



June 4, 2015

Honorable Wayne Powell, Mayor of Manhattan Beach and  
Members of the Manhattan Beach City Council  
City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, California  
90266

Dear Mayor Powell and Members of the City Council,

I wanted to take the opportunity to give you some first hand information on what's happening at our shop at 1300 Highland Ave. Our units have a new owner and we've been informed of the rent increases they are going to be imposing either on us or other interested parties. In other words, we are, like many, be priced out of our current space, not to mention, it has already been reduce by one-third. To be clear, this is by no means caused by negligence or mis-doings on our part. We have always been great anchor tenants to the 1300 Highland Work Lofts, paying our rent on time, maintaining our space and even being the key holders for all services requiring access to secure parts of the building. Unfortunately, as the owners of our town are changing quickly there are, in our opinion, some adverse effects on our independent businesses. In this case, we are finally running into this challenge directly.

This challenge like many has opened a new opportunity for us to expand our small endeavor to allow for an even better offering for our community. With this in mind, we've approached Ron Koch and the Koch Family Trust who own the property at 1140 Highland Ave., Manhattan Beach. We have put in a LOI to open the Nikau Kai Surf + Cafe... Specifically, we are looking to move into the restaurant section of his building and one-third of his garage, in the rear of his building to combine them into a one of a kind unique offering for our downtown. As you all have traveled around LA I'm sure you've seen similar concepts in place, for instance Deus Ex Machina in Venice or Tom's Flagship Store on Abbot Kinney. This concept trend is being seen as a great way to engage guests and give them yet another wonderful reason to come in, relax and hang out. As you've all been by our shop and experienced the welcoming and laid back vibe, the combination of adding the Cafe element is a logical next step for us.

As for the intent of this letter, it is to request a Change of Use for a single bay of the Garage at the back of the Koch's commercial building at 1140 Highland Ave., Manhattan Beach to a retail space connected with the cafe in front. The change would be for 532sqft. and would create 36sqft of additional space (by moving the side entrance 9ft. south). The restaurant seating should remain similar, as well as, the storage, bathroom and office space in the garage simply shifting around to be more accommodating.

The moratorium is a solution we've supported and even encouraged since it was first mentioned to help save our downtown. In that decision, it was made clear all changes would need to be decided by council on an individual basis. We're hoping that situations like ours are why this language was added to the ordinance. When the ULI presented it's findings a couple months ago, they were able to see the need to have small businesses such as ours to remain in downtown. Specifically calling out our business as one to cherish... We truly wish to continue to be part of our wonderful downtown and hope that you will be able to see this opportunity as one that helps us all build a better, stronger, small business friendly downtown.

Aloha,

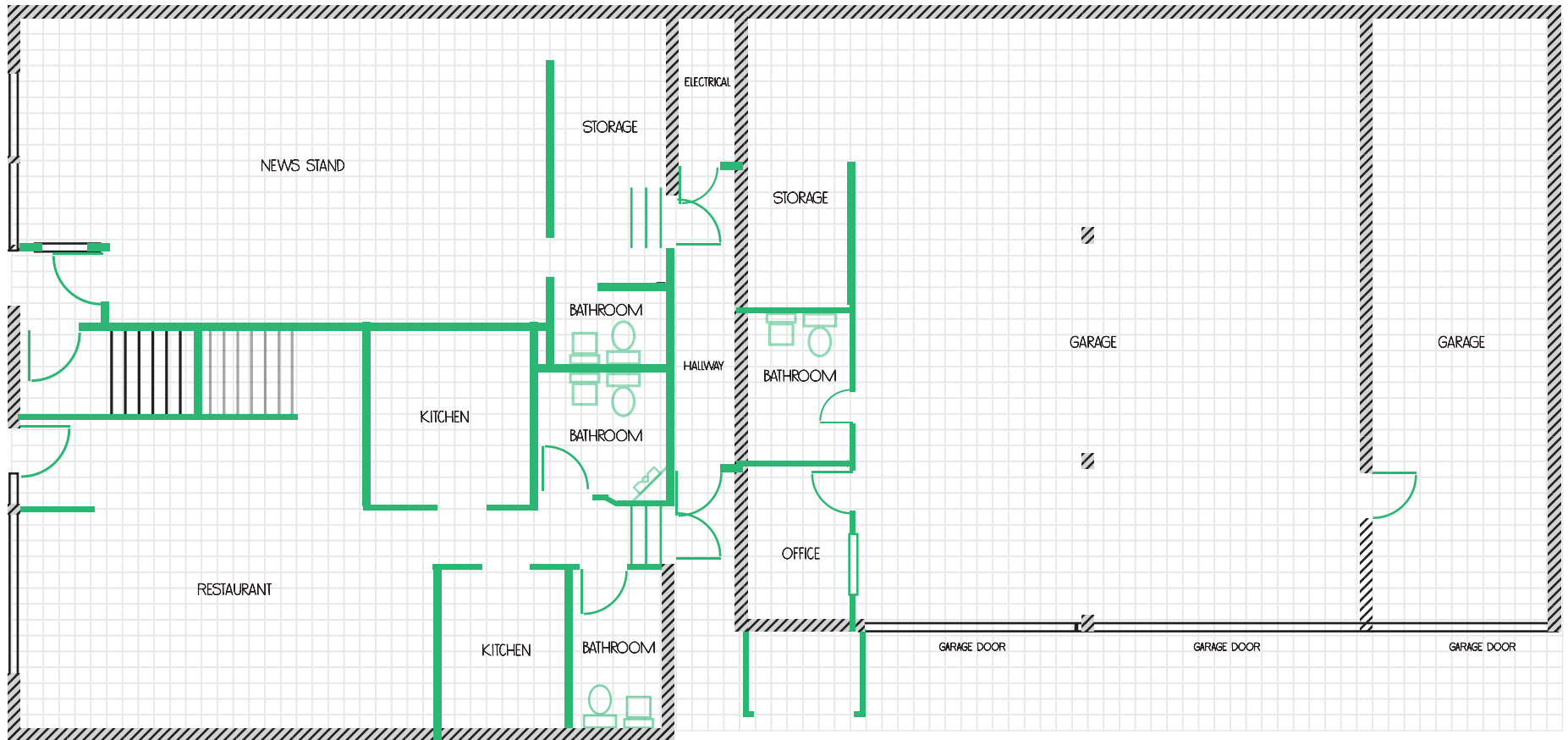
A handwritten signature in black ink, appearing to read "J. Shanks". The signature is fluid and cursive.

Jason Shanks  
CEO / President  
Enclosure

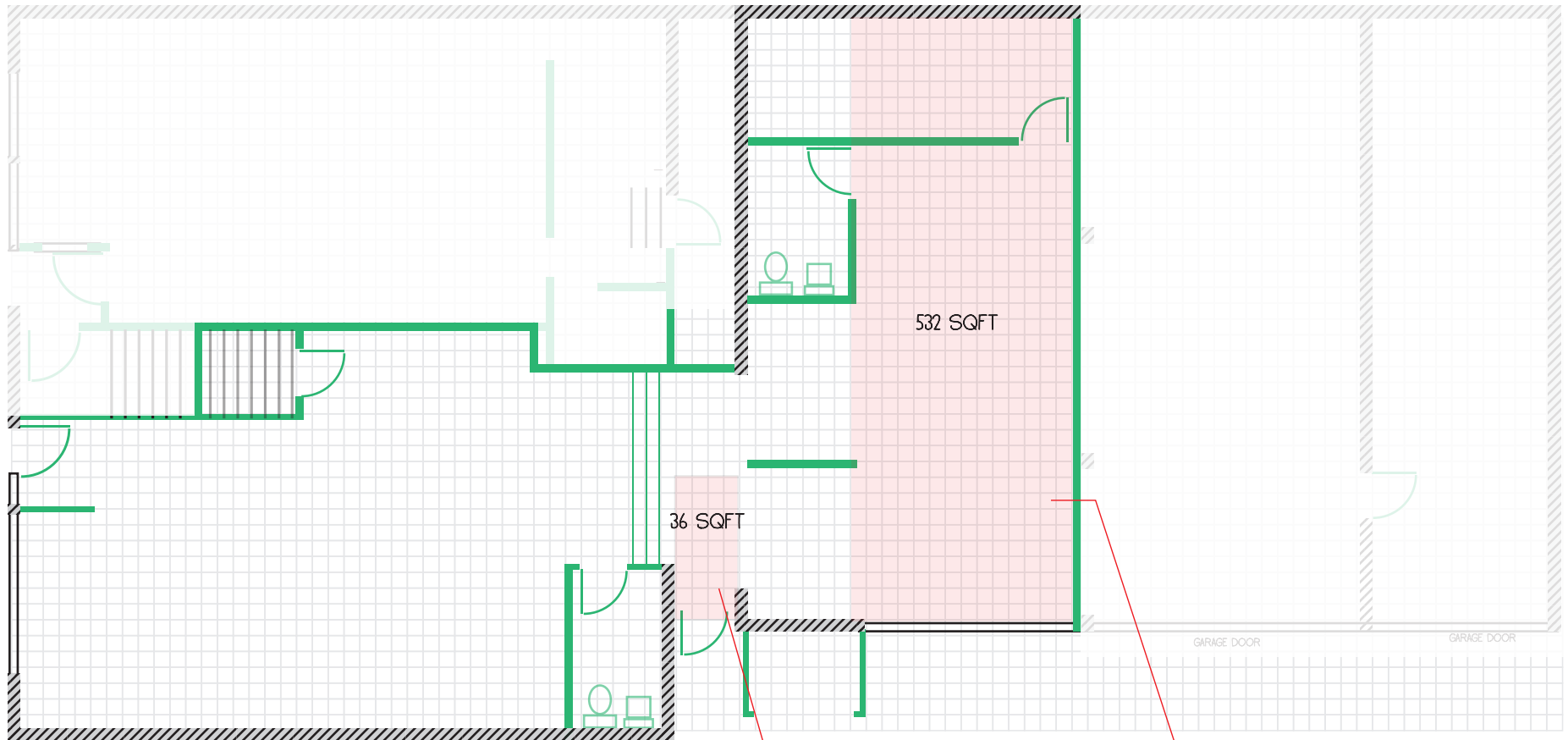
PROPOSED DRAFT: 04

DATE: 06/05/15

CURRENT



PROPOSED DRAFT: 04  
DATE: 06/05/15  
CHANGE USE



36 SQFT ADDITIONAL SPACE CREATED BY  
MOVING SIDE ENTRY DOOR 9' SOUTH

532 SQFT OF GARAGE SPACE CONVERTED TO RETAIL  
BATHROOM OFFICE AND STORAGE SPACE NET OUT.

PROPOSED DRAFT: 04  
DATE: 06/05/15  
PROPOSED CHANGES

TOTAL SQUARE FOOTAGE  $\approx$  1661 SQFT  
CAFE  $\approx$  614 SQFT  
RETAIL  $\approx$  737 SQFT  
STORAGE / RESTROOMS  $\approx$  310 SQFT  
GARAGE  $\approx$  1178 SQFT

HOURS OF OPERATION  
7AM - 9PM DAILY

