

VIA: DHL  
April 28, 2006

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CITY OF SANTA ROSA  
CITY MANAGER'S OFFICE

Mr. Jeff Kolin  
City Manager  
City of Santa Rosa  
100 Santa Rosa Avenue  
Room 10  
Santa Rosa, CA 95404

RE: Coddington Mall  
Santa Rosa, CA

Dear Jeff:

I am writing you to express our concern over the possibility that Coddington Mall could be excluded from the Gateway Redevelopment District.

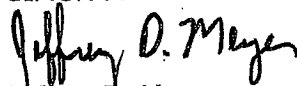
Please realize the importance of including Coddington Mall within the redevelopment district for the following reasons:

- This 40+ year old property is on the verge of becoming obsolete and will require a major re-tooling to remain competitive within the Santa Rosa retail market.
- Current market rents will not support the large redevelopment costs.
- The center will require a significant transformation which, if done properly, should include an additional department store, mall expansion and renovation, site work, additional parking requirements, and re-tenanting in order to remain competitive.
- There is no additional land available for the parking requirements associated with a redevelopment of this magnitude; therefore, parking structures will be required. The high cost of parking structures (especially in earthquake prone areas), with no associated income stream, places a significant burden upon the feasibility of the redevelopment.
- As a publicly traded company, we have a fiduciary responsibility to evaluate redevelopment projects on a project-by-project basis and provide acceptable hurdle rates for our shareholders. Due to the significant parking structure costs, the Coddington Mall redevelopment project would not meet acceptable hurdle rates without municipal participation.
- Nearly all of our Company's significant redevelopment projects over the last decade included some form of municipal funding; especially within earthquake prone regions, due to the significantly higher construction costs and methods.

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Please take into consideration these redevelopment challenges when determining whether or not to include the Mall within the redevelopment district. We believe that reinvesting in Coddington Mall will reverse the current declining trend, provide significant growth opportunities to the region, and properly service the Santa Rosa community.

Sincerely,  
SIMON PROPERTY GROUP



Jeffrey D. Meyer  
Sr. Development Director

SPG/JDM/mgv

cc: A. Spellmeyer  
B. Hammer  
B. Baker