

## #6 – I Will Be 91 When This Project is Completed

- This year is 2021 and the Project is allowed to take over 20 years to complete in the year 2041.
- This property was purchased in the year 2013 and was supposed to be finished in 2018. Its is now 3 years past that date for a total of 8 years. Is there any doubt that the entire 20 years will be taken?
- **Math: My 2 year old granddaughter will be graduating college before completion.**
- **Math: My daughter will be two years short from being eligible to collect Social Security.**
- **Math: Most seniors who shopped at the Laguna Hills Mall will never see it finished at all.**

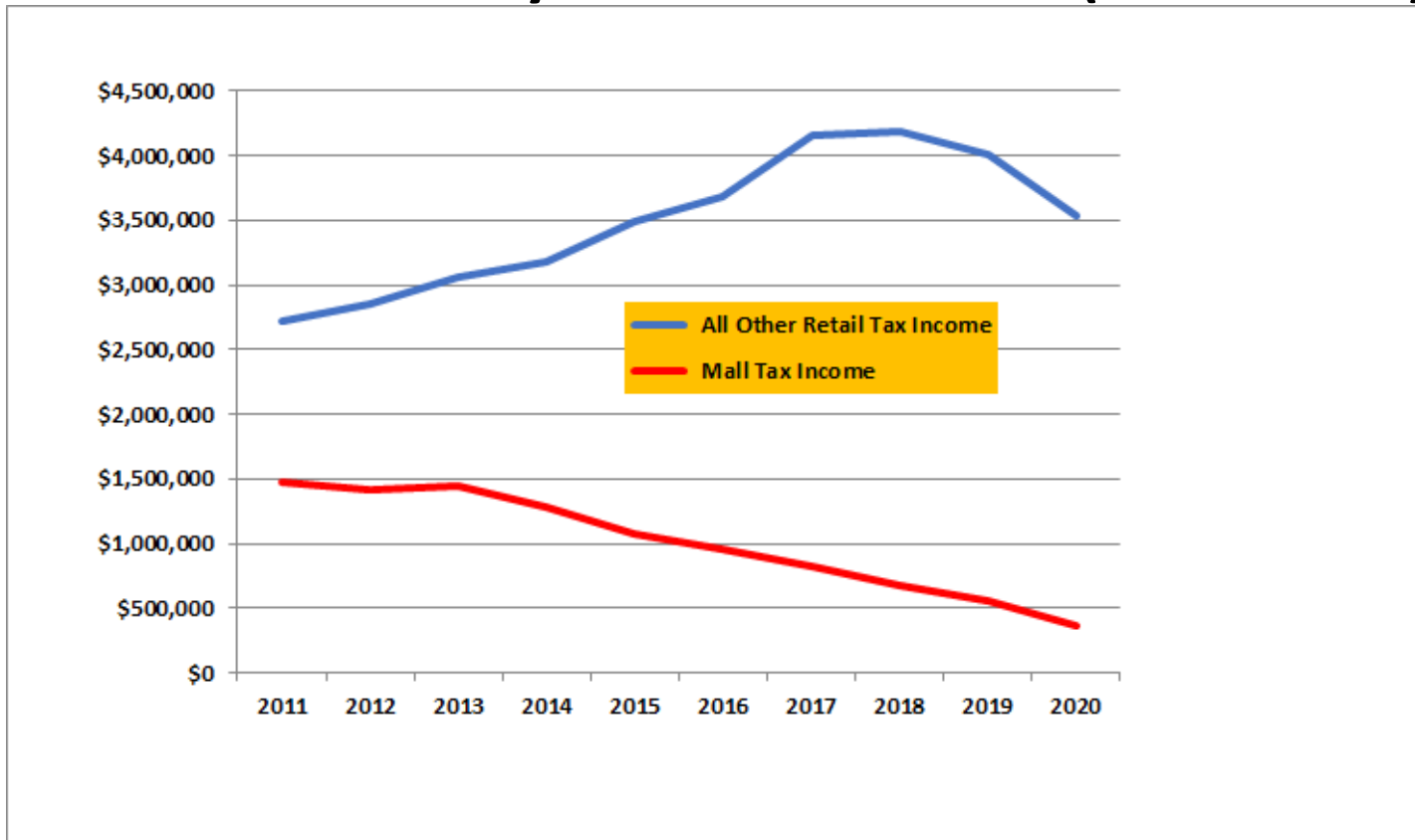
## # 11 – Retail is on the Rise

- **Simon Properties Inc. is a real estate investment trust (they sold the Mall to MG for \$104 million) that invests in shopping malls. There is the opportunity to build the mall of the future.**
- **Math: Stock price graph of Simon for 1992 to present and for the past 2 years:**



## # 11 – Retail is on the Rise

- The graph below is an actual graph of Laguna Hills retail tax revenue from 2011 through 2020. Note that we have always been on the rise (until Covid).



## #4 - \$26,000,000 City Bonus: The Rest of the Story

- The celebrated \$26,000,000 negotiated by way of the Development Agreement is misleading.
- The city would actually get \$23,000,000 anyway via Quimby Funds mandated by law.
- Only \$3,000,000 is an added benefit which allows the builder a benefit to stretch out the program from for over 20 years.
- **Math: \$3,000,000/20 years /12 months = \$12,500 per month or \$150,000 per year. This is less than 1% of our budget (0.6%).**

## #5 – No Adequate Compensation Compared to the Massive Builder Windfall

- The residences will bring in more money in one month than the city gets for the whole 20 years.
- **Math: 1500 residences times \$2500 per month = \$3,750,000. The city get \$3,000,000!**
- **For a one year, this is \$45,000,000 compared to the \$26,000,000 the city would get for the whole 20 years.**

# #3 - Fiscal Impact

- City impact – two very different models.

Primary Fiscal Revenue	Meaning	Kosmont Amount	My Estimate/Fair Share
Property Tax (Secured & Unsecured)	Property Tax	\$701,000	\$701,000
Property Tax In-Lieu of VLF	Vehicle License Share Tax	\$304,000	\$304,000
Sales & Use Tax (On-Site/Direct)	Retail Sales Tax	\$846,000	
Sales & Use Tax (On-Site/Indirect)	Double Counted Sales Tax	\$310,000	
Transient Occupancy Tax	Hotel Room Tax	\$670,000	\$670,000
Recreation Fees	Recreation Fees	\$54,000	\$54,000
Franchise Tax	Franchise Tax	\$107,000	\$107,000
<b>Total</b>		<b>\$2,992,000</b>	<b>\$1,836,000</b>
Primary General Fund Expenditures	Meaning	Kosmont Amount	My Estimate/Fair Share
General Government	City Cost	\$33,100	
Public Safety	Police	\$1,501,100	\$1,501,100
Public Service	Parks, Public Works, Etc.	\$114,700	
Non-Departmental		\$15,000	(included in Gen. Gov.)
Community Development	Building & Planning	\$0	
Community Service	Waste, Recreation, Etc.	\$21,400	
<b>Total</b>	<b>Math Error in Kosmont</b>	<b>\$1,685,300</b>	<b>\$1,501,100</b>
<b>Net Fiscal Impact</b>		<b>\$1,306,700</b>	

- **Math: comments on several of the Kosmont numbers shown in red boxes.**

# #3 - Fiscal Impact

- Sales tax is only about \$375,000 not \$846,000

Primary Fiscal Revenue	Meaning	Kosmont Amount	My Estimate/Fair Share
Property Tax (Secured & Unsecured)	Property Tax	\$701,000	\$701,000
Property Tax In-Lieu of VLF	Vehicle License Share Tax	\$304,000	\$304,000
Sales & Use Tax (On-Site/Direct)	Retail Sales Tax	\$846,000	\$390,768
Sales & Use Tax (On-Site/Indirect)	Double Counted Sales Tax	\$310,000	\$0
Transient Occupancy Tax	Hotel Room Tax	\$670,000	\$670,000
Recreation Fees	Recreation Fees	\$54,000	\$54,000
Franchise Tax	Franchise Tax	\$107,000	\$107,000
<b>Total</b>		<b>\$2,992,000</b>	<b>\$2,226,768</b>
Primary General Fund Expenditures	Meaning	Kosmont Amount	My Estimate/Fair Share
General Government	City Cost	\$33,100	
Public Safety	Police	\$1,501,100	\$1,501,100
Public Service	Parks, Public Works, Etc.	\$114,700	
Non-Departmental		\$15,000	(included in Gen. Gov.)
Community Development	Building & Planning	\$0	
Community Service	Waste, Recreation, Etc.	\$21,400	
<b>Total</b>	<b>Math Error in Kosmont</b>	<b>\$1,685,300</b>	<b>\$1,501,100</b>
<b>Net Fiscal Impact</b>		<b>\$1,306,700</b>	

- **Math: Old mall maximum \$1,500,000 times 25% + plus hotel.**
- **The indirect is offset by the city expenditures for them as additional pseudo-residents.**

## #3 - Fiscal Impact

- With the residence population at 4,500 and the city population at 31,000 the ratio of services is 14.5%

Primary Fiscal Revenue	Meaning	Kosmont Amount	My Estimate/Fair Share
Property Tax (Secured & Unsecured)	Property Tax	\$701,000	\$701,000
Property Tax In-Lieu of VLF	Vehicle License Share Tax	\$304,000	\$304,000
Sales & Use Tax (On-Site/Direct)	Retail Sales Tax	\$846,000	\$390,768
Sales & Use Tax (On-Site/Indirect)	Double Counted Sales Tax	\$310,000	\$0
Transient Occupancy Tax	Hotel Room Tax	\$670,000	\$670,000
Recreation Fees	Recreation Fees	\$54,000	\$54,000
Franchise Tax	Franchise Tax	\$107,000	\$107,000
<b>Total</b>		<b>\$2,992,000</b>	<b>\$2,226,768</b>
Primary General Fund Expenditures	Meaning	Kosmont Amount	My Estimate/Fair Share
General Government	City Cost	\$33,100	\$725,000
Public Safety	Police	\$1,501,100	\$1,501,100
Public Service	Parks, Public Works, Etc.	\$114,700	\$696,000
Non-Departmental		\$15,000	(included in Gen. Gov.)
Community Development	Building & Planning	\$0	\$211,700
Community Service	Waste, Recreation, Etc.	\$21,400	\$319,000
<b>Total</b>	<b>Math Error in Kosmont</b>	<b>\$1,685,300</b>	<b>\$3,452,800</b>
<b>Net Fiscal Impact</b>		<b>\$1,306,700</b>	<b>-\$1,226,032</b>

- **Math: Expenditures for the project should be 14.5% of the total cost resulting in a \$1,226,000 loss each year.**



# #1 – UVSP Compliance

- The UVSP (page 24) states:  
“While most of the new development within the Urban Village will be commercial or office in nature, there will be some opportunities for mixed use projects or limited residential uses.”
- Keywords: “most ... commercial or office”
- Keywords: “limited residential”
- Math: The Village at Laguna Hills, as proposed, is 69% residential .
- **NOT COMPLIANT** : The project is not mostly commercial or office. The Village does not fall under the Housing Accountability Act because it is not consistent with local planning or zoning. The City Council alone decides whether it meets or does not the UVSP.

# #1 – UVSP Compliance

- **The UVSP (page A-3) states:**

The proposed Urban Village Specific Plan defines the development capacity of the planning area based primarily on land availability, traffic and parking limitations. The development capacity represents the additional development intensity that could be added to the existing base within the Urban Village. The Plan defines the future development capacity by land use category. The following limitations are established in the Plan for incremental development above the existing base:

• Retail	183,000 sq. ft.
• Hotel	250 rooms
• Residential	200 units
• Medical Office	138,000 sq. ft.
• General Office	380,000 sq. ft.

- **Keywords: “limitation” and “incremental”**
- **Math: The UVSP states a limit of 200 residences .**
- **NOT COMPLIANT : The project has 1,500 not 200.**

# #1 – UVSP Compliance

- The UVSP (page B-3) states:

General Plan Goals	Specific Plan Conformance
<b>HOUSING</b>	
Encourage the provision of housing that is affordable to the extent required by law, to lower and moderate income households, by ensuring that existing owners and prospective developers are aware of potential affordable housing development opportunities available within the Laguna Hills Village.	Several sites are identified for residential or mixed-use projects, with an increased density to encourage a variety of housing types.
Promote infill housing development within areas presently approved for residential development.	The Urban Village is surrounded by existing development and the provision of housing units in this area would be infill.

- **Keyword: “infill”**
- **Webster Definition: “Infill” – new buildings constructed in space available between existing structures.**
- **NOT COMPLIANT : The project residences is the major construction (69%) not infill.**

# #1 – UVSP Compliance

- The UVSP (page B-4) states:

FISCAL MANAGEMENT	
Work closely with the Laguna Hills Mall to avoid any unnecessary delay in the Mall expansion and occupancy.	The Specific Plan provides incentives for new development within the Urban Village area.
Support the early development of any use within the city that is both consistent with the General Plan and can generate a positive net fiscal impact. This will be particularly helpful to move the “Urban Village” commercial core forward in a timely manner.	Adoption of the Specific Plan and implementation of the right-of-way improvements, including the entry features and landscape parkways will encourage new developments in the Urban Village.

- **Keywords: “delay” and “timely”**
- **NOT COMPLIANT : The project only has to complete the first 2 phases in 20 years and the first phase does not have to begin for 4 ½ years from start date.**

## #7 – Traffic

- **The new mall has 1500 apartments which translates into 4500 residents. Estimates have predicted this will include 900 children (including high school) leaving 3600 adults. Each traffic lane can accommodate 1700 per hour.**
- **Math: There are two lanes leading to the interstate which would mean an overflow of 200 cars going to work and coming home.**
- **Common Sense: The El Toro exit has always been the most congested in the area, so adding a potential 3600 cars is going to cause more problems and who says Laguna Hills is the only city adding housing – RHNA!**

## #8 – Inadequate Parking

- **The parking allocations meet the existing regulations, but those regulations have been outdated and inadequate for years.**
- **Common Sense: Every high density complex in the city has more cars than the design provided. 75% to 80% of the issues that come before the Traffic Commission are about overflow parking spilling over into nearby residential areas.**

# **# – Development Agreement Gives Away All City Rights to Review**

## **#10 – Safety: We Lose the City’s Crown Jewel to a Future High Density Area with Little Retail**

- **The increase and density in populations tends to coincide with increased crime. I requested crime maps, but they were not provided.**
- **Concern: The concern is that the area will have increased crime and over the years degrade to less than desirable neighborhood.**



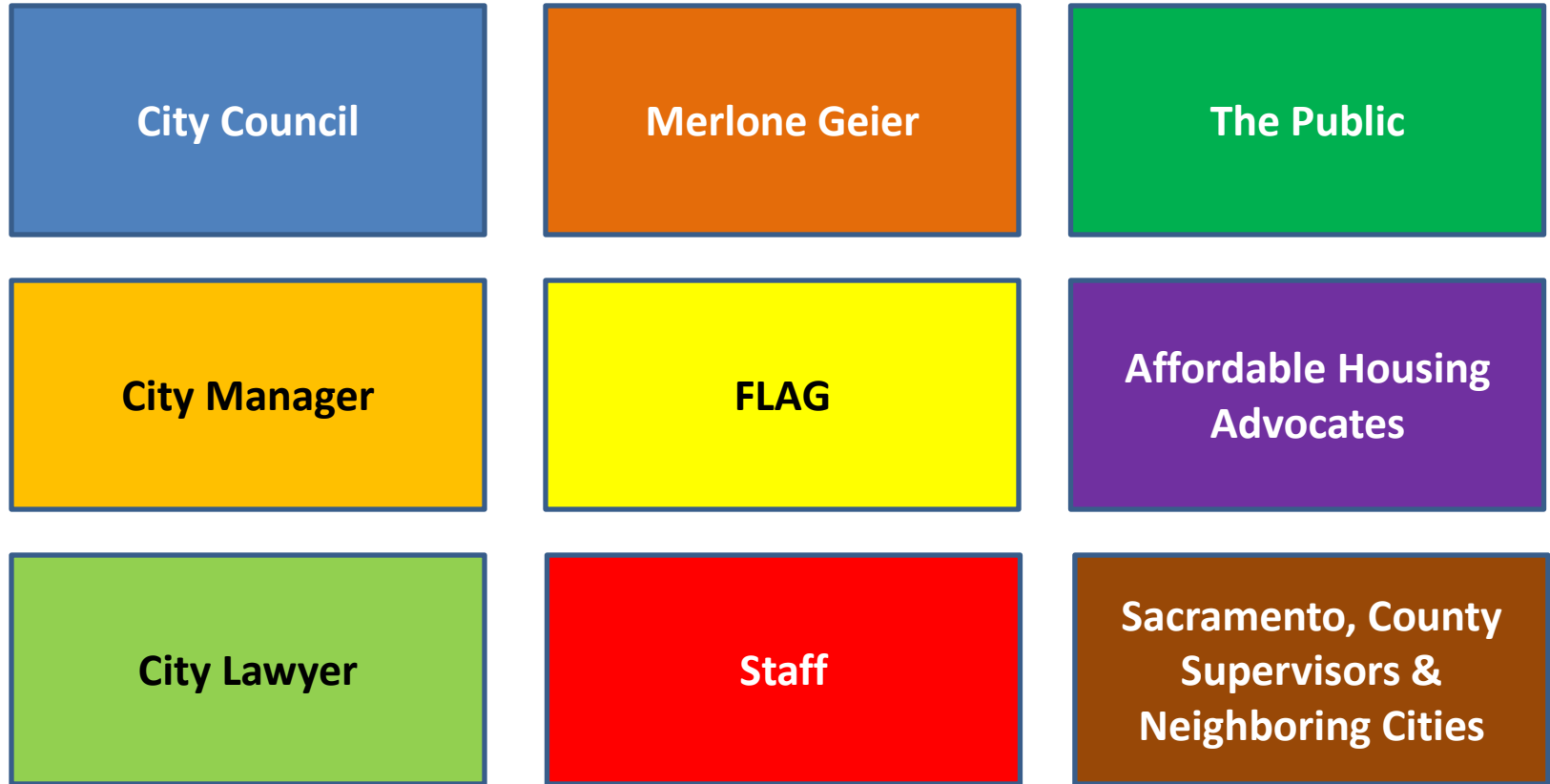
# #13 – We Lose Major Stores Infrastructure

- The original mall was approximately 1,000,000 square feet.
- **Math: We lose 750,000 square feet of stores. People have to shop somewhere, but it won't be Laguna Hills.**

## **#15 – Other Concerns**

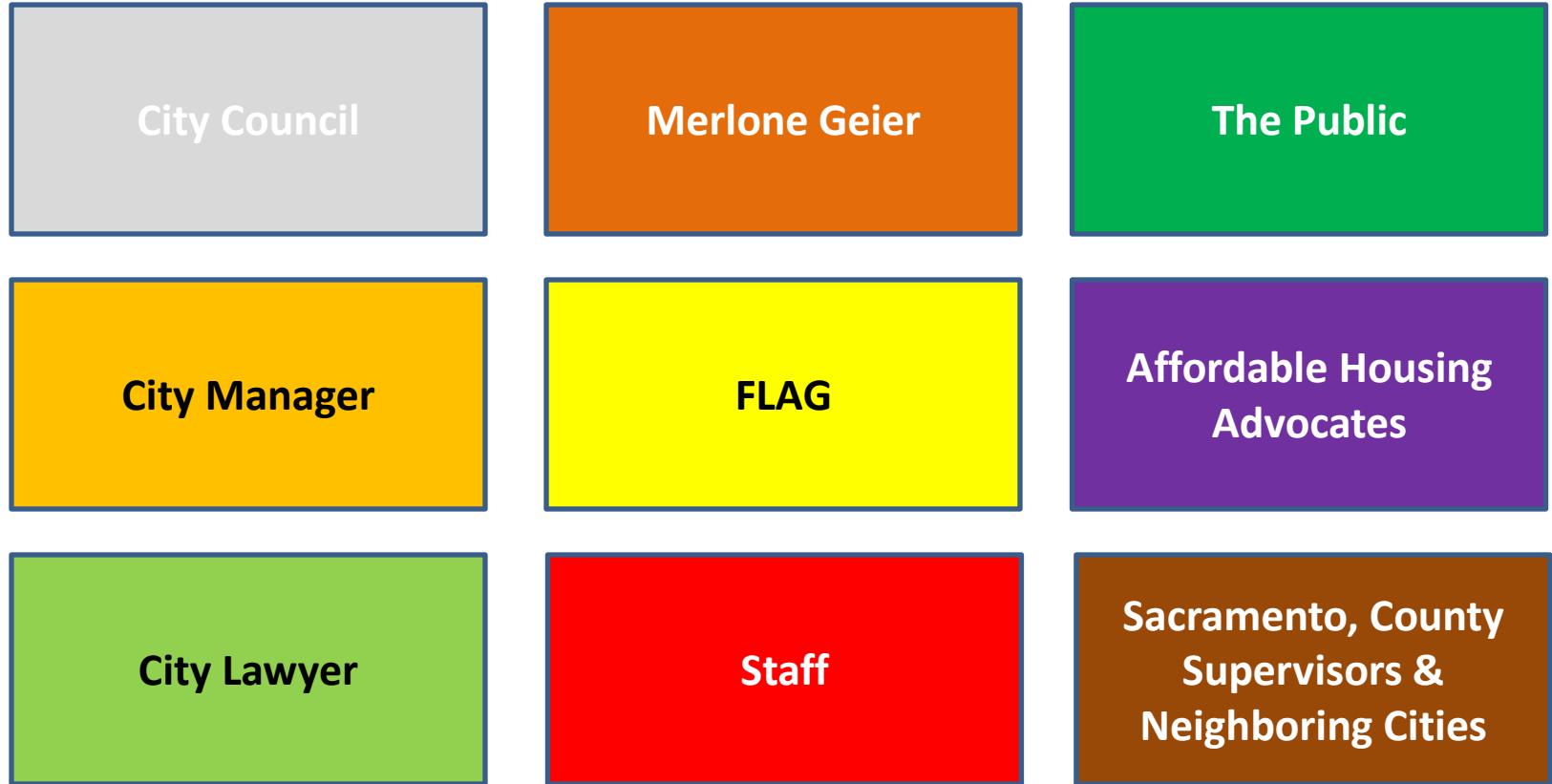
- **School overflow of 306 children**
- **Designated a liquefaction area meaning larger new buildings being less stable may require deep piles (like is done to support bridges), tying buildings together with steel beams, and enlarged foundations.**
- **Ground water testing confirms chemicals in the water that attacks and degrades steel requiring replacement.**

# #14 Who Negotiated the Village



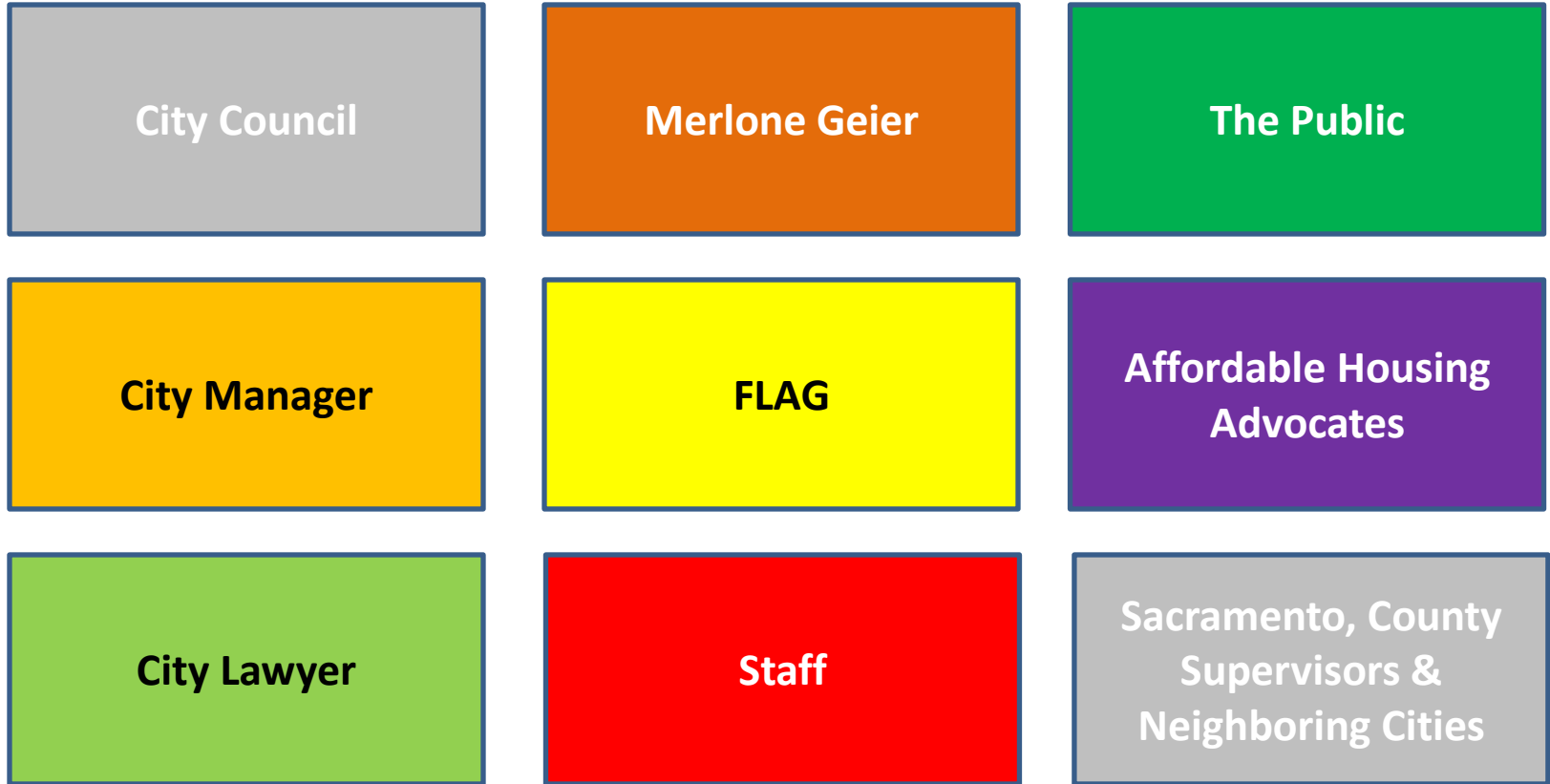
**Who actually negotiated the Village Plan?**

# #14 Who Negotiated the Village



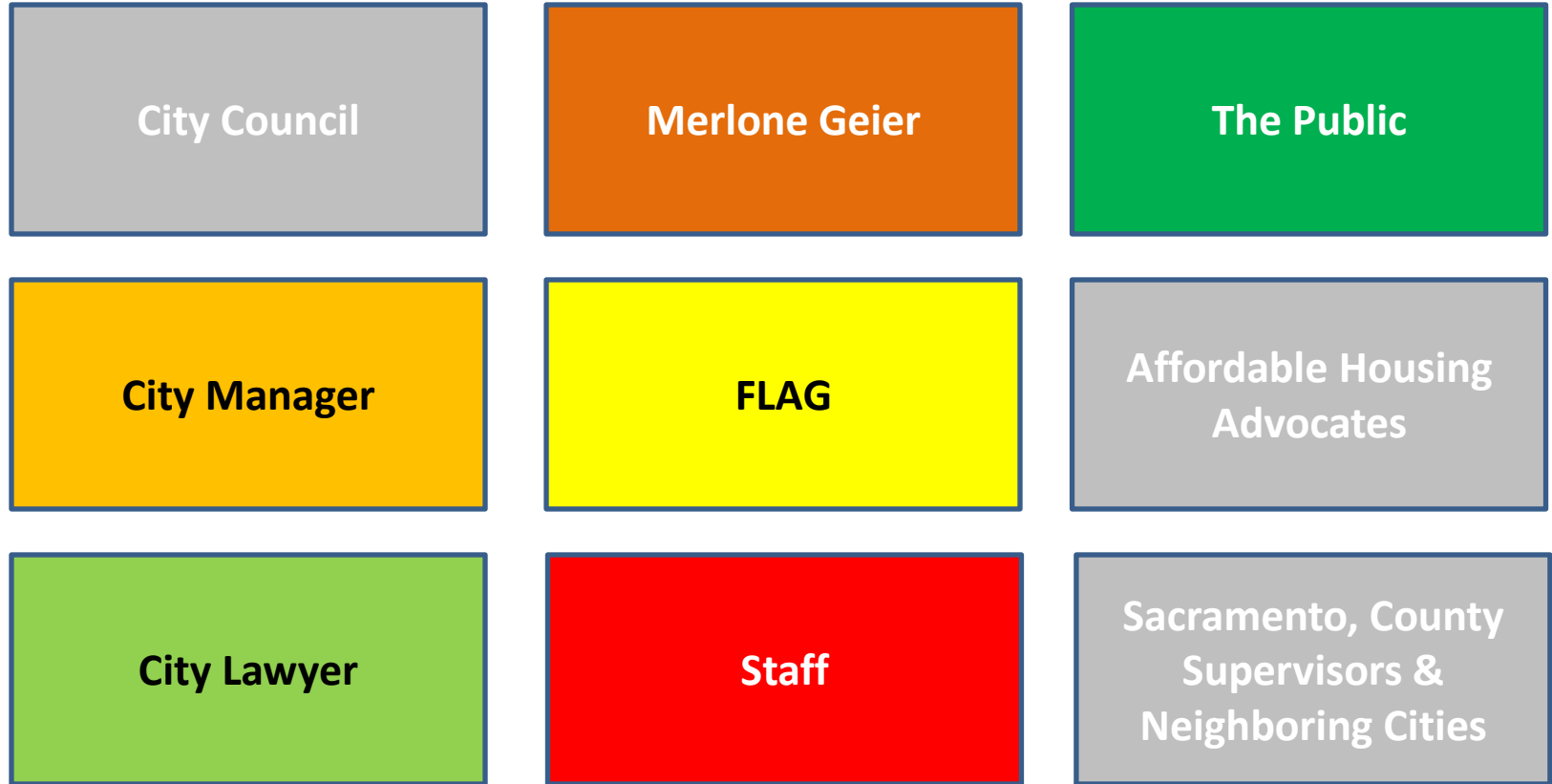
**It was not the City Council. We were only given material after the fact. The Brown Act basically prohibits the Council from participation.**

# #14 Who Negotiated the Village



**It was not Sacramento, the County Supervisors or neighboring cities. They try to influence but did not negotiate.**

# #14 Who Negotiated the Village



**It was not the affordable housing advocates. They also tried to influence but got little.**

# #14 Who Negotiated the Village



**It was not FLAG (Five Lagunas Advisory Group). They were ignored.**

# #14 Who Negotiated the Village



**It was not the public. They also were ignored.**



# #14 Who Negotiated the Village



**It was not the staff. They only took direction from the City Manager.**

# #14 Who Negotiated the Village



**Nobody from Laguna Hills negotiated any of the project. The three negotiators are heavily pushing the project. Negotiators 3 – Laguna Hills -0.**