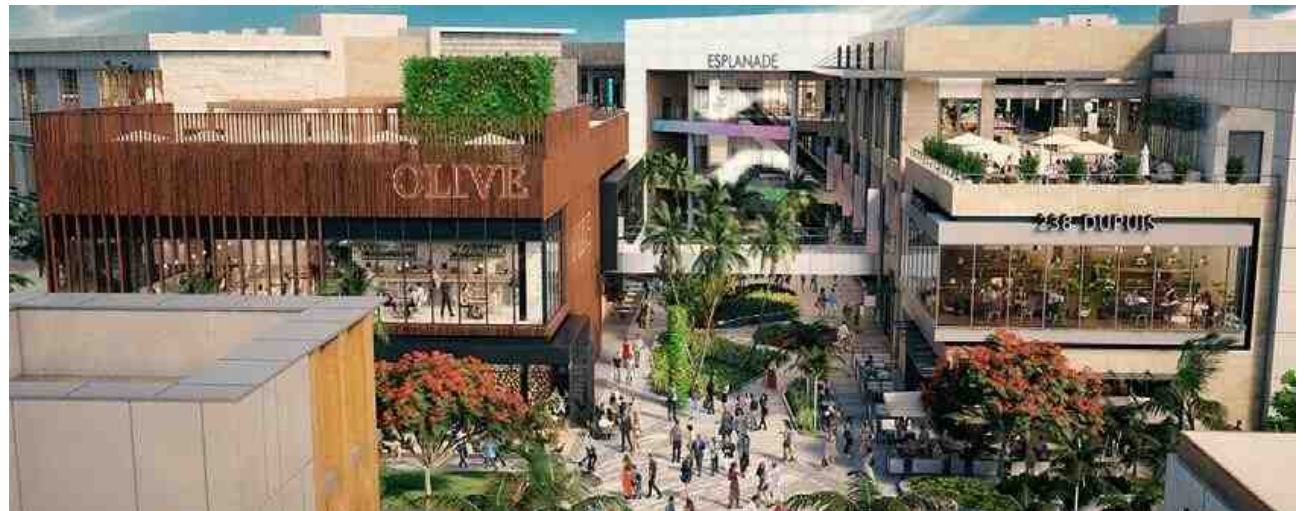
### SANTA MONICA, CA

- Conversion of landmarked 3 story retail building into 4 story mixed-use building totaling 100,000+ square feet
- Received entitlements from City of Santa Monica, Landmark Commission and Coastal Commission
- Equity Partner: Invesco Core Fund (50%)
- Substantial completion in December 2019



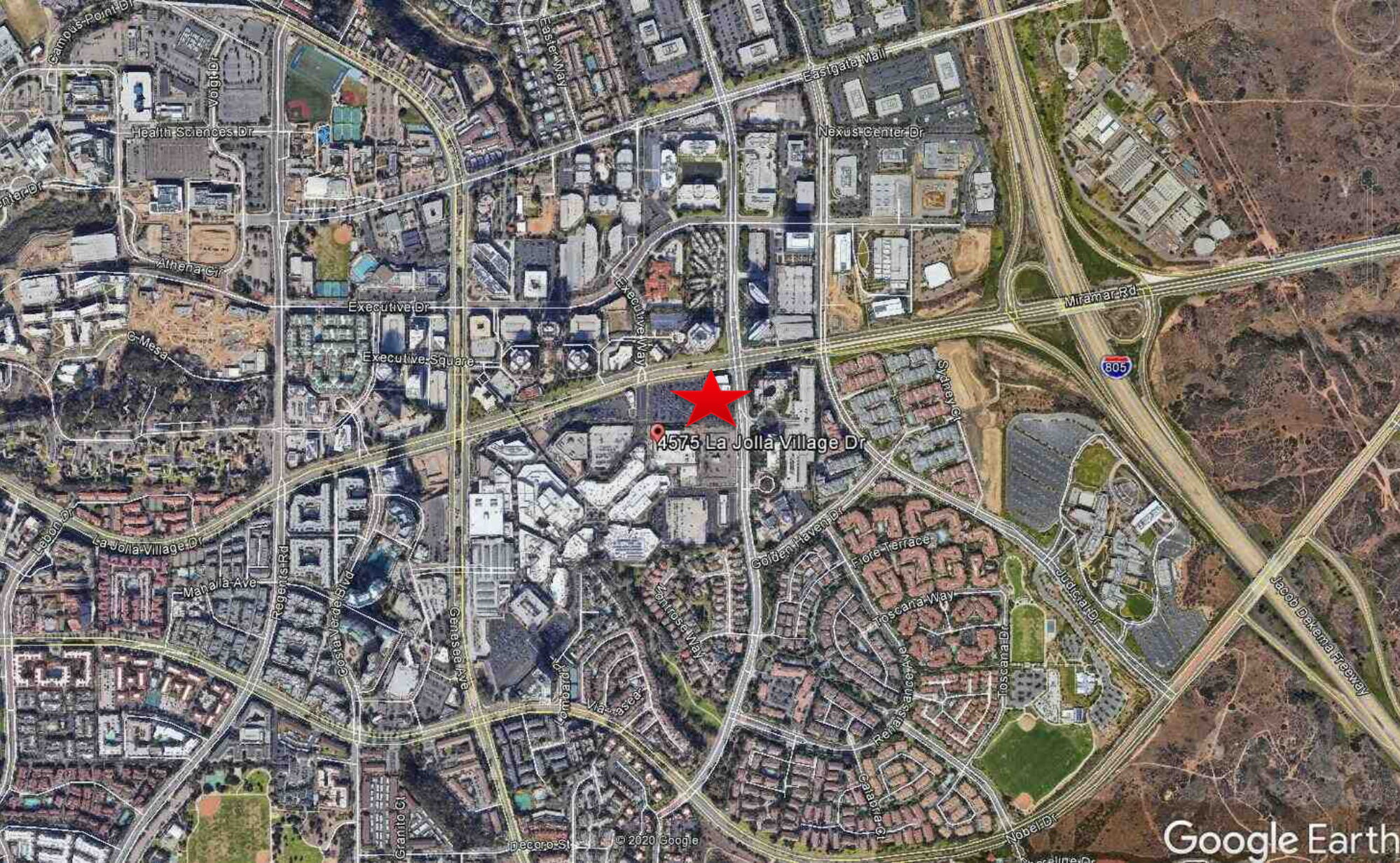
### AVENTURA, FL

- Multi-level, open-air retail destination featuring a leading collection of experiential shopping, dining and entertainment concepts alongside a treelined esplanade and activated plazas
- Pre-leased to leading entertainment, restaurant and co-working tenants
- Construction underway; initial deliveries to tenants in Q1 2020 with mid-2020 opening
- Phase II approved for 100,000 square feet of additional retail densification



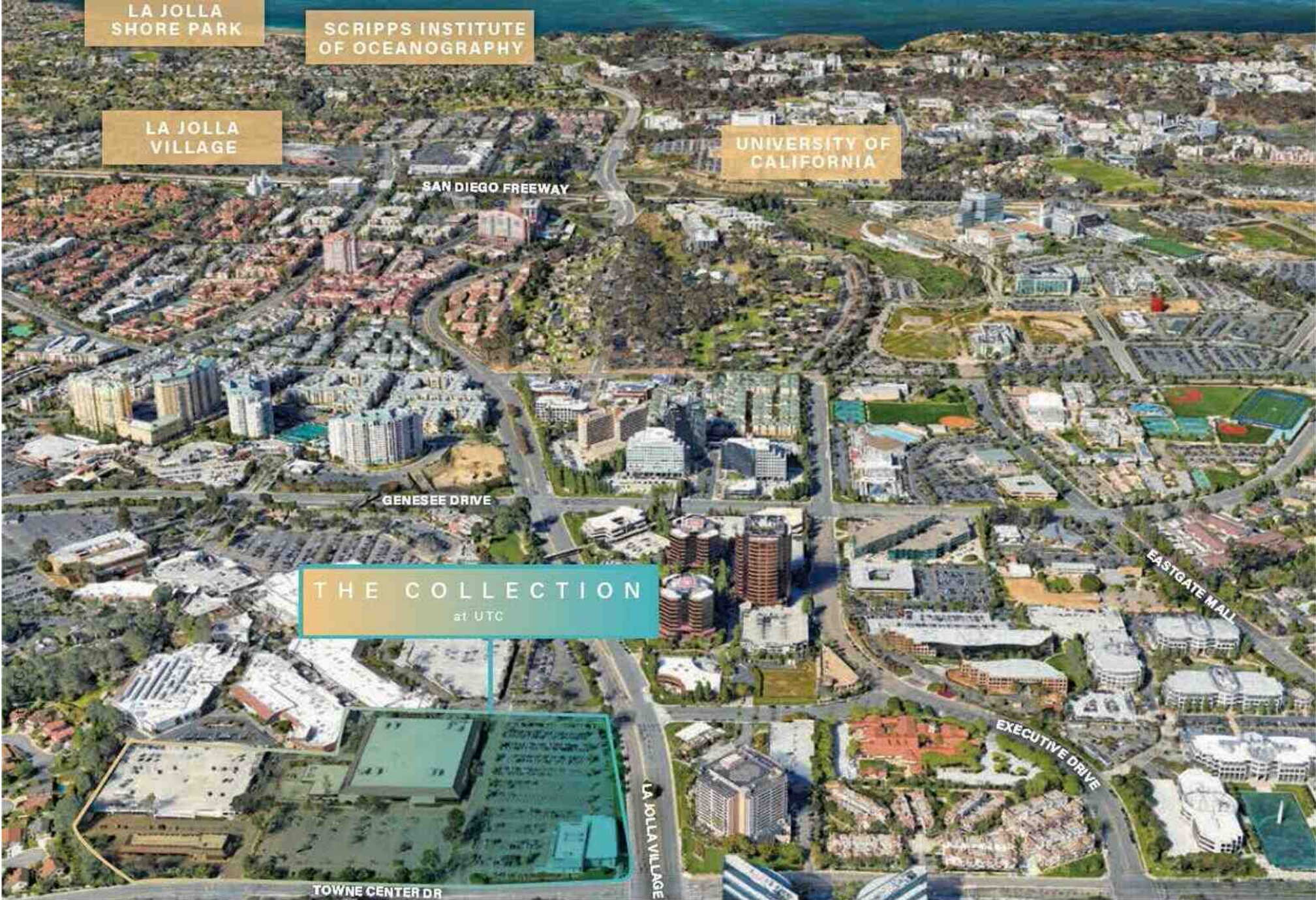


SERITAGE



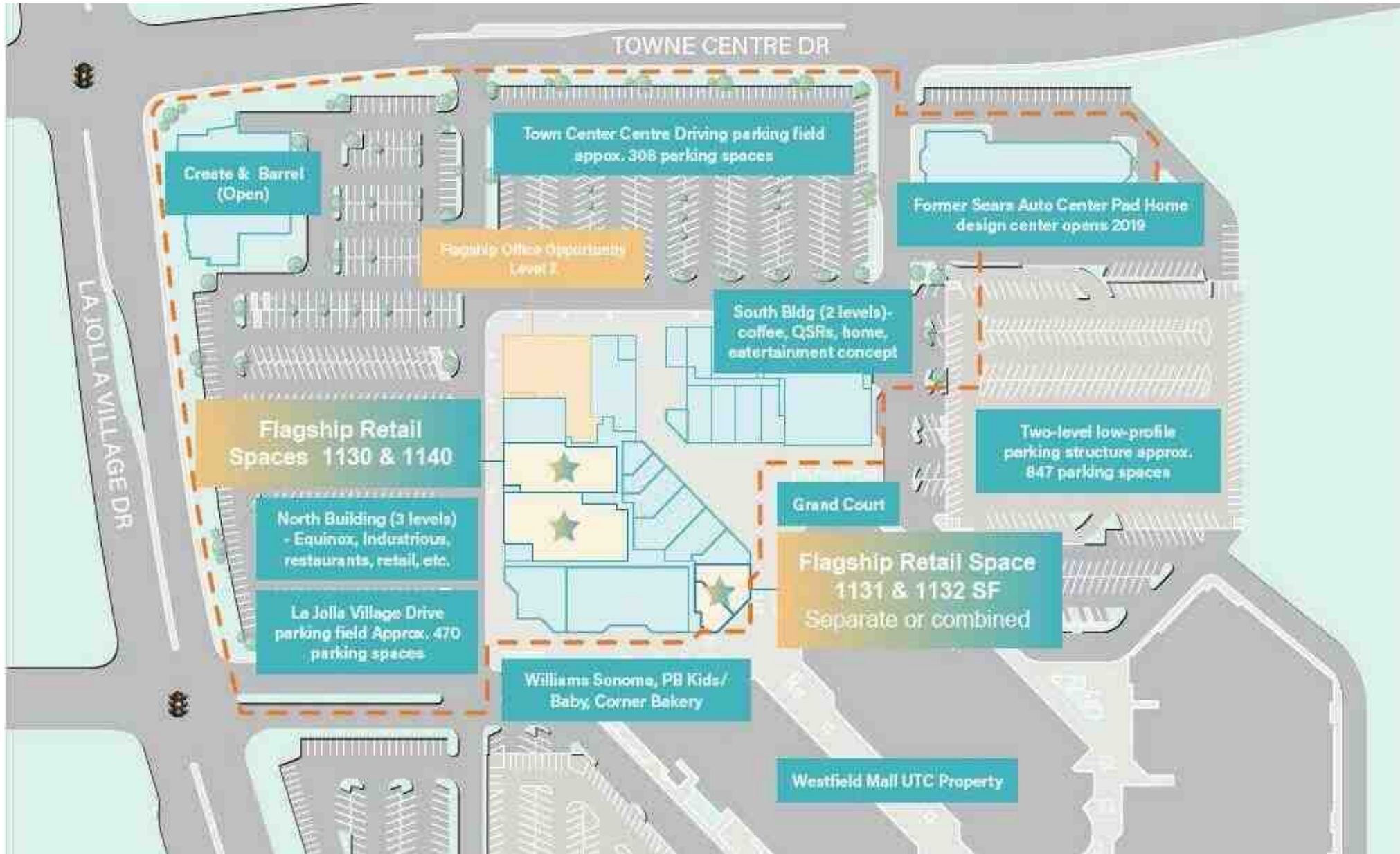


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## Former Sears Building at Seritage UTC - Improvements Currently Underway





## Future Plans for Seritage UTC

### Mixed-Use Development

- Multifamily Residential
- Commercial/Offices
- Retail
- Life Sciences





## Existing Entitlements Applicable to Seritage UTC

- 2008 Amendment to General Plan/Vesting Tentative Map with Summary Vacations/EIR No. 2214
  - Rezoned from CC-1-3 to CR-1-1
- Development Intensity Table limits development to the approved Master Planned Development Permit (and associated Site Development Permit/Amendment to Planned Commercial Development Permit with Design Guidelines)
  - Provides for 1,811,409 sf GLA and 300 dwelling units
- SCR 2018
- To date, most if not all, development intensity has been utilized



# City-Led Community Plan Update

- Seritage has been participating in the City’s University Community Plan Update Process since 2018
- UCPUS and City Staff have been hard at work to evaluate areas appropriate for development given constraints of the area



## LAND USE REGULATORY & POLICY CONSTRAINTS





# City-Led Community Plan Update



## FOCUS AREAS

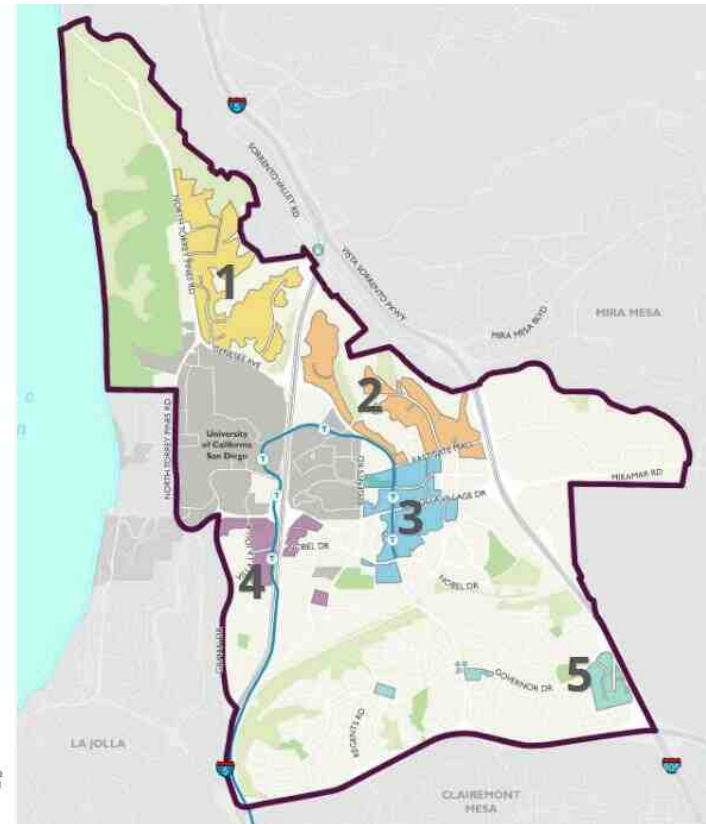
**Focus Area 1:** N. Torrey Pines Employment Cluster

**Focus Area 2:** Campus Point & Towne Centre Dr. Employment Cluster

**Focus Area 3:** UTC Mall Area

**Focus Area 4:** La Jolla Village Square Area


**Focus Area 5:** Governor Dr.





# City-Led Community Plan Update

The Seritage site & the UTC mall site in general have been identified as a focus area of the Community Plan Update for increased mixed-use density



**UNIVERSITY**  
Community Plan Update

## FOCUS AREA 3

*Mixed-use with an increase in density.  
Enhanced public realm and access to transit.  
Reduction in superblocks and surface parking through infill development.*

The City of  
**SAN DIEGO**



## City-led vision for CPU aligns with Seritage's Vision



### FOCUS AREA 3

*Mixed-use with an increase in density.  
Enhanced public realm and access to transit.  
Reduction in superblocks and surface parking through infill development.*



## Timing: General Plan Policy LU-D.4 Request

Because of delays associated with the City-led Community Plan Update process, we propose to initiate a Community Plan Amendment pursuant to **General Plan Policy LU-D.4** to simply expedite the development timeline

Land Use and Community Planning Element



- LU-D.4.** During a community plan update process, community plan amendment requests will be accepted until the final land use scenarios have been established.



## Developer-Led CPAI Proposal

Goal: Expedite development

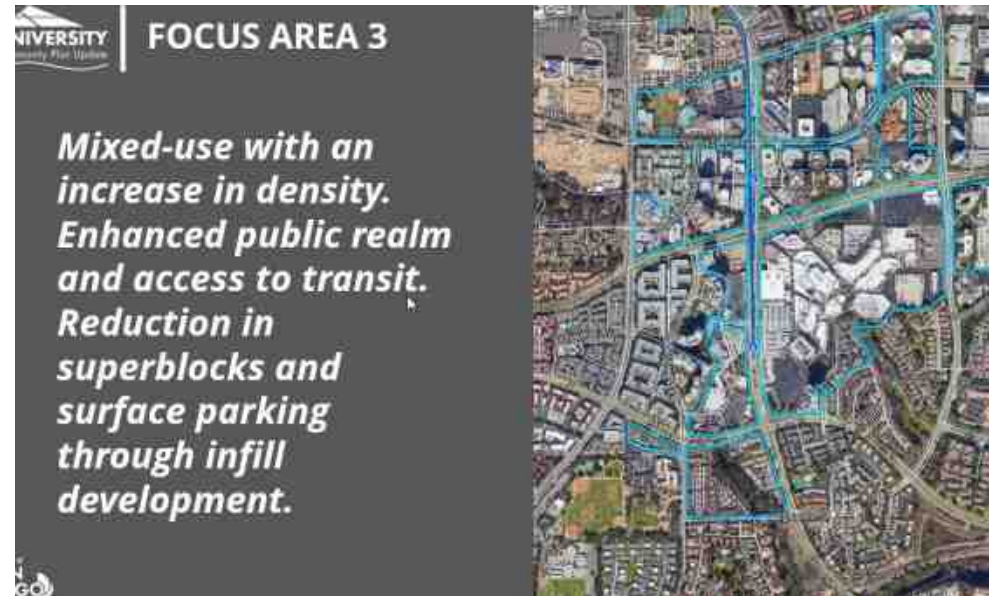
Intention: Align with City Vision for CPU

### Proposal:

Change Site's land use designation to increase Site's development intensity

**Current Designation:** Regional Commercial

**Proposed Designation:** Mixed Use



## Criteria for a Community Plan Amendment Initiation

- 1. The amendment request is consistent with the goals and policies of the General Plan and community plan and any community plan specific amendment criteria*

The proposed amendment is **consistent with the General Plan's City of Villages Strategy** outlined in the Strategic Framework Element. This Community Plan Amendment request proposes to provide **additional land use intensity to redevelop an existing underutilized site to create a mixed-use and walkable village connected by a new Light Rail Transit System.**

The **Economic Prosperity Element** encourages the **growth and retention of base sector jobs** as well as provides goals for land uses to seek efficient and flexible use of land based on business needs and to provide opportunities for new business development. Allowing additional development at The Collection at UTC would provide **additional density within a developed area allowing for companies to locate or expand adjacent to transportation.** It would allow for the **redevelopment of underutilized land** into a more efficient use.

Additionally, the General Plan also identifies the University community as a Sub-Regional Employment area which is made up of high intensity office, commercial, industrial and residential uses. The proposed amendment would be compatible with this General Plan Guidance as it would provide the **ability to capture additional development on an already disturbed site.**



## Criteria for a Community Plan Amendment Initiation

*Cont'd 1. The amendment request is consistent with the goals and policies of the General Plan and community plan and any community plan specific amendment criteria*

The **University Community Plan** also has goals related to developing the University area as a self-sufficient community offering a **balance of housing, employment, business, cultural, educational and recreational opportunities and providing job opportunities within the University community which would be consistent with the proposal to provide mixed-use development**. Additionally, the University Community Plan envisions creating an **urban node with two relatively high-density, mixed use core areas located in University Towne Center and La Jolla Village Square** with higher density housing in these areas. The proposed Community Plan Amendment is within the University Towne area and is therefore consistent with the University Community Plan goals.

## Criteria for a Community Plan Amendment Initiation

*2. The proposed amendment provides additional public benefit to the community, as compared to the existing land use designation, density/intensity range, plan policy or site design.*

The proposed community plan amendment provides **additional public benefit to the community by providing additional opportunities for residential housing and employment opportunities to be developed within close proximity to public transit.** Providing residential units will help **meet the housing needs of the community in an area-well served by transportation infrastructure,** including the Mid-Coast Trolley Line expansion. Providing opportunities for employers to locate or expand in the San Diego area will provide additional employment opportunities to its residents. By providing these improvements adjacent to transit, **the redevelopment of this area will help further the City in meeting its goals to reduce greenhouse gas emissions consistent with the Climate Action Plan.**



## Criteria for a Community Plan Amendment Initiation

- 3. Public facilities will be available to serve the proposed increase in density/intensity, or their provision will be addressed as a component of the amendment process.*

The University Community Plan area **is an urbanized community and all necessary public services appear to be available.** If the plan amendment is initiated, **an analysis of public services and facilities would be conducted with the review of this amendment.**

# Questions?

