



October 16, 2019

The Honorable Kevin L. Faulconer
Mayor of the City of San Diego
202 C Street, 11th Floor
San Diego, California 92101

Dear Mayor Faulconer,

Thank you for your October 15, 2019, letter to Jeff Gennette about the Macy's store at Horton Plaza in San Diego. He asked me to respond and I am pleased to do so.

This store has been part of the San Diego community since it opened in 1985. Over the years hundreds of San Diegans have found employment there and countless others have relied on it for convenient and first-rate shopping. Right now, our roughly 100 colleagues at Macy's Horton Plaza are receiving merchandise and preparing to be joined by another 50 seasonal colleagues as we gear up for our 39th Holiday Season at that location.

We value our relationship with our customers, colleagues and our community, which is why we've worked in good faith with every owner – Stockdale being the most recent – to help deliver the full potential of this property. Since Stockdale first approached us about a year ago, we've met with their principals and representatives many times. Our message to them has been simple: We support a re-imagined Horton Plaza that will create an improved and vibrant shopping destination and deliver the benefits the community deserves.

We've purposefully kept our discussions with Stockdale private, but as we told City officials and the City Council in April and May, we're concerned there is not sufficient substance in Stockdale's plans beyond the pictures and renderings. This lack of detail should concern every stakeholder interested in the property. As an example, Stockdale's most recent brochure listed specific tenants and building areas to indicate retail vs office uses but we were disappointed to learn Stockdale has not secured a preliminary commitment from any prospective tenant – not even those listed in their brochure. Stockdale has not been willing or able to share whether they intend to recruit high-end fashion, mass merchandise, or budget retailers and they have not provided detailed guidance on the phasing and timing of construction activity.

These are just some of the questions we've raised. Under our existing agreements, which Stockdale has known about since they purchased the property,



we're entitled to a voice in these decisions. Equally important, every stakeholder, including the community, is entitled to more than a minimal description of Stockdale's redevelopment plans to evaluate properly whether Stockdale has a reasonable chance of delivering what it promises. We're eager to continue a productive dialogue in good faith but we concluded that litigation was necessary to prevent further deterioration of our rights and, even worse, another potential non-starter in the history of Horton Plaza redevelopment proposals.

We share your concern about the project and Stockdale's ability to bring it to fruition. We welcome any assistance you can provide to encourage Stockdale to come to the table with legitimate, more complete, workable, and good faith plans to achieve the full potential of this important property for San Diego.

Thank you,

A handwritten signature in blue ink, appearing to read "Douglas W. Sesler", written over a horizontal line.

Douglas W. Sesler
Head of Real Estate
Macy's, Inc.