

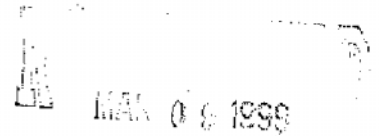


City of Thousand Oaks

CITY ATTORNEY
MARK G. SELLERS

March 3, 1999

Charles E. Tennant
1999 Ventura County Grand Jury
800 South Victoria Avenue
Ventura, CA 93009



JK ZH
Copied

**Re: Comments on Your Proposed 1999 Grand Jury Findings:
Janss Mall Marketplace Mello-Roos District**

Dear Mr. Tennant:

The Janss Mall is an important community commercial asset. A major face-lift and upgrade was absolutely necessary for this 35 year old open-air mall for it to remain viable and competitive. This mall was competing for patrons with the more modern Oaks Mall as well as with other new, upgraded or better designed facilities (ie. the "Promenade" at the corner of Westlake Boulevard and Thousand Oaks Boulevard).

The City of Thousand Oaks appreciates your efforts in reviewing this matter and agrees with the jury's conclusion on the proper and valid use by the City of the Mello-Roos Community Facilities District bonds (pursuant to Government Code section 53311, *et seq.*) in assisting with the financing of the critical renovations needed for the Janss Mall Marketplace. As you know, the City Council was concerned about the impact of the renovation work on existing tenants and wanted the mall owner to work out any differences with those merchants. Therefore, the City Council required the mall owner to reach agreements with such tenants before the City would proceed with issuing the bonds. As a result of that condition precedent to issuing the bonds, the tenants were in an exceptionally strong bargaining position (they could just delay in coming to agreements as the pressure on the mall owner increased because the owner had to deliver the sites to the new Mervyns or Mann Theater entities). The City's records indicate that the lease buy-outs were very favorable to the affected tenants, and any of the remaining differences could be, or have already been, resolved in private litigation.

We would only provide the following clarifications and comments:

- A. The assessed and appraised value of the private properties within the District (the two parcels being the Janss Mall parcel and also the Sears parcel) was at least three times greater in value than the bonded debt issued by the District. There are two parcels within

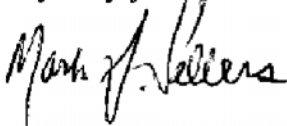
Charles E. Tennant
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the District which had a total appraised value of \$90,000,000 as of April 1, 1996 (see the enclosed);

B. The renovation of the Janss Mall was well known and had been planned for quite some time. The City Council held a study session and meetings on this proposed renovation with many mall merchants in attendance. City staff met with members of both groups on a number of occasions to discuss the general concepts and owner/merchant relationships. As every commercial merchant lease arrangement is different, the City's mediation of each of the individual tenant lease buy-outs, key terms and related issues would be very difficult. In addition, the City may question the appropriateness of a governmental entity becoming embroiled in negotiating the terms of private contracts.

With these two points of clarification, the City feels this 1999 report on the use of Mello-Roos bonds for the renovations needed for the Janss Mall Marketplace was well researched and analyzed. If you have any further questions, please call.

Very truly yours,



Mark G. Sellers
City Attorney

Encl.

xc: City Council
MaryJane Lazz, City Manager
Robert Biery, Finance Director
Paul Farr, Financial Analyst

cao:580-31:mgs:H:JansMelo.GJ3

CHARLES R. WILSON & ASSOCIATES, INC.

REAL ESTATE APPRAISERS AND CONSULTANTS

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April 1, 1996

Gil Pableo
Public Works Department
City of Thousand Oaks
2100 E. Thousand Oaks Boulevard
Thousand Oaks, CA 91362

Re: Market Value Appraisal
JANSS MARKETPLACE SHOPPING CENTER
55 - 315 Moorpark Road
Thousand Oaks, California
Job File #950301

Dear Mr. Pableo:

We have appraised the above-referenced shopping center and have formed opinions of value as set forth below. The accompanying report, of which this letter is a part, describes in detail the site, building improvements, and method of appraisal; it contains the data considered in reaching our final value conclusion. The value conclusions are subject to the Special Assumptions found herein.

Based upon a careful inspection of the subject environs and all discoverable factors that influence value, it is our conclusion that the "As Is" Fee Simple Market Value of the Main Mall portion of the property described in this report; according to the assumptions and limiting conditions contained herein, and subject to the special tax and special assessment liens of the proposed CFD bond financing, as of April 1, 1996, is:

SEVENTY FIVE MILLION DOLLARS
(\$75,000,000)

We have also been requested to provide a separate opinion of the Fee Simple Value of the Sears department store and associated land as of April 1, 1996. Our valuation assumes the Sears store improvements to be vacant and available for lease, giving consideration to the adjacent mall development. This value does not consider the existing lease in place for this property. Our opinion of the Fee Simple Market Value of the Sears department store and associated land as of April 1, 1996, is:

FIFTEEN MILLION DOLLARS
(\$15,000,000)

We appreciate the opportunity to be of service, and we look forward to future consultations at your request.

Sincerely,
CHARLES R. WILSON & ASSOCIATES, INC.



Steven R. Norris, MAI
State Certification No. AG001677

cc: Mark Sellars - City of Thousand Oaks, City Attorney's Office
Paul Farr - City of Thousand Oaks, Finance Department

SUMMARY OF SALIENT FACTS (Cont'd)

VALUE CONCLUSIONS

Land Value (Gross Site Area - 27.16 acres)

Main Mall Site (Fee Simple) as of April 1, 1996 \$14,200,000

Current Fee Simple Market Value;

Main Mall

Replacement Cost Approach \$65,000,000

Sales Comparison Approach \$73,000,000 - \$80,000,000

Income Approach \$75,000,000

Concluded Current Fee Simple Market Value

as of April 1, 1996 \$75,000,000

Fee Simple Value Market Value; Sears Store

Replacement Cost Approach \$16,500,000

Sales Comparison Approach \$11,000,000

Income Approach \$14,700,000

Concluded Fee Simple Market Value; Sears Store

as of April 1, 1996 \$15,000,000