

PROPOSAL

for a

DOWNTOWN IMPERIAL BEACH

and

A MEANS TO MAKE IT A REALITY

CONTENTS

PROPOSAL – DEVELOPMENT FOR A DOWNTOWN IB	Page 1
DOWNTOWN IB - A MEANS TO MAKE IT A REALITY	Page 2
“EXACTLY EQUITABLE - A Story” - How the Proposed Means Will Work	Page 3
BACKGROUND - WHY THE NEED FOR A DOWNTOWN IB	Page 4
LEGACIES OF IB -	
Just far enough away	Page 5
Resentment towards the Big Developer	Page 5
Rental Industry’s Influence	Page 6
Everyone has a “Big Idea” for IB / Undeveloped Beach Myth	Page 6
Grass-Roots Efforts – Good and Bad	Page 7
ATTACHMENTS	Page 9
FIGURE A – Existing Layout of 9th and Palm Area	Page 10
FIGURE B – Concept Drawing for DownTown IB at 9th and Palm	Page 11
Note Sheet for Figure B	Page 12
Past Proposals By R.A. Benham to the IB RDA	Page 13, 14
About Roger Benham	Page 14
Original and Follow-up Letter to 85 HomeOwners	Page 15, 16
Supplemental to Page 2 (sample financial calculations)	Page 17 - 18
Letter to City Council dated September 29, 2006	Page 19
Initial Survey Results (from before Meetings or DVDs)	Page 21
Replies to Comments from the 85 HomeOwners	Page 22 – 25
Dec 10, 2007 Meeting Agenda (DVD 1hr:38min)	Page 26
Justification for this Approach	Page 27
Wrong Expectations of City Government	Page 27 -29
June 14, 2008 Meeting Agenda (DVDs 3hrs:21min)	Page 30
Introduction to June 14th DVD	Page 31
Conclusions to June 14th DVD	Page 32
Letter to 85 – CALL TO ACTION - dated Jun 12, 2009	Page 33
“Roger you’re too late” What?	Page 34-35
Miscellaneous Letter & Docs	Page 36 -
Parking Structure / Market Creek Plaza Example / Challenge Me	

By:
Roger A. Benham

**Submitted to the Homeowners of the defined area near 9th and Palm
Between 7th and 9th Street, Between Encina Ave and Palm Ave**

**- PROPOSAL -
DEVELOPMENT OF A
DOWNTOWN IMPERIAL BEACH**

Where is Downtown IB? We really don't have one. This is a concern because in many cities the economic and social heartbeat stems from a downtown area.

Some may claim that our beach is our Downtown. But most of us in IB think of the beach as a place to "get away" or for recreation, and residents don't really shop there. We know from our experience, and from the experience of other similar beach communities, that economic prosperity near the beach is difficult and highly seasonal. More importantly, many residents in IB like our beach the way it is, a laid-back beach-town atmosphere without the hustle and bustle.

As a lifelong resident of IB, I remember 35+ years ago when 9th and Palm used to be a buzz of activity. Because it is centrally located with the largest concentration of commercial space in IB and directly connected to the main highway arteries, many consider the 9th and Palm area as close to a Downtown IB as we can get. With this history, it is recommended that the community of IB, with the direct involvement of the property Owners in the area of 9th and Palm create a classic Downtown IB. A classic beach-town deserves a classic downtown.

The area proposed for this development is shown as Figure A and B, attached. Imagine a Downtown IB with classic downtown style buildings, restaurants, various shops, various professional services, IB Savings and Loan, rental car (Flex Car), travel service, youth and senior care activities, possible hotel space for guests, housing, etc.

How can this be accomplished? IB is a unique area with a unique population that has always fought down the big developments. Why would the current residents in the area defined in Figures A and B be receptive to such a grandiose plan? Please read the following section – **A Means to Make it a Reality.**

DOWNTOWN IB A MEANS TO MAKE IT A REALITY

It is here proposed the creation of the IB Centro Development Corporation. The Landowners of the area shown in Figure A and B, attached, would own this corporation. Each of the existing property owners would own “shares” equal to their percentage of land owned. For example, Figure A shows that there are 85 residential lots in the defined area. If you own one (1) lot you would own 1/85th of the value of the IB Centro Development Corporation.

Many of the Homeowners in the area, here forth called “Shareholders”, would not want to move from IB. It is proposed that each Shareholder would receive one residential unit and first rights to at least two additional units that are to be developed in the Downtown IB area.

In addition to the residential unit(s), each Shareholder would receive an equal share of the profit that is made from the sale of the hundreds of other residential units, which would primarily be condominium units. Rough calculations on the “South Beach” development indicate that the profit to each Shareholder could be substantial.

In addition to the above, each shareholder would receive an equal share of the profit from the commercial space that is leased out by “their” corporation. Examination of Figure B shows that there would be in the order of 300,000 square feet of commercial space, maybe even double that amount, leased by IB Centro Development Corporation.

For more details on financial incentives please see pages 17 & 18 “Supplement Page 2”.

The above scenario creates a lot of wealth for the Shareholders. This wealth would be versatile. For example, a Shareholder could keep his/her living unit and sell some or all of their shares in the Corporation, or vice versa. The values of the residential units and/or the shares could be transferred to offspring or family as part of estate planning.

This proposal is asking the Owners of the 85 residential lots defined in Figure A and B to make a bold decision. If each of the 85 can embrace change IB could be transformed in a very positive way, both now and for the generations to come.

Some would argue that it is really not a sacrifice because each of the 85 would become millionaires. What they are sacrificing is their current lifestyle in a single-family home near 9th and Palm. With the value of their shares each could easily buy a single family home elsewhere in IB. Many other homeowners in other nice neighborhoods of IB would readily exchange their homes for an opportunity to be part of the 85.

This plan, and the emergence of other IB institutions such as an IB Savings and Loan to handle the banking needs of the residential development, would allow wealth to grow and stay in our city. Our city could be an example for other communities to follow. This would make us and the generations to follow proud of our city.

The next section “Exactly Equitable – A Story” describes a theme that would be adopted by the proposed IB Centro Development Corporation. The following section “Background – Why the Need for a Downtown IB / Legacies of IB” provides one person’s historical perspectives of how the city came to be where it is, and why the Development of a Downtown IB is appropriate.

EXACTLY EQUITABLE – A STORY HOW THE PROPOSED MEANS WILL WORK

This is a story about an incident I had with a local IB man. I have known this man for a long time. I went to school with one of his sons. This gentleman owns a rental property next door to my Mom's house. One day we decided that we had to build a new fence. The new fence was to be built along the entire boundary between the two houses.

After the old fence was removed it came time to select where the new fence was to be installed. It was purely incredible how important it was to be exact.

We had the benefit of an actual surveyor's mark left from decades ago. There was a redevelopment project occurring two doors down, and we had the benefit of current updated surveyor marks on the property boundaries. Even with all this information there was tension over making sure the placement of the fence was not going to short one or the other's property.

If the fence was built a few inches over giving us a little extra space, there was a sense that "hey what's the big deal it's only a few inches". On the other hand, if the fence was built a few inches "into" our property we felt "this is unacceptable". This was an informative lesson in human nature.

Regarding the proposed coalition of the 85 Shareholders of the existing residential property described in Figures A and B, the matter of equitably would have to be exact. Detailed consideration would have to be given to property value, basis value, loan values, tax exemption status, pre-prop 13 tax status, transferable tax status, improvement value, etc. The determination of fair share-value to each Owner would be determined to the cent.

There are the issues of perceived value and emotional attachment. I have always thought that the homes along Delaware Street were some of the most nicely situated in the city. How would an emotionally attached Homeowner in a quaint home on Delaware feel if it were suggested that they would be given the same "share value" as a home with a lesser-perceived value? I strongly believe that this can be fairly worked out, especially if all the Shareholders are excited and enchanted with the prospects of a beautiful future for all.

An analysis would show that the Shareholder's overall wealth would at least double, maybe triple. With the benefits of retaining ownership of a residential unit (or units) in the newly redeveloped Downtown IB, the value of the shares, the monthly income (dividend) from the commercial property, and other perks, any grievance regarding a figurative fence being a few inches off would be, in the end, of insignificant money value.

Trials and hardships associated with physically building the Downtown IB in the defined area would be many. There would probably be greater hardships keeping the Shareholders from fighting and bickering about every issue. However, just like the fence, which came out straight and true, when it's finished we can look back and feel good about a job well done.

BACKGROUND
WHY THE NEED FOR A DOWNTOWN IB
LEGACIES OF IB

The purpose of this proposal stems from a need that must be addressed for the City of IB to survive and to prosper as a community. This need is a regular topic in the City council chambers and the local newspapers. The need is economic sustainability / viability.

About eighteen years ago the Mayor of IB, the late Mr. Henry Smith, stood in front of the Coronado City Council and asked the City of Coronado to annex Imperial Beach. He saw this as the only option for IB to continue with some semblance of local representation. They said no.

The City of IB was able to avert bankruptcy by eliminating its own police department, contracting with the County Sheriff, and “giving” all of its beach, bay, and estuary access property to the San Diego Port District.

With a continuation of its present meager tax base, bankruptcy will always loom over the horizon for IB. What will the City of IB do to the next time economic crisis looms? We don't have as many cards to play as we did eighteen years ago. Informed people know that without changes, bankruptcy is possible. Insolvency will probably mean that the City of IB will be swallowed up by San Diego. Some may say “so what”.

The development of a Downtown IB would address many needs of our community. Practically every city in the South Bay, and elsewhere, has a defined downtown area. With advanced construction methods, materials, and design technology available today we can create a beautiful development that meets the needs of this city in a fun, creative, and economically viable way.

The perfect area for a defined Downtown IB is the vicinity of 9th and Palm. Presently the City of IB is trying to move forward with redevelopment plans for the existing shopping center. A proposed development called “South Beach” includes 232 condominiums and about 70,000 feet of commercial space. There would be practically 100% lot coverage. Because this development will completely change the face of the residential community along 8th Street and Delaware, the residents of this area are generally not happy with the idea. Compared with the present single family home community in the area, it is perceived to stand out like a sore thumb.

We all know and accept that the 9th and Palm shopping center must be redeveloped. The simple economics dictate that there must be residential condominiums as part of the project to make it economically viable. Rather than fight every proposed redevelopment proposal for the 9th and Palm area, which no matter what scale will impact the area in a perceived negative way, the proposal for a Downtown IB is asking the present Landowners to embrace the change and benefit from it.

The proposal described above for the Redevelopment of a Defined Downtown IB is begging the Landowners of the area of 9th and Palm accept a change of greater magnitude than anything that has ever happened in the City of IB.

BACKGROUND - LEGACIES OF IB

Just far enough away

When you look at the map of the boundaries or borders of IB it is noticeably unfortunate that they are placed just far enough away from sources of economic potential. For example, the Eastern border is just far enough away to totally insulate IB from economic benefit of the heavy traffic of Highway 5. The Northern border is just far enough away to give us no economic growth opportunity along the Silverstrand or the Bay (losing the option to annex the Silverstrand when it was unincorporated County of San Diego was one of the greatest blunders in IB's history). If you look at the boundary maps we do not have any City of IB extending out into the bay. Our Southern border is limited by Ream Field and the estuary.

Regarding our Western boundary facing the beach, the distance between Palm Avenue and IB Blvd is only 2,500 feet. For all practical purposes, this land is already developed and is so entwined by "entities" such as the Port District and the Coastal Commission that it is very difficult to make redevelopment happen. Not to mention the deep emotions that people have about changing the face of the beach area. A "beach economy" will always be a struggle, just ask the vendors in OB and PB. Due to range of factors IB will never be like a Coronado or La Jolla, nor do I think a majority of residents want it that way.

The City of IB is extremely limited when it comes to growth. We have to be bold and creative due our limited opportunities. This proposal for a centrally located Downtown provides an opportunity of economic growth within our city.

Mar Vista High School has been graduating hundreds of students per year for the last 40+ years. Many hometown people would like to raise a family and grow old in IB. A Downtown IB, with its commercial and residential development, would bolster the tax base and increase the supply of housing in our city.

Resentment of Developers

Since IB is extremely limited in land resources for economic growth there is incredible pressure about what to do when a redevelopment opportunity arises. IB's caution to redevelopment is warranted and justified. Any redevelopment project in IB has a high profile with the public because there is an overwhelming sense that we only have one shot. Once done it's done, so it better be good.

An inherent condition regarding redevelopment in IB is a resentment toward big money developers. IB has consisted mainly of a lower socio-economic population. Although gentrification is underway, much of the population in IB are simply getting by and are not wheeling and dealing real estate investors. For many in IB, there is resentment towards big-profit opportunistic "outsiders" looking to permanently change to face of the City.

Many face-changing projects proposed for IB have been uncovered as long-term losers for the City. Many informed people in this town are very thankful to grass-root efforts

made by groups of individuals who have identified the core values of those who reside, and want to keep residing, in IB. A lot of IB's uniqueness stems from these efforts. For example, the law in IB states that eminent domain of residential property is illegal. No large scale redevelopment is going to happen in IB unless the residents/owners truly want it. This has kept our City unique.

The proposal for the construction of a Downtown IB under the auspices of a locally owned corporation, namely, the to be formed IB Centro Development Corporation, will address the needs of the city by working in the best long-term interest of the Shareholders and Residents of the City of IB. The proposed Means to Make it a Reality will keep the wealth from this redevelopment within our city

Rental Industry's Influence

The biggest industry IB has is rental properties. For many years the population of IB has been mostly people who rent and not own. The current percentage of residents that rent is about 60%, but in the recent past it has been as high as 70%. In the areas west of 3rd Street, the percentage is easily above 70% rentals.

This has been part of IB's legacy for two reasons. One reason is from property investors catering to the Navy with its continuously changing cycle of personnel (Ream field used to be the most active helicopter base in the world). The second reason is that people have claimed that IB is the "last undeveloped beach in Southern California" for the last 40 years, and this has led to people buying property, not to live here or raise families, but as rental investments.

This proposal helps the rental industry environment in IB in two ways. By making IB more desirable it increases demand for rentals (there is a large supply of rentals). Second, by making IB a more desirable community, it encourages more people to purchase homes and make them their primary residences, not a rental. Thus, bringing more pride of ownership and beautification to our neighborhoods.

Everybody has a "Big Idea" for IB / Undeveloped Beach Myth

The City of IB is a very intriguing place to many people. Growing up in IB, having gone to a prestigious university, and having had 25 years work experience, I have met with people of many walks of life. I am amazed at how many times I have encountered people, many who have never even been to IB, tell me "you want to know what IB should do.....".

Of course, most local people from IB have their own opinions about what kind of redevelopment should be done in IB, their own Big Idea. Some are pretty wild. There was the Floating Casino Idea, the famous marina in the Sloughs where the then Mayor proposed eminent domain of all the property from the beach to 3rd Street, The 200 foot skyscrapers and the end of Palm and IB Blvd, the bay front Marina, the 2nd Channel for the San Diego Bay, the boat launch facility off the end of Palm Avenue, a prestigious golf course, one big shopping mall on Seacoast, a casino, and the Four Year CA State College, just to name some. One person I knew suggested that what would put IB on the map would be a bridge to the Coronado Islands! To the detriment of the broader needs of

the city and neighborhoods remote from the beach, throughout the history of our town practically all of the creative efforts have been focused on the Beach area.

Since I was a child I would hear people say “IB is the last undeveloped beach town in California”. When I was in grade school almost forty years ago I used to listen to my teachers talk about IB as an “investment opportunity in the last undeveloped beach”.

The reality is that IB has been practically fully developed since the 1960s. As described in the prior section, the city boundaries of IB are set back just far enough away from any open land that has development potential (pond 20 for example is in San Diego, not IB).

Any discussion about big projects in IB should be termed as “Redevelopment”, not development. Anything that happens in this town will involve something being demolished to make way for something new.

The proposal for the construction of a Downtown IB, conceptually shown as Figure B, is a big and bold redevelopment project that fits the needs of the city to make the best use of the limited space and growth opportunity. It takes urgency off the concept that the Beach area is our only savior for economic growth. It gives us the option to leave our beach the way it is, the way most of us want it, a classic So Cal beach town.

Grass-Roots Efforts – Good and Bad

As described in a section above, the grass-roots efforts in IB have done a lot of good to save the City of IB from some bad redevelopment ideas. Not all may share this belief, but the basis for this statement is the opinion that the Beach area should remain a classic laid-back So Cal Beach community (community meaning primarily a residential area with commercial just as it is currently zoned under the current Master Plan).

The bad component of some grass-roots efforts in the City of IB is a very sensitive issue to discuss. There is a very deep and unsettling feeling of discomfort when you can’t afford to live, or buy a home, in your own hometown because “things are getting better”. A term used to describe this is “gentrification”. To me gentrification is a bad thing.

The issue of gentrification and the motives for some types of grass-roots efforts must be understood and laid out on the table. There is no doubt that the concept redeveloping a Downtown IB will be rejected by some. Why? Not because of the real merits of the concept, but because if anything really good happens to this City it will simply be bad for some who believe they will experience further price pressure on real estate and gentrification.

I know many people, friends, that feel bad that they are not truly “part of IB” because they do not own a home here. We talk about it. How we want to grow old in this town.

There are those who already have their home in paradise that do not want additional people or traffic. Sadly, this is a no win position. The scarcer the homes the more people will be packing into the thousand of rental units in town stifling our streets and quality of life.

Face it, we need to change. Change in a creative way. Yes, more housing for more people, with a clever high-density housing area with clever transportation routes in and

out along our main arteries to minimize traffic impacts. The higher density housing helps feed the commercial activity at 9th and Palm and makes redevelopment viable and profitable. Think of the benefits of a classic Downtown IB with places to go morning, noon, and night for people of all ages, all within walking distance.

A close examination of the proposed concept of the redevelopment of a Downtown IB will show that there will be more opportunity for those who want to buy homes and live in IB. The population in IB has not changed much in the last forty years. An increase in housing, with the benefits the new money those new people bring in, can be accomplished with the Downtown IB concept.

Attachments

	<u>Page No.</u>
• FIGURE A – Existing Layout of 9th and Palm	10
• FIGURE B – Concept Drawing of Proposed Downtown IB	11
- Note Sheet for Figure B	12
• Old Proposals to the RDA	13, 14
• About Roger Benham	14
• Original and Follow-up Letter to 85 HomeOwners	15, 16
• Supplement to Page 2 (Sample Financial Calculations)	17 - 18
• Letter to City Council dated September 29, 2006	19
• Survey Results	21
• Replies to Comments from the 85 HomeOwners	22 – 25
• Dec 10, 2007 Meeting Agenda	26 – 28
- Justification for this Approach	
- Wrong Expectations of City Government	

N →

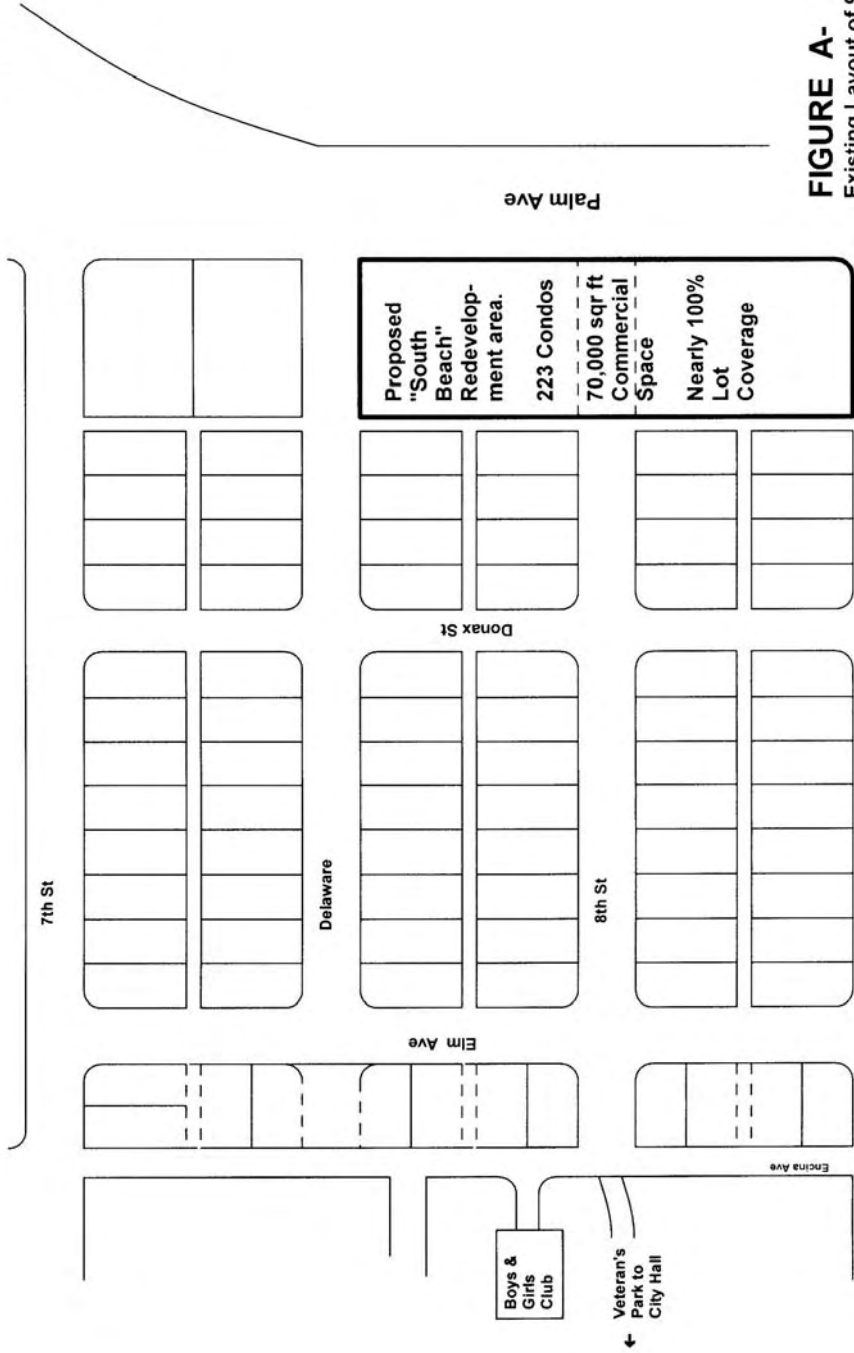


FIGURE A-
Existing Layout of 9th and Palm Area.

1" = about 120'

NOTE: No guarantee on the accuracy of this drawing

Classic Downtown Style Buildings with Streets and Sidewalks of "Cobblestone" Pavers along L-Shaped MAIN STREET (See Note 2, next page).

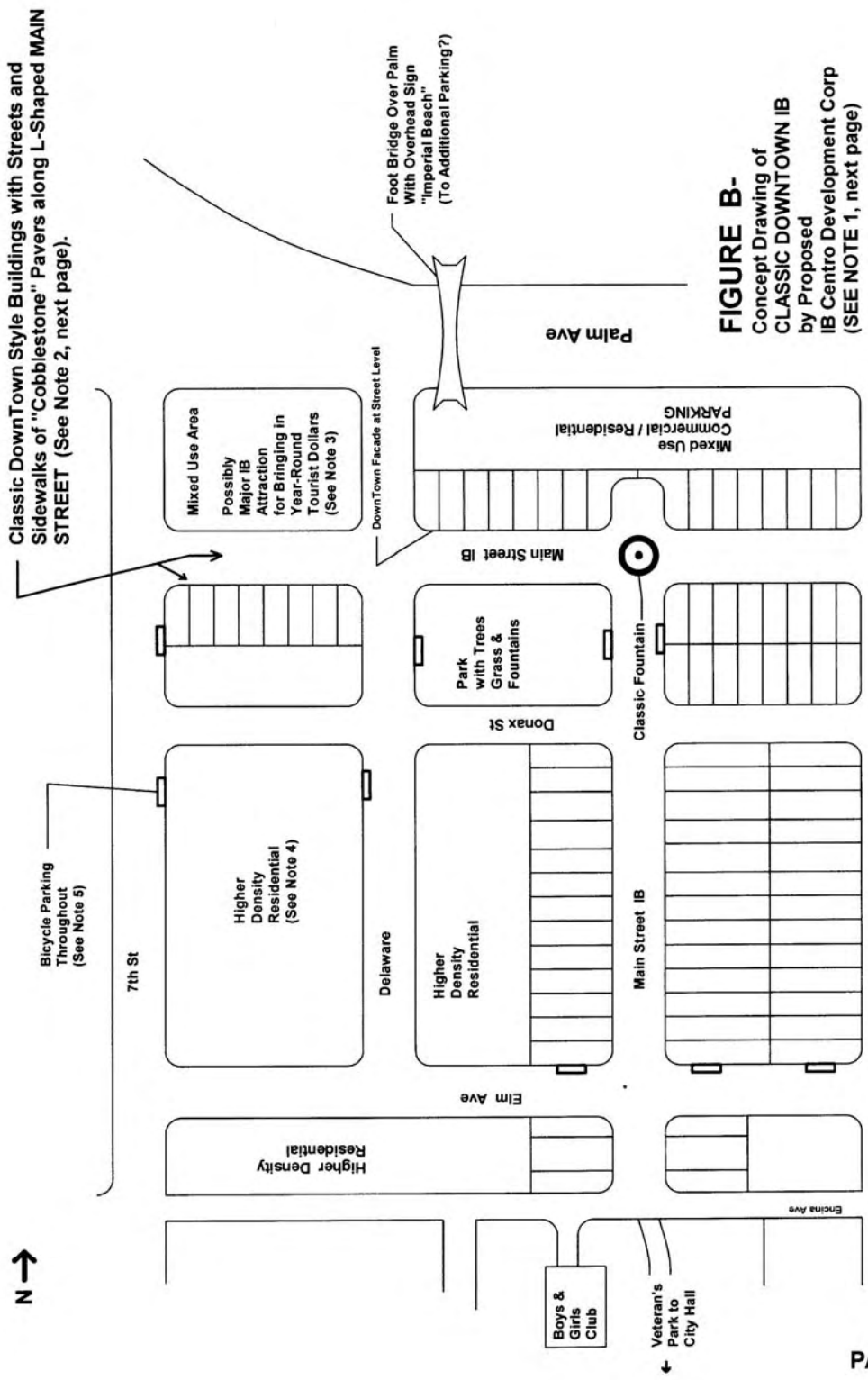


FIGURE B-
 Concept Drawing of
 CLASSIC DOWNTOWN IB
 by Proposed
 IB Centro Development Corp
 (SEE NOTE 1, next page)

Note Sheet for Figure B

Note 1 – Figure B

Concept Drawing of Classic Downtown IB Purpose:

- Improve Economics of City (City Wide)
- Improve Quality of Life for Young & Old
- Improve Image of City
- Get People Outside (AM & PM)
 - to socialize
 - to contribute to Community
 - to exercise
 - to spend money
- Increase Housing Supply

Note 2 – Figure B

Classic Downtown Style Buildings up and down the street. Options:

- Business
- Shops
- Restaurants/ Bakery / Markets
- Small Theater
- Art Studios/Lofts
- Barber Shop
- Offices for Professional Services
- Outdoor Bistro / Coffee Shop / Micro Brewery
- Bank “IB Savings & Loan”
- Rental Car “Flexcar”
- Bike Rental
- Social /Senior Services Etc.

Note 3 – Figure B

Major Attraction – Probably a beach or Hawaiian Luau theme dinner/show entertainment. Bring Tourists in by the Busloads by way of the scenic SilverStrand, and then ship them right back out. They never really have to go to or see the beach. Examples to be Provided.

Note 4 - Figure B

Residential Buildings. Codes, Covenants, and Restrictions (CC&Rs) to maintain higher quality of life for all. Those entering the complexes would be greeted by Door Men, similar to the Coronado shores.

Pool and Tennis facilities could be made accessible to the general public. Examples to be provided.

Note 5 – Figure B

Build a residential area where people can live without cars. Bicycles, “Flexcars”, public transportation, having amenities close. Examples to be provided.

Roger Benham

January 12, 2006

To: Honorable Mayor, Council Members, and Citizens of Imperial Beach

SUBJECT: Redevelopment Agency – Proposed Development for 9th and Palm, IB, CA

This letter is being submitted as per the circulated request for discussion on the above referenced project. The purpose of this letter is to communicate concepts from lifelong residents of IB. The concept shown in Figure 1, attached, was originally submitted as a “Fund a Downtown IB Concept Study” proposal to the IB Redevelopment committee (RDA) during its initial meetings. A copy of this previously submitted proposal is attached as Figure 2.

In response to the request by the RDA for public discussion regarding development plans for the 9th and Palm shopping center, we are asking consideration of the concept shown in Figure 1 for the planning and development of a classic downtown IB along 8th street between Palm and Encino Avenue.

Main Street Concept for 8th Street – Downtown IB

As a child growing up in IB, I probably biked and skateboarded every street and alley in this town. As an adult, I have listened to what I believe a majority of people want, both young and old. We want a local place to go, whether morning, noon, or night. We want to keep the beach what it is – a classic SoCal beach town. We want to develop the local business environment. We want a sense of community. And the list goes on.

We also have needs, including an increase in housing supply, a better tax base, and positive local participation.

The proposed concept of a classic downtown Main Street on 8th street meets the wants and needs of this city.

An examination of the history of IB shows that the people have struggled with big development ideas. Rightfully so, because IB has extremely limited land resources available and once done is done. There is an overwhelming sense with regard to big development that IB has few shots, so it better be good.

The proposed concept of Main Street IB will add to an atmosphere of IB as a great place to grow old, be young, or raise a family. Isn't that what it's all about?

There is a lot for everybody to gain with this concept, including the residents of today and the generations to come. I sincerely hope that the people of IB, especially the Homeowners on 8th Street, find this concept acceptable.

Very truly yours,

Roger Benham

Recommendation: Fund a Downtown IB Concept Study, by R.A. Benham

Synopsis:

Throughout the history of the City of Imperial Beach, most of the creative community planning efforts have been focused on the beachfront area. This has led to an imbalanced view of what the real needs of this city are. For example, the fundamental needs of day-to-day life in this city, including school, work and social needs, are the same as if the city was remote from the beach; and although we identify with the beach, a vast majority of IB residents actually spend very little time at the beach. In terms of city planning, these day-to-day needs have not been met in a creative and forward-looking manner, mainly because the beachfront issues have always seemed paramount.

A creative and forward-looking concept is the development of a Downtown IB. This would be a place near the geographic/demographic center of the city. This would be a place that would be modeled after the nicest and most appropriate existing downtown that we could find (e.g, La Mesa, San Luis Obispo, Coronado, Fredericksburg? who knows?). This would be a place where people, both young and old could go, morning, noon and night, to enjoy dining, shopping, theatre, and socializing.

Unlike the seasonal and sparsely traveled beachfront environment, which I believe is what the people of this city truly prefer, a centrally located Downtown IB would always draw traffic, and the parking lots would be full. A centrally located Downtown IB would also stimulate redevelopment in the central parts of the city. This could potentially lead to new and more accommodating developments to ease pressure on the housing shortage.

Most importantly at present, this proposal is well within the parameters set forth in the current Redevelopment Agency guidelines, namely, investments that promise a long term return. Of course, the successful development of a Downtown IB would be highly positive for the city in terms of both material and image growth. The first step, a concept study, can be taken now.

Proposed Scope-of-Work (Tentative)

Phase 1 - Develop parameters for selection of a professional (architect, designer, or?) to conduct the concept study. Potential parameters may include experience, familiarity with city, consultant locations and cost. Develop outline of requirements for inclusion in the concept study, including multi-media survey examples of at least 6 existing top-notch downtowns, evaluations of positive and negative economic impacts, development costs/strategies, potential locations, etc.

Phase 2 – Conduct the actual study

About Roger Benham

Primary Edu: Pre-school to High School (Central, MV Jr, MV High), Imperial Beach
Secondary Edu.: Cal Poly, San Luis Obispo, Graduate in Engineering
Post Secondary: Registered Professional Engineer (PE)
Licensed Class A General Engineering Contractor
Teaching Credential, SDSU(vocational). Post grad work in Civil Engr, SDSU
Occupation: Founder and CEO, Bencor Corrosion Specialists Inc, since 1987
Marital Status: Married: Laurie Dobler Benham (Miss IB '80). Both our parents still reside in IB
Residency: Homeowner in IB and San Diego

Roger Benham

June 9, 2006

«Salutation» «First_Name» «Last_Name»
«Owners_Address»
«City_State_Zip»

Dear «Salutation» «Last_Name»:

This is a follow up letter to the proposed concept for a Downtown IB sent out several weeks ago. I have enclosed a revised survey and an insert for Page 2.

The purpose of the revised survey is to include a “no comment” selection. The purpose of the insert for Page 2 is to provide a more compelling financial reason to consider the proposed concept for a Downtown IB. A couple of points regarding this concept:

- As far as I know, eminent domain of residential property in IB is illegal. The only way this project would warrant further consideration is if all 85 Owners would say ok. The probability of this happening is low. However, people play the lottery every day where the chance of winning is one in 14 million. Also, as time goes by, the economic and social conditions may change where the concept could be better received. In my opinion the concept has merit now, but again, this is only my opinion.
- I do not have any vested interest in this proposed concept, nor have I spoken with or had any dealing with any developers, City officials, or organizations. I represent only myself and I am not a part of any group or organization. I am primarily motivated by a passion and love for my hometown and an opportunity to contribute to the betterment of our community and society in general. I am not claiming to be an architect, city planner, or English major, so I will make mistakes in making and presenting this concept.

The revised Page 2 provides cursory financial and ownership details of what the eighty-five potential “Shareholders” would be entitled to as a compelling reason to support the Downtown IB concept. This is not going to mean much to people who are comfortable in their quaint homes with all of their needs met. I do not want to imply that more money or property value would make everybody happier, and some may be insulted by this notion.

Houses, landscaped yards, and fences are material things that can be built over and over again. Some compelling reasons for the acceptance of the Downtown IB concept are intangible. For example, reasons such as improving the social climate and providing a thriving place in our unique city for people (young and old) and families to live and interact can be compelling.

Yes, the odds of this concept being acceptable to all 85 are low. For now, this proposed concept is a test of the question; will the 85 Homeowners think not of their own needs and wants only, and support a concept that benefits the whole community & the generations to come?

In my opinion, circumstances being what they are, the Homeowners in the defined area have an opportunity to make a great positive change in IB. Please let me know what you think by returning the enclosed survey. I will send you back a report showing the results the week after Sandcastles.

Sincerely,

Roger Benham

Page 16

Downtown IB – A Grand Plan - Supplemental Insert for Page 2.

The “Shareholders” of the proposed IB Centro Development Corporation would be compensated in five ways, as follows:

- A Personal Home
- Profit from the sale of condominiums units
- Monthly Dividend from Lease of “their” Commercial Space
- Share Value
- Perks, including first right option on at least two additional condos.

A Personal Home

Yes, a condominium. But, the units provided to the Shareholders would be deluxe (penthouse, ocean/city/or mountain views, garden areas, balconies) with exclusive treatments.

Note: Perks could include special parking privileges, attendants, exclusive use of common areas, provisions for pets, etc.

Another perk could be that each Shareholder would have first rights to at least two (2) condominiums for self, friends or family to purchase, see below.

Estimated value: \$600,000

Profit from Sale of Condominiums

Assume 1,000 condominiums are sold at an average cost of \$375K (Cost of condos could range from \$250K to \$500K). $1,000 \times \$375K = \375 million.

Assume profit of 30% to Shareholders. $.3 \times \$375$ million = \$112.5 million

Profit to each Shareholder. $\$112.5$ million / 85 Shareholders = \$1.32 million each.

Note: THE SALE OF CONDOMINIUMS IS WHAT PAYS FOR EVERYTHING. THIS IS HOW THINGS GET DONE IN TODAY’S WORLD. FOR EXAMPLE, PETCO PARK, THE NEW CHARGER STADIUM, GASLAMP, CHULA VISTA AND NATIONAL CITY BAYFRONT, ETC. THEY WILL ALL HAVE CONDOMINIUMS TO PRODUCE THE CASH TO FUND THE OTHER IMPROVEMENTS AND GENERATE PROFITS FOR THE DEVELOPER. IN OUR CASE, THE PROFITS REMAIN IN THE CITY OF IB .

There will continue to be a demand for housing in IB. A reality that the City of IB will have to face is that higher density homes are going to happen in some neighborhoods eventually.

Again, each Shareholder would have first rights to at least two (2) condominiums for self, friends or family to purchase.

Monthly Dividend from Lease of Commercial Space

Assume 500,000 square feet at average of \$.80/Sqr Foot. $500,000 \times .80 = \$400,000$ /month

Assume 50% to Shareholders. $.5 \times \$400K = \$200K$ per month

Dividend to Shareholders. $\$200K$ per month / 85 = \$2,350 per month to Shareholders, forever.

Notes:

When you consider the Land and Improvements would be paid for over time, the percentage of profit to shareholders should increase. At the end of each fiscal year IB Centro Development could provide a year-end bonus dividend to Shareholders.

(cont.)

What kind of Business would occupy 500,000 square feet? Visit Downtown Coronado, La Mesa, Lemon Grove, or Chula Vista. On 3rd Street in Chula Vista between G and E Street I counted about 200 businesses.

One anchor business could be an IB Savings and Loan, which would be an upstart IB institution (we need more institutions in IB to represent and fight for our interests). This bank would be instrumental in financing the hundreds of millions of dollars in Loans associated with the homes and businesses, keeping this banking wealth within our City.

As an example of the kind of revenue the commercial businesses would generate, consider that if the average IB Citizen spent \$10 per week (\$40 per month), 20,000 persons x \$40 /person per month = \$800,000 per month. Considering the population of “IB” including people east of 14th street to Highway 5 that would frequent the Downtown area, and traffic flow from local and non local “tourists” wanting to patronize a “hip and happening” Downtown IB, the revenues would support the businesses.

Share Value

The eighty-five “Shareholders” would own the Commercial Property and Improvements.

Assume market value of commercial space is \$125 per square foot.

Asset Value of Shares: 500,000 sqr. Ft. x \$125/sqr ft = \$62.5 million

Asset Value per Shareholder: \$62.5 million / 85 Shareholders = \$735,000 per Shareholder

Note: The shares would also have a speculative value, where the value could go up (or down) based on the perceived value of the assets and dividend. Investment value of the stocks would go up (or down) based on many factors such as inflation, dividend values, and success of the businesses and leaseholders.

Perks

Perks already mentioned include:

Each Shareholder would have first rights to at least two (2) condominiums for self, friends or family to purchase, special parking privileges, attendants, etc.

Exclusive use of common areas. Provisions for Pets.

In Summary, the following table shows the potential value of the project to each Shareholder.

A Personal Home	\$ 600,000
Profit from the sale of condominiums units	\$ 1,320,000
Share Value	\$ 735,000

Total potential gross value per Shareholder	\$ 2,655,000.

Plus, monthly Dividend from Lease of “their” Commercial Space \$ 2,350/month.

Plus perks and appreciation (or depreciation) of assets and stock.

No guarantee is provided that the above numbers or assumptions are accurate. In my opinion they are conservative. This would be an easy spreadsheet problem and I welcome others to do their own calculations.

September 29, 2006

Mayor Ms. Diane Rose
City of Imperial Beach
825 Imperial Beach Blvd
Imperial Beach, CA 91932

SUBJECT: Proposal for a Downtown IB and a Means to Make it a Reality

Honorable Mayor and Council:

Please accept for your review this letter and a copy of the report entitled "Proposal for a Downtown IB and a Means to Make it a Reality". This report was sent to each of the eighty-five (85) Homeowners in the area of 9th and Palm defined by the boundaries of Palm to Encina and 7th to 9th street, see Figure A & B in the report.

As I am sure you are aware, there are many examples of this type of centralized urban redevelopment occurring in many cities in California. You could even say it is becoming a trend. When you examine older cities, both in the US and abroad, you can find many examples of communities that have a thriving centrally located higher density mixed-use region. Opportunity exists in IB for the same.

As stated in my letters to the 85 Homeowners, this concept could go forward only if all 85 agreed. This may seem impossible, but you never know.

Survey Results

Attached as Figure 1 are results of the survey that was enclosed with the report sent to the 85 Homeowners.

There were approximately twenty-one (21) responses to the survey. I am not a statistics expert but I believe the data provides some interesting information. Question No. 2 shows 11 responses against ("Not at all") the concept of a Downtown IB in the defined area, however 10 responses are at least as favorable as a "Maybe". Question No. 4 shows 12 responses against ("Not at all") the described "Means to make it a Reality", with 9 responses at least as favorable as a "Maybe".

I believe the survey shows what would naturally be expected: there will be opposing sides to any proposed development for the existing 9th and Palm Shopping Center, or the area in general. As described in the footnotes in Figure 1, the survey could have been better written and administered. Regarding the proposed concept of a Downtown IB, I believe an accurate survey of the 85 Homeowners would show a typical bell curve distribution with a roughly equal number of opponents and proponents on each side, and the majority of Homeowners somewhere in the middle.

Roger Benham

I want to say that I have complete respect for the Homeowners that want to keep their home and the area the way it is. It is my hope that everyone has a mutual respect for the right of free speech. I believe our city as a whole will benefit from discussions of this nature. In my opinion, the Homeowners in the defined area have nothing to lose and a lot to gain from further discussions regarding the concept of a Downtown IB. In my opinion, if a Downtown IB was built their housing situation would improve, whether they choose to remain in the higher density environment or live in a single-family home elsewhere in IB. Please see the attachment "Replies to Comments".

Within the enclosed report there is a homegrown message to the 85 Homeowners to embrace change rather than fight the inevitable. For example, any higher density redevelopment at the 9th and Palm shopping Center is going to stick out like a sore thumb relative to the surrounding residential neighborhood. The report is asking the neighbors to join in and take advantage of an opportunity to benefit all. There is potential for something good, rather than our legacy of being "just far enough away", see page 5.

It seems that no matter what economically viable redevelopment you try to do with the 9th and Palm shopping center it will look like a glorified strip mall. For example, the South Beach project showed commercial space at street level along its entire side facing Palm Avenue. Palm Avenue is a six-lane highway! How many people would be attracted to shop and congregate along a six-lane highway? If you look up and down Palm Avenue you will see the tendency is for people to want to get away from this busy and noisy road.

On the other hand, what if you flipped it around and had the commercial space accessible and opened up from the other side (south side) of the existing 9th and Palm shopping center. Now imagine a grass and tree-filled park in front of the commercial space, with more commercial space surrounding the park, see Figure B of the attached report. People young and old would come to play, shop, and visit, morning noon and night. Even the beach area economy would benefit from the overflow of this increase in social and commercial activity.

In light of the recently announced Gaylord project in Chula Vista that will change the face of the South Bay, and the need to do something about the currently blighted 9th and Palm shopping center, I am asking for your favorable consideration of this concept as something the City of IB can do to keep up with the times and be prosperous.

I look forward to more discussions with all those interested or concerned about the redevelopment of the 9th and Palm area and the concept of a Downtown IB. To do so, it is my intention to set up a blog site at www.ibcentro.com. With this site we will invite creative input and examples of other downtown projects from around the U.S.

Thank you for your time and consideration on this matter.

Sincerely,

Roger Benham

cc.: All Council Members & City Manager
85 Homeowners
Concerned Citizens

Page 20

Figure 1
Proposal for a Downtown IB
and a Means to Make it a Reality
Survey Results

Before completing survey, please read at least the first three (3) pages of the attached report/proposal.

1. I read the attached proposal.

___ Not at all ___ Barely glanced ___ Glanced 7 Well 14 Thoroughly,

2. I support the concept of a Downtown IB in the 9th and Palm area shown in Fig. B.

11 Not at all ___ No 6 Maybe 2 Yes 2 Very Much

3. I support the concept of a Downtown IB in the 9th and Palm Area, but not in my neighborhood.

11 Not at all 1 No 4 Maybe ___ Yes 1 Very Much

4. I am agreeable to the described concept “A Means to Make it a Reality”.

10 Not at all 2 No 6 Maybe 2 Yes 1 Very Much

5. I am agreeable to the current plans to Redevelop 9th and Palm into “South Beach” with the 200+ condos and 70,000 square feet of commercial space.

10 Not at all 1 No 6 Maybe 2 Yes 2 Very Much

COMMENTS: (If you wish, please add your contact information here, including name, address and phone number. Please indicate if you want me to contact you personally):

Footnotes:

1. Sent to 85 Homeowners in the area defined in Figure A.
2. There was some confusion about the difference of “No” vs “Not at all”. “Not at all” was supposed to represent a more emphatic no.
3. There was some confusion regarding Question No. 3, where it could contradict your answer to Question No.2. Question No. 3 was meant to ask if you support the Downtown concept, but somewhere else.
4. An address marker was included on the survey which one person thought was deceptive.
5. A second copy of the survey was sent out with a “No Comment” option. No address marker was included. This second mailing added an element of confusion to the data because of duplication of responses and the results were generally not used.

Proposal for a Downtown IB and a Means to Make it a Reality
Replies to Comments from Survey – April to September 2006

1.0 Comment: Been here XX years, don't want it to change. I like my peaceful neighborhood.

Reply: Change is inevitable. At best you can try to control it. In many cases if you don't manage change someone else will do it for you. In the case of IB, there will be more and more speculators, probably with New York money, wanting to achieve their own ambitions with what they see as a city that can't take care of itself. The point is, the *circumstances* are that the 85 Homeowners in the defined area are located in an area that could make needed and wonderful homegrown changes for everyone in the city. Any of the 85 Homeowners that wanted no part in the proposed Downtown project could make a deal for a house in another nice and peaceful part of the city. See Comment/Reply Numbers 3.0 and 11.0.

2.0 Comment: There are many ideas about revenue for IB. Being incorporated into San Diego may be the better of all the choices offered.

Reply: If IB were incorporated in San Diego you would see high density going up much quicker in IB. For city planning matters you would probably have to fight the development issues at the San Diego Downtown City Hall on their turf, and probably have to hire lobbyists to even have a chance. The first thing that the City of San Diego would probably abolish or not recognize is the current IB law that forbids eminent domain of residential housing. I am sure there would be a few benefits, maybe a better deal on police and fire protection. But, I think that the list of losses for IB would be greater.

3.0 Comment: Are you willing to Sacrifice your Home?

Reply: Of all the comments this is the most poignant. This question really puts it on the line and helps me understand how unsettling the initial reaction to Downtown IB concept must have been for many of the 85 Homeowners. I have a home in IB in the 100 block of Calla Ave. The Mayor herself told me that this is the most desirable street in the City of IB, which I happen to agree. I am currently planning on making it really nice by building it new from the ground up. Yes, I will sacrifice it. The terms are as follows, 1) I will trade it straight across for one home in the defined area of 9th and Palm to a Homeowner who wants no part of the proposed Downtown IB and the Means to Make it a Reality, and 2) All 85 Homeowners will have to agree and go forward with the proposed formation of the IB Centro Development Corporation and the Means to Make it a Reality. Note: This same offer could be made by anyone with a home in the City of IB. In other words, any Homeowner in IB could solicit one of the "85" in the same manner, or any of the "85" could solicit others in areas where they would want to live. I believe there would be a lot of takers. This would also be an indication of the merit of the concept and the value of the shares in the Corporation.

4.0 Comment: Parking. Where will all the spaces come from to accommodate retail traffic and residential parking?

Reply: Parking for owners, guests, and patrons would be provided according to the building codes. Parking would be provided by structures similar to any modern higher density development. There could even be an area designated for boats and RVs. Also, Figure B shows parking on both sides of Palm Avenue with a footbridge. Sadly, the parking issue is an example of a situation we have created where the tail is wagging the dog. I believe a theme or statement made by this redevelopment would be to show that urban redevelopment could be accomplished without such heavy dependence on cars. Alternatives such as walking, bicycles, “Flexcars”, and public transportation would be emphasized. Maybe most of the residents in the condominiums would adopt a lifestyle of not owning a car? Southern California started the car-in-every-driveway way of life. Maybe Southern California can modify it to the next level with a demonstration of a more socially and environmentally responsible way of life without such dependence on cars? IB could be just the place to do it.

5.0 Comment: Profitable Retailers. Who do you imagine will want to establish a retail business in our already lower to moderate income community?

Reply: This could involve some social and economic changes in the way we work and spend. First, because there would be one homegrown Corporate landlord (“IB Centro Development”), this Corporation would be a helper to the small businesses. For example, the Corporation would provide affordable lease rates and business assistance to small businesses. For example, many small business are passionate about what they do, however they get bogged down by the day-to-day business matters such as accounting, taxes, and labor. The Corporation could have a standard set of guidelines and requirements to streamline small business to help them focus on what they can do to satisfy the customer. This happy customer-oriented environment would draw in customers away from the big box marketers. For example, there is a growing trend of small bakeries in more exclusive parts of San Diego (there have always been local “pandarias” all over Mexican cities immediately across the border). Imagine a bakery selling 10,000 loaves of bread per month in IB at \$2.50 each. This in one example of a potentially viable business. There are actually hundreds more, if you look around. Please see “Page 3 Supplement” about the survey of Downtown Chula Vista.

6.0 Comment: Social Fabric Improvements. How do you propose we cleanse our fine city of the insidious tweekers that keep our community in the social gutter?

Reply: Maybe, to a large part, these are young people turning to drugs because they have nothing better to do? I see a lot of young kids going home and staring at the walls all day after school and on the weekends playing video games. The paper routes are gone. The open fields that used to be in IB where we stayed outside all day and skinned our knees are gone. However, consider the bakery example above that could provide jobs for young people to get up early in the morning and work their hindquarters off. There could be many other jobs that could be done by young people in a Downtown IB environment that could build up their work ethics. I have used the expression of Downtown IB as a place for “young and old”. Imagine the older and senior citizens of the community in regular contact with the younger people. The interaction between the

younger and the older would have a positive effect by raising the expectations of the younger generations to do well for themselves. The younger people want this, even though they may not be able to communicate it and seem rebellious. Whether we like it or not, they are our future. IB can be an example of a community providing a prosperous environment for young people. We need this to improve the social fabric of our community.

7.0 Comment: Only if pets are allowed.

Reply: I don't believe small pets pose a problem. However, I don't think that a rotweiler is a good fit for a higher density housing area. If larger pets are of paramount importance than that would be a reason to make a deal for a home in a nice neighborhood elsewhere in IB.

8.0 Comment: 85 shareholders, have you ever been on jury duty with 12 others?

Reply: As stated in the report/proposal, keeping 85 "Shareholders" from fighting and bickering would be more difficult than any actual construction work. It would be hugely difficult. The comments received on a few of the returned surveys show the wide differences in people. Differences in terms of age, education, and experience abound. However, there are many situations where the person with a 9th grade education has more valuable input than a person with a PhD. The strong personalities that exist in our unique city would complement the whole effort and make the group stand out and be admired as a truly unique community by the rest of the cities in the San Diego region. With humility, a set of rules, a clear objective and proper leadership, it could be managed.

9.0 Comment: Stop smoking crack.

Reply: I have never smoked crack in my life. Please see comment and reply Number 8 above.

10.0 Comment: The grammatical errors abound! Please get a proof reader.

Reply: Yes, I need help in this regard. I would greatly appreciate a reference to a good proof reader.

11.0 Comment: I have lived on 8th Street for 45 years. Where will my neighbors and I live while our homes are being destroyed and condos are being built? Where will our lifetime possessions be stored? Where will the comfort of memories be housed? My late husband, late brother-in-law and neighbor built much of our house. There is no price tag that can be placed on this house and many more like it.

Reply: You are very emotionally attached to your home and you have every right to be. I believe the proposed concept should only occur if all 85 Homeowners agree, therefore you should rest assured that your deciding vote will prevent you or your neighbors from having to move. With that said, please allow me to reply to your questions.

First, I would envision that construction of a Downtown IB would be done in phases. For example, the first phase could involve a small ½-block square in the Northwest corner of the defined area that would displace about eight existing homes. This first phase could include classic downtown-style commercial buildings with residential on top, or possibly

hotel suites that would initially serve as temporary residences for the displaced residents, or model units. There would be a logical sequence of construction phases to provide housing for existing residents as they were displaced and minimize disruptions. Regarding your house and lifetime possessions, as resourceful people who can take on this scale of effort, we could physically relocate your existing house and possessions, and those of your selected neighbors, to another nice part of IB. There are skilled craftsmen who can move and/or duplicate your home and yard exactly as you have it now in another nice part of IB. I beg for your tolerance on my next comment for I want to make a frank comment. Realistically, not emotionally, there are no homes in the defined area that would qualify as potential registered national landmarks. The homes in the defined area reflect our community well, and that would be the typical framed and stucco dwellings. Skilled contractors can build these types of homes quickly. It is the emotional attachment that counts. The emotional sacrifice we would ask you to make now is to be part of a needed redevelopment that would fuel a legacy of new emotional attachments for generations to come. You and I started in IB at about the same time. We should both see that the good old days of living in a more isolated out to the way place are gone. The coming generations, including the typically sized families, are much more open to a metropolitan urban life style. In light of the current times of housing shortages and gentrification in beach communities, if IB doesn't do something to improve its social and economical climate our stories of having lifelong community connections will not be repeated. They will be displaced by speculators who want to boost to their Hollywood friends about their "deal" in IB. Because of the uniqueness of our town IB is going to become a notorious place, whether we like it or not (they are currently filming a potential TV series based in IB). The past leadership of IB fought hard to keep our beach area a quite bedroom community. Ironically, we have to give up a little of that in order to save it. We can do this is a smart way that will have the greatest impact in benefiting the whole city from boundary to boundary. You, your neighbors, and the whole community have a lot to gain by the proposed Downtown IB.

Concept/Proposal for a Downtown IB and a Means to Make it a Reality

Agenda - Meeting to Discuss Concept

10:00am to 12:00, December 8, 2007

IB Boys and Girls Club

Introductions

Personal references

Justification for this approach of talking to the 85 Homeowners – **See Attached**

Responses to concept – It's about Change

Why this Effort

Where is Downtown IB?

Suburbia has some problems

Where Does Leadership come from?

10+ reasons why

It will happen someday. Why it is a certainty

Why it will work here - IB has something special, and it's not the beach

Residential – MVHS Example (1,000s want to come home)

Commercial – The Power of the Lease (Make or Break for Small Business)

Conclusion – 9th & Palm could be the most important decision in IB's history

Comments on past mistakes

City Government vs Private Institutions

Wrong expectations of City Government – **See Attached**

Unhealthy situation – Vicious Cycle

Desperate Need for Private Institutions

The Ideal Private Institution is “Homegrown”

Vision

Long trip down a narrow road - analogy

Sacred Cows

Example to follow (far reaching effects)

How?

Means to Make it a Reality - Review

What's in it for me?

Who are the Champions?

What next?

Justification for this approach (reprise)

Sample calcs

Jackets

Open Discussion

Agenda Item – Justification for Approaching the 85 Homeowners

I want you all to know that I have been criticized for my approach of introducing this concept/proposal directly to the 85 Homeowners. There are opinions that these matters should be taken first to the city government or other officials or redevelopment related organizations. It is my opinion that approaching the 85 Homeowners first and directly was a more responsible and dignified approach. It is my opinion that from the very start there should be no secret agendas. It is my hope and intention, whether they are for, against, or indifferent, that the 85 Homeowners are the most informed and most involved citizens of any concept or proposals affecting the 9th and Palm area.

Whatever is said about this concept/proposal for a Downtown IB, it is my wish that the 85 Homeowners would be comfortable knowing that they would have the information first-hand and not have to rely on hear-say. After the initial responses were received from the 85 Homeowners about one year ago, this concept/proposal has only been sent to the Mayor, Council, some staff, and selected concerned citizens.

I want to restate that I do not believe in eminent domain, and it is my hope that there will someday be a unanimous decision in favor of this concept/proposal.

**Agenda Item –
Wrong Expectations of City Government & Desperate Need for Private Institutions**

Growing up in IB in a tough environment I learned about self-sufficiency. By trial and error I learned that in some cases it is better to improve your own situation and by making yourself stronger you can be in a better position to help others. Also, others will see your strength and want to improve their own situation (jealousy, envy, and a competitive spirit are true motivators).

Unlike self-sufficient individuals or private groups, city governments like ours are inherently not self-sufficient. City governments depend on taxes (rarely keeping up with expenses), are typically in debt and lacking surplus, and the inherent turnover of personnel can create a lack of continuity or even a lack of accountability.

This is not a complaint. This is a statement of the reality. In my opinion, there has not been the healthiest relationship between the citizens of Imperial Beach and the local government because of certain misunderstandings and **wrong expectations about what city government is and does.**

For example, many residents believe the City government is responsible for development in our city. However, the City government is not a developer. Our City government tries to accommodate this by hiring “consultants” and trying to lure outside developers.

We typically reject what the consultants recommend because in the end it often turns out to be their foreign interpretation of what we want (usually driven by the financial needs

IB Downtown Concept/Proposal

of the prospective developer, a lowest common denominator concept based on “something is better than nothing”, or a “can’t make a silk purse out of a sow’s ear” mentality). In many cases the consultant’s vision (which could be something very nice) would not be economically viable under the existing conditions. Our city government’s hands are tied by the inherent lack of self-sufficiency and the vicious cycle of consultant-developer-citizens-rejection continues.

Who then is responsible for redevelopment? Matters of redevelopment should be done by **private institutions**. Ideally, local **homegrown private institutions** should be bringing redevelopment proposals to the city government for consideration, just like when you remodel your private home, only our city needs this on a bigger scale.

In contrast with public institutions, private institutions must be self-sufficient in order to survive. A fundamental problem with IB is that we have very few strong private institutions. It has been a long time joke for some local residents informed with the City’s finances that 7-Eleven is IB’s largest private institution. Nothing against 7-Eleven, but this is a sad testimonial for our community.

Private institutions are the backbone on many communities. They are motivated and efficient about getting things done. They provide good paying jobs. They build solid futures that are carried on by generations. They nurture strong families and local leadership. They are first to support local events (Sandcastles, Parades, Charities, school programs, music, arts, etc).

An example of one of our best local private institutions is The Boy’s and Girl’s Club. And sure enough, look at the great local homegrown citizens that have emerged and become strong leaders in our community. They currently have a budget of nearly \$3 million and have a payroll of about 150 people. I can tell you first-hand that as a child I benefited from their programs.

Private institutions get things done by having skilled management and leadership teams that look at their goals and accomplishments as a reflection of themselves and the community. They are motivated by financial success, realizing that success breeds success. Ideally, IB needs more strong homegrown institutions to provide the underpinnings for a prosperous future in our city, including the need for more local businesses, job growth, and redevelopment.

So, getting back to our City Government, what should we expect from them? They are the Figureheads of our city. They support and promote private enterprise to make improvements. They represent us on the various committees and groups in San Diego County and abroad and should present IB as a great place to visit, live, and work. They make decisions on a multitude of issues, ranging from serious safety matters to mundane issues such as where a trash bin should be located. They probably feel that it is a thankless job therefore we should reward them by giving them the honor and respect that they deserve. One great reward is that they get to cut the ribbon on new and

IB Downtown Concept/Proposal

significant projects, and have their names engraved on plaques to always be remembered. In many cases they get the credit for the work of the private institutions.

And that's the bad part for the private institutions, they do not get to cut the ribbon. Even though they may have been the force to get the job done, they will be forgotten. But don't feel too bad for them because they are the ones that usually get most of the job security and financial profit from the successful business ventures.

Now is the time to pursue the building of a Classic Downtown IB in the 9th and Palm area by a homegrown IB private institution (accompanied by a separate private banking institution such as an IB Savings and Loan) to serve as a central starting point for Citywide beautification.



Concept/Proposal for a Downtown IB and a Means to Make it a Reality

Agenda - Meeting to Discuss Concept

10:00am to 12:00, June 14, 2008
IB Boys and Girls Club

Introductions

Justification for the approach of talking to the 85 Homeowners

Brief Review

Small City
Benefits of a DownTown IB
Why your area?
A Means to Make it A Reality
Trends – Rural to Suburban to Urban
Challenges – Miracle or Sure Thing

Needs to Plan for Future

Abraham Maslow's Hierarchy of Needs
Planning Needs for a City
 Past Methods (Kit Carson, to Robert Moses, to Litigation)
 Fiduciary Responsibility - The Future is Bright
Responsibility toward Young People

Risk

Aptitude for Risk
 Examples
High & Low Risk
 Private Institutions vs Public
Elimination of Risk
 Community-Based
 Challenge me

What next?

YOU need to call the next meeting – See Survey Form
Challenge me to show you an Elimination of Risk

Open Discussion



Concept/Proposal for a Downtown IB and a Means to Make it a Reality

Menu for DVD “Introduction Section”

**June 14, 2008 Meeting
IB Boys and Girls Club**

Comments about Comment

“Try Living in our Neighborhood”

“Selling the Farm”

“Infrastructure” and “Legitimate Causes”

“Comparison to Apartment-Style Condo Conversions”

“Guilt and Harassment”

Current Economic Times

Past Recession / Depression Examples

Bank Changes in the Future

Challenging Times & Risk



Concept/Proposal for a Downtown IB and a Means to Make it a Reality

Menu for DVD “Conclusion Section”

**June 14, 2008 Meeting
IB Boys and Girls Club**

The Stage Story

Visions of Downtown IB

**Iconic Parking Structure (with walkways, amphitheater, and more!)
The Gate**

Opportunities

**Education of the Future
Jobs of the Future
Tourism of the Future**

What are IB’s Assets?

**Beachtown (not necessarily the Beach)
The Weather
Off the beaten path**

Closing

**Decisions regarding 9th and Palm will be the most important
decisions in the History of IB**

June 12, 2009

SUBJECT: DownTown IB and a Means to Make it a Reality – CALL TO ACTION

Dear 85 Homeowners:

Enclosed are DVD video discs made of the two meetings to discuss the concept of a Downtown IB in your neighborhood, held Dec 8, 2007 and July 14, 2008. Included in the December 8th DVD is a printable file (pdf) of the proposal/concept.

As you can tell, I have put a lot of time and effort into this work, with no regrets. I have provided you with a substantial amount of material to reflect on. I want you to know that I have been advised that the material is too much and I should edit these materials into short blips of polished phrases. The material that you are receiving is basically unedited. I feel it is more important for you to see the entire presentation, blemishes and all. In today's world of sophisticated marketing, I would caution you to be more concerned about the highly polished presentations.

In many cases I have used analogies and stories, such as "The Field" and "Hilton vs the Old Barn", that relate to IB. It should be obvious that I have a deep love and attachment to my hometown and want it to remain a special place.

Request for you to Call the Next Meeting

Unless I hear back from you about having another meeting, the enclosed discs are a conclusion to my work in trying to persuade you to pursue a Downtown IB in your neighborhood. Please note that I do not intend to stop presenting this concept altogether. As time goes by I hope that the ideas, in some form, will become widely accepted.

Due to the redevelopment needs of the whole Palm Avenue corridor, and the recent announcement that the City of IB purchased the shopping center, you will eventually be affected by some type of construction plan. You have a lot to gain from having more meetings, at least for the purpose of finding where you agree and disagree on planning issues. Through these meetings at least you, the local community, will be more organized in expressing your desires for these upcoming projects.

My efforts to promote the development of a Downtown IB have been sincere. I hope this material is useful for you and I truly hope to have the opportunity to meet with you in the future.

Sincerely,

Roger Benham

“Roger, you’re too late”

After I spoke to the IB City Council and Staff at the January 14th, 2009 “Workshop” at the Dempsey Safety Center, see enclosed DVD, I briefly spoke to the Mayor outside of the meeting room and he said “Roger, you’re too late”.

What? This is a very puzzling remark. I attended the very first RDA “Public Workshop” in 2004, where I spoke about the need for and Downtown IB and suggested that the RDA funds be used for a concept study for a Downtown IB (see page 14 of proposal/concept). It is my belief that I attended every RDA meeting announced to the public since 2004, and at each meeting I provided handouts and was outspoken about the need for a Downtown IB. In all of my writings, public comments, and other activities I have described the 9th and Palm area as the ideal and likely location to consider for a Downtown IB.

What concerns me is that the Mayor shows no interest in what the public says. It appears to me that the Mayor and City Council are just going through the motions of having public workshops and are not really concerned about public input.

My worst fear is that there is more than just not wanting to hear what the public has to say. My worst fear is that the mayor, and the RDA, have already decided what they intend to do with the 9th and Palm area. My worst fear is that they intend to use the “free land” option (see page attached) to give the land to a preferred development company.

A similar “free land” deal was made with The Corky McMillan Company at Naval Training Center (NTC, now called Liberty Station). The land was given to Corky McMillan for \$1. In March 2007 the Union Tribune printed a lengthy two part series describing the “lopsided” agreement and how McMillan & friends made out like bandits and the public got the short-end of the stick. Many of the principal City of San Diego leaders that were part of this deal have now disappeared from public view, including the former mayor Dick Murphy.

Of course some would argue that the NTC deal achieved its goal (although not many long-time Point Loma residents would share this point of view after being inundated by an EastLake-Style development). Yes, it is possible that a “free land” deal could be the best option for redeveloping the Shopping Center.

As per my previous comments and writings, I firmly believe that the **decisions regarding 9th and Palm will be the most important decisions in the history of IB**. The City’s recent purchase of this land (Miracle Shopping Center and NIFCU,) creates an amazing opportunity for the “85 Homeowners” to join with the City of IB to make what could be the most beautiful and quaint Downtown environment in San Diego County. Downtown IB could be our pride and joy, accentuating and maintaining the small-town feel of IB for now and forever into the future.

Please help me tell the mayor that we are not too late.

Roger Benham
619-424-6226

KEY POINTS in the Enclosed DVD
January 14th “Strategic Planning Workshop”
Dempsey Safety Center

- **DECISIONS REGARDING 9TH & PALM WILL BE THE MOST IMPORTANT DECISIONS IN THE HISTORY OF IB.**
- **“Fast Track” Development could result in Hasty Decision.**
- **Mayor says “you are too late”. What does this mean?**
- **85 Homeowners can create a much needed “Homegrown Wealth-Density” with a serious Downtown IB at 9th & Palm.**
- **A Downtown IB can preserve IB’s laid back small town feel.**
- **Recent purchase of Miracle Shopping Center and NIFCU by the City of IB creates a prime opportunity for the “85 Homeowners” to join together to enhance 9th & Palm.**
- **New Downtown IB could be the pride and joy of our City**
- **High-end condominiums can be a highly desired and coveted place to call home (the typical converted apartment-style condominium IB should not be used as a comparison to what IB can do in the future).**
- **High-end apartment homes can be highly desired and coveted place call home (the typical type of apartment in IB should not be used as a comparison to what IB can do in the future).**
- **Go to www.GoogleEarth.com and take a visual tour of the area between 7th and 9th, and Palm Ave and Encina. What will this area look like in 50 years? Compare how could it meet the future social and economic needs of our City if it was a well designed, architecturally advanced, and wealthy urban Downtown IB.**

Roger Benham

February, 3, 2009

Dear ****:

I met you at the January 14th meeting at the Dempsey Safety Center where we both spoke at the City Council's workshop. Enclosed are DVDs of both of our presentations.

In your presentation you said that the business I described "will not work". With all due respect, I would like to respond.

It is known that for community-based businesses to succeed they need a certain "critical mass" of people willing to buy their products or use their services. The reason why businesses in IB do not work is that we do not have this "critical mass". Unlike practically every other city in San Diego County, we have no centrally located higher density area.

An example to illustrate what I am trying to describe is the use of salt to cure meat. If you try to cure meat with salt that is too weak, not only is the salt worthless, but it ruins the meat. To cure the meat you need to have a very strong salt. Likewise, in IB we need a specific area of higher homegrown wealth-density to create the desired social and economic reactions.

A strong Downtown IB would be the strong salt that creates the "critical mass" of people that would patronize the downtown businesses. The higher density of local residents in a Downtown area would create a "hub of activity" that would draw people in from outside of the central area, and also produce a lot of business-to-business sales. Examples of successful urban downtown business centers are numerous in San Diego County, around our Country, and abroad. Our city needs a substantial downtown development to anchor our social activities and the commerce that goes with it.

"Too many Apartments"

You identified the problem of too many apartments in IB, but you offered no real solution or alternatives. First of all, 60 to 70% of the homes in IB are rentals! Rental housing is our legacy (please see my report "Rental Industry's Influence, Page 6). How and why will this change?

Second, property Owner's have a right to build whatever they want, as long as it is within the zoning code. As per my report, most property in IB is purchased as rental property (probably bankers, lawyers, and doctors that live in Coronado, Point Loma, and La Jolla) by people who don't care about the social or economic needs of our city. Sadly, fewer homes are bought in IB by people wanting to raise their family here. Therefore, the trend of more apartments and rentals will continue.

A classic Downtown IB would make a large positive impact on the social fabric on our city. It would change the perception that we are the low-rent district. This would lead to more beautification of our City, with property Owners more willing to make improvements, and more families buying homes to live here and raise their families.

“We don’t need more Condos”

I would agree with you if the “condos” that you are describing are what we typically see in IB. Many condos in IB are converted apartments, or wood-framed stucco boxes of poor design that were built with minimum cost. However, there are many examples of well designed, upscale, and more expensive “condos” that are fantastic and privileged places to live.

As per my report (“Profit from the Sale of Condominiums”, Page 17) condominiums are essential to any future developments in the San Diego area. Basically, the sale of the condominiums is what generates the revenue for the whole development (and creates the “critical mass” for the vibrant business climate).

The Downtown IB concept that I am proposing would include upscale condominiums that would be excellent places to live. These condominium homes would be coveted by many and would be easy to sell. Remember, the Coronado Shores are condominiums. Do you think of them as undesirable? This is only one example of the hundreds of upscale condominiums in the San Diego area. I truly believe that if you could see the design possibilities for a classic Downtown IB that you would truly be impressed.

Please Reconsider

I am asking you to please reconsider your opposition to this concept. You mentioned that you have a son (or sons) living in Europe, and you “bought the property to raise our grandkids there not to have condos”. Please have them review the material that I provided to you. He (or they) would have seen how in Europe the vibrant higher-density city center is the economic and social heartbeat of their society, and how beautiful and well designed higher-density developments can be. You might be surprised at how the younger people are open they are to these concepts. Also, these concepts fit the life-style for many elderly people in retirement.

If you evaluate your concerns about the quality of life in IB regarding the poor business climate, and the too many apartments or condos, you would see that the best way we can address this is by making IB a place where people feel good about living, working, and raising a family here. Then you will see more people wanting to buy and fix up the homes for their personal use, rather than slum-lording. A classic Downtown IB would be the best way to start us in that direction

Attached is a survey sheet. Please send it back to me with your opinion.

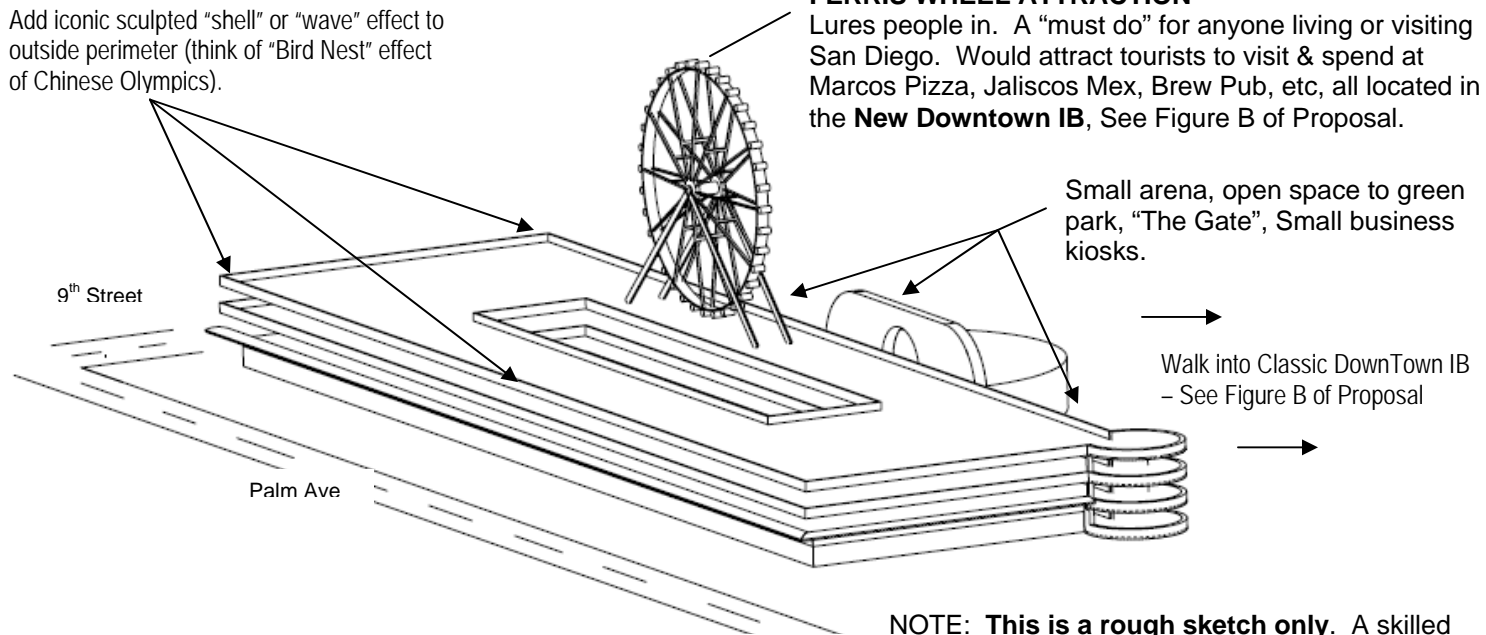
Sincerely,

Roger Benham

Add iconic sculpted "shell" or "wave" effect to outside perimeter (think of "Bird Nest" effect of Chinese Olympics).

FERRIS WHEEL ATTRACTION

Lures people in. A "must do" for anyone living or visiting San Diego. Would attract tourists to visit & spend at Marcos Pizza, Jaliscos Mex, Brew Pub, etc, all located in the **New Downtown IB**, See Figure B of Proposal.



NOTE: This is a rough sketch only. A skilled architect and designer could produce a multi-function iconic structure (see below) uniquely associated with IB Lifestyle and Culture.

Dear Mayor, Council, & Concerned Citizens:

Above is a rough and incomplete rendition of what could be a smart use of the 9th and Palm Shopping Center. Of course this vision is contingent on the development of a Classic Downtown IB, preferably by the 85 Homeowners located between 7th and 9th & Palm & Encina.

Imagine a classic iconic structure (think of the "Bird Nest" of the Chinese Olympics) that becons passing motorist to come explore what it's about. When they come out the other side (south side) they see a classic green park setting in the foreground surrounded by a Classic Downtown urban development. You would think you walked into a small midwestern town, or maybe even a Mediterranean Village.

Of course the locals all know the territory and make use of all the amnities, such as bank, bakery, various shops (clothing, shoe, bike, phone, etc), restaruants, local brew pub, small theatre, schools, health club, etc.

Imagine something more than just a parking structure. Imagine it a tool for getting the public (all people - young, middle, old, single, couples, families) outside doing things, including:

- Farmers Market one day a week
- Business Kiosks
- Small Arena for gatherings or performances
- Water Feature?
- Skateboard park open one day a week for all, young and old.
- Roller ring for regular and inline skates, again, not just for children, but for people of all ages
- "The Gate" – see video #2.

The structure could be an ongoing revenue stream for the City of IB. Similar to Horton Plaza, the parking fee (stubs) would be validated by the local business to encourage patronage and enhance revenue stream.

I could speak for hours about the benefits such a development.

Roger Benham

IF LOGAN HEIGHTS CAN DO THIS WHY NOT IB?

LINCOLN PARK | RESIDENTS, BUSINESS OWNERS AND EMPLOYEES POOLED FUNDS TO BUILD COMMUNITY

Market Creek Plaza pays off for neighborhood

By Jennifer Vigil
STAFF WRITER

When Toigis Oliver made her first investments, she thought of a concrete way to show her daughter they own a place. So she bought a share of Market Creek Plaza.

The Lincoln Park shopping center, on Euclid Avenue and Market Street, has a bridge line that connects to Logan Heights. Once there, they always go to the same spot on the bridge.

"They've changed it. It's a sense of owning something, a sense of pride, just to promote positive thinking with her money," said the day-care center operator.

Oliver and several family members are part of a group of 415 people who put their money into Market Creek Plaza, developed by an investment group to help underprivileged communities. The group's employees have a greater say in building their communities.

The organization, the Jacobs Center for Underprivileged Investments, also helped the donors do something precious few investors could claim in

2/1/09

The plaza boasts a grocery store and restaurants, nearby, a community center and an alphabetizer. The center, which opened in 2001, has become a beacon for community organizers across the country. *Bernie Croft/Union-Tribune photo*

Market Creek Plaza

Residents who invested in Market Creek Plaza in Lincoln Park have seen gains in the last two years, while the stock market took a severe drop.

— see Plaza, Page 2

PLAZA

CONTINUED FROM PAGE 1

Group gets more than just money from investment

The center, which opened in 2001, has become a beacon for community organizers across the country who have contacted Jacobs about using the plaza model in their cities. Success, said the Mrs. Jacobs, means more than just providing southeastern San Diego with places to shop and socialize.

"We're in an all-out marketing campaign to make sure that these businesses succeed," said Kolyai, of the United African American Ministerial Action Council.

Market Creek began to take shape more than a decade ago, when Joseph Jacobs, who founded Jacobs Engineering Group, a company that grew into a \$9 billion giant, decided he wanted to expand his charitable efforts by helping underprivileged communities rebound.

He didn't want to impose his vision on residents of the area he chose, roughly bounded by Oak Park, Mountain View, North Encanto and Valencia Park. He wanted to know what they dreamed of for their communities.

By 2006, two years after Jacobs' death, thousands had their say. Mac McGee, who runs a Lincoln Park agency that assists seniors and the disabled, participated in the meetings.

He described the process, saying Jacobs officials would

Market Creek began to take shape more than a decade ago, when Joseph Jacobs, of Jacobs Engineering Group, decided he wanted to help underprivileged communities. *Evario Griffin/U-T*

ask. "Do you want this, and if the answer was yes, how do you want it? And if it's no, how would you like to have it instead?"

In that fashion, residents shaped a broad plan that included Market Creek, future housing and retail development, and a path to give people who live or work in the community the chance to own part of the shopping center.

The investors banded together to pump \$800,000 into the \$23 million plan, but in small increments. Each share — or unit, as the Jacobs Center dubbed it — cost \$10, with a minimum investment of \$200 and a maximum of \$10,000.

The group was promised preferred status, meaning they would receive returns before other investors, including Jacobs. Overall, the project was

funded with the aid of private donors, financial institutions and government tax-credit programs.

Jacobs officials repeatedly warned the nearby investors that profits, based on revenue from leases, were not guaranteed. They are pressing that point again, as the economy falters.

"We told them, we're going through tough times, businesses are struggling, your 10-percent return is not guaranteed," said George Harris, the center's director of community ownership.

The center is working on a calendar with coupons to promote the plaza, but Oliver says the practical bits of stores at the plaza — including a Food4Less, Starbucks and San Diego Gas and Electric customer storefront — make it resis-

tant to recessionary pressures.

"The things we have in the center are things we use and need," she said. "They don't have a bunch of clothing stores. They are feasible businesses in Market Creek."

Oliver, along with about a third of the original investors, including Kolyai and McGee, again have shown their faith in Market Creek by opening their pocketbooks. Each has set aside all or a portion of the dividends paid on their original investments to inject into new Jacobs projects.

"This is a future thing," Kolyai said. "We are thinking in terms of our children and our children's children. This is more than a loan."

Jennifer Vigil (619) 718-5066
jennifer.vigil@uniontrib.com

July 24, 2009

**SUBJECT: REQUEST FOR YOU TO CHALLENGE ME
Downtown IB and a Means to Make it a Reality**

Dear 85 Homeowners, Mayor, Council, & Citizens:

In the Proposal for the Development for a Downtown IB in your area I ask you to challenge me on a bold promise.

I request that you challenge me on the following promise.

Within twelve (12) months of your request, I guarantee I will:

1. Secure purchase agreements for 745 urban-style homes in the 9th and Palm area, including \$5,000 deposits. The average home cost would be \$300,000 each.

NOTE: Assuming 1,000 units, actual number of secured agreements would be 1000 – 85 (for existing Homeowners) – 170 (2 unit option for existing 85) = 745.
Note: I expect to have a waiting list for any units unclaimed by the existing 85.

2. Have secured letters of intent from at least 20 businesses that will lease commercial space in a New Downtown IB.
3. Have a 3rd party professional confirm that my strategy will include an “Elimination of Risk” and would make you all multi-millionaires, including a home(s), stock equity, profit dispersement, and a monthly dividend for life (& beyond – per estate planning).
4. The 1,000 residents of the New Downtown IB would include roughly the following demographics:
 - 33% first time home buyers
 - 33% retired or senior citizens
 - At least 10% would conduct business in the New Commercial Space

I cannot start on this effort unless you (some organized group from your neighborhood) formally request it from me.

I am asking you to call another meeting. You have a lot to gain from having more meetings, at least for the purpose of finding where you agree and disagree on planning issues. Through these meetings you will be more organized in expressing your desires for the upcoming projects at 9th & Palm, whether it involves me or not.

I truly hope to have the opportunity to meet with you soon.

Sincerely,

Roger Benham

**Page 40 -For full doc see
www.downtownib.com**