

Rec'd by the
City Clerk's Office
on 4/25/25



April 23, 2025

Dear Mayor Gordo and Respected City Council Members,

We are writing to express our deep concerns about the viability of our Porsche project in Pasadena, which has faced ongoing resistance from the city since day one. The prolonged delays to this project, now four years and counting, have dragged this project into a challenging global economic climate, which directly impacts our product pipeline and revenue potential. With the cost of this project exceeding \$35 million, the risks are now much higher and it's unclear if this project remains economically viable. It may have to be postponed indefinitely or canceled entirely, depending on future economic shifts.

The recent denial of the arts component comes as particularly shocking rebuke. We have spent considerable time and resources to creatively comply with the directive of the Design Commission to create a trellis-like structure at the setback line. We could have chosen to place a non-descript fence there, as suggested by a Planning Commissioner. But instead, we chose to partner with a local arts institution to create a site-specific sculpture celebrating not only Porsche but also Route 66 and Art Center College of Design's prominent history with automotive design. The commission even agreed that it was a beautiful, well-designed piece of art. Yet, they still denied it, costing us more time.

This insult comes after also spending significant resources to redesign the Porsche building to accommodate the preservation of the Swanson building. Yet, we still received considerable grief and delay by the Planning Commission, spending months in subcommittees. We went out of our way to be a good community partner, to respond to commission requests enthusiastically and creatively, but the response has been nothing short of hostility.

In short, we have done everything asked of us by the commissions, but it's still not enough. It has, at times, felt like a coordinated effort to suppress a Rusnak Auto Group that has proudly served Pasadena since 1966. A particularly disheartening comment from the Planning Commission suggested that Porsche's global brand identity "does not align with Pasadena's brand," and that protecting Pasadena's image was more important. Is that really the message the Council wants their commissioners to send? Other cities have already shared with us how proud they would be to have a Porsche dealership.

Unfortunately, as we share our story, others in the investment community tell us this is par for the course in Pasadena. We have spoken with more than one investor who has said they no longer consider Pasadena viable because they can't trust the commission process not to kill their pro forma with exorbitant demands and delays. This calls into question our other future investments in the city.

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The commission obstacle course for the Porsche site has cost us over \$1 million in additional design and consulting fees, not to mention four years of delay so far, without a single shovel in the ground. And now, the delays have potentially cost the viability of the project. Pasadena has also missed out on the potential revenue and taxes from a significantly expanded Porsche dealership. In any other city, the project would have been built by now and without the excess costs. This fact remains prominently in our minds when considering future expansions.

We find it ironic that the city recruited us to participate in the formation of a PBID for the district, asking us to espouse growth opportunities and write checks in support of the project. How can we, as the largest landowner in the district, who can't get an iconic Fortune 500 project approved, tell other businesses in good faith that the city is genuinely interested in supporting business and growth? We can't. And that's why we stepped down from the PBID.

It's also ironic that the city invests in consultants to find new sales tax revenue and implores the Planning Department to institute streamlining measures while at the same time allowing advisory commissions to undermine the city's vision. Perhaps the consultant and the streamlining measures should be focused on the impact of the commissions who appear more focused on serving their own interests than the city's vision.

We encourage the city to ensure that the goals of the commissions align with the direction of the Mayor and City Council. It's unclear whether the Council is even aware of the growing disconnect. We suggest re-evaluating the composition of these commissions and adding training to ensure they are aware of the broader vision of the city, the necessity for economic growth in future fiscal sustainability, and the consequences of their actions in the overall economic climate of the city.

We all want what is best for Pasadena - to remain a premier city in California and the United States. That goal is best achieved through constructive dialogue, mutual respect, and alignment between city leadership and its commissions.

We would appreciate an opportunity to discuss these issues in further detail at your convenience.

Sincerely,



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