

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 20, 2021

CAO File No. 0220-05786-0002

Council File No. 17-1002-S1

Council District: 9

To: Municipal Facilities Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer Subject: **PROPOSED DIRECT SALE OF THE SURPLUS PROPERTY LOCATED AT 3971/3973 S. FLOWER DR., LOS ANGELES, CA 90037 (APN 5037-032-900); AND 3977/3979 S. FLOWER DR., LOS ANGELES, CA 90037 (APN 5037-032-901).**

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. ADOPT the accompanying Ordinance dated March 30, 2021 (*Attachment A, Exhibit X*) from the City Attorney authorizing the "As Is and with all faults" sale of the real property located at 3971/3973 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-900); and 3977/3979 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-901), including all stated Exceptions and Reservations, without notice of sale or advertisement of bids, to the SGRE FIG & FLOWER INVESTORS 1, LLC for the negotiated sale price of \$2,850,000;
2. REQUEST the City Attorney to prepare the purchase and sale agreement based on the terms specified in the Ordinance dated March 30, 2021 (*Attachment A, Exhibit X*), for the sale of the real property located at 3971/3973 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-900); and 3977/3979 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-901);
3. INSTRUCT the Department of General Services, to complete the transactions outlined in the Ordinance dated March 30, 2021, process the necessary documentation to execute the sale, retain and deposit funds for GSD closing costs associated with the transaction into the appropriate GSD accounts, and deposit the sale proceeds, one-half into Council District 9 Real Property Trust Fund No. 691, and one-half into General Fund No. 100, Department No. 40, Revenue Source No. 5141.
4. AUTHORIZE the City Administrative Officer and Controller to make any necessary technical corrections to implement the intent of those transactions.

BACKGROUND

The Department of General Services (GSD) requests authority for the direct sale of City-owned property located at 3971/3973 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-900); and 3977/3979 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-901) (Property) in Council District 9 to SGRE Fig & Flower Investors 1, LLC (Buyer) for the negotiated sale price of \$2,850,000. The Buyer is the adjacent property owner, and surrounds the City Property on three sides.

The Property is formerly highway right-of-way and is approximately 14,000 square feet. The City acquired the fee title interest to the Property from the State of California (Caltrans) on December 20, 2018, as part of the Relinquishment of Collateral Facilities adjacent to Route 110 Freeway between Martin Luther King, Jr. Avenue and 39th Street (CF 17-1002). The City accepted the relinquishment at no cost upon the completion of Caltrans improvements to the 110 Freeway for the Metro Express Toll Lanes Project.

In its report dated August 21, 2018, the Bureau of Engineering (BOE) reported that the dimensions of the Property are non-standard, deviating sharply from the minimum 36 feet width. Further, BOE reported that current usage patterns and traffic volume observed during recent field visits do not appear to warrant the considerable cost, including the acquisition of adjacent historic properties, to widen Flower Drive and improve it to City standards. Other required improvements include new curb ramps, curb and gutters, driveways, repaving, and signage.

On February 27, 2019, Council District 9 introduced Motion (Price – Rodriguez) which declared the two vacant parcels located at 3971/3973 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-900); and 3977/3979 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-901), as surplus properties and directed GSD to initiate the Surplus Property Process and to prepare the parcels for a direct sale to SGRE Fig & Flower Investors 1 LLC (C.F. 17-1002-S1) (*Attachment B*).

On December 9, 2020, the City Council declared the property, “exempt surplus land” pursuant to the guidelines of AB 1486 (CF 17-1002-S1). The City Council further determined that the Property is no longer required for use by the City and that the public interest is best served by its disposal.

Appraisal

In 2019, GSD hired Pacific Real Estate Consultants to determine the value of the Property. The completed appraisal report, dated November 26, 2019, determined the fair market value of the Property to be \$2,850,000. While this appraisal is over one year old, GSD reports that the appraisal is still valid for unimproved, vacant land.

Planning Zoning and Determination

In a letter dated March 9, 2021, the Planning Department advised that the property is zoned C2-

1L which corresponds to the Community Commercial General Plan land use designation, and thus, sale of the Property for any purpose allowed within the C2 zone would be consistent with the City's General Plan. Furthermore, the Buyer recently received approvals for a large mixed-use development to the north and west of the Property. Planning advises that it will be incumbent on the Buyer to consult with the Planning Department's Development Service Center if any entitlement changes are envisioned.

BOE Determinations / Dedications

In a letter dated April 20, 2019, the BOE reported that it has no objection to the proposed sale of the Property, subject to the following:

- Dedication: Flower Dr. between 39th St. and Martin Luther King Jr. Blvd. is a designated standard Local Street and is dedicated 60-ft and variable with and improved with 30-ft roadway, concrete curb, gutter, and sidewalk terminating with a cul-de-sac at approximately 500 feet southerly of 39th St.
 - As per Department of City Planning's conditions of approval for the merger, resubdivision, and condominium purposes of VTT 74193, including completion of Flower Dr. southerly extension and re-alignment, a dedication of approximately 45-ft wide over the subject properties is required.
- Improvements: Improvements shall be constructed under a Class "B" Permit in a matter satisfactory to the City Engineer.
- Sewers: There is an existing sewer maintenance hole and an active 8-in diameter sewer line that crosses at the front properties of both Lots 16 and 17. These shall either be relocated under a "B" Permit in a manner satisfactory to the City Engineer OR reserve a minimum of 10-ft wide sanitary sewer easement for periodic maintenance and repair purposes. No building structure shall be constructed over or near this active sewer line without first obtaining approval from the City Engineer.

BOE CEQA and Hazardous Substance Disclosure

In a letter dated May 6, 2019, BOE reported it had reviewed the City's records and determined that the sale of the Property was exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to City of Los Angeles CEQA Guidelines (Article 19, Section 15312, Class 12 Surplus Government Property Sales). A copy of the Notice of Exemption serves as a record and is attached to the BOE correspondence as Attachment A, Exhibit VI to the report.

In an additional correspondence dated May 6, 2019, the BOE also provided a Hazardous Substance Disclosure record based on the City's knowledge and analysis of maps drawn by City, State and Federal agencies. BOE stated it does not know nor have reasonable cause to believe that any release of a hazardous substance has come to be located on or beneath the Property. Further, BOE stated that the property is known to be located within an area of potential flooding shown on a dam failure inundation map pursuant to CA Government Code 8589.5.

To the best of our knowledge, the proposed sale is in accordance with Charter Section 385 on

Sale of Property, LAAC Section 7.22 Recommendations Required of City Departments; LAAC Section 7.27 Private Sale; and California Government Code Section 54220 Surplus Land, which establish the basic guidelines for the sale of City-owned surplus property. Further, pursuant to LAAC Section 7.22(d), the CAO reviewed the proposed direct sale and recommends approval of the sale and the attached ordinances prepared by GSD, which state the terms and conditions, legal description and recommendations for reservations and/or easements that should be retained by the City, and approved by the City Attorney as to form and legality. Additional discussion is included in the Findings section of this report.

FISCAL IMPACT STATEMENT

The sale of City-owned property located at 3971/3973 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-900); and 3977/3979 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-901) (Property) in Council District 9 to SGRE Fig & Flower Investors 1, LLC (Buyer) for the negotiated sale price of \$2,850,000, less closing costs and administrative fees, will have a positive impact on the General Fund. Upon the close of escrow, 50 percent of the net proceeds of the sale shall be deposited into the Council District 9 Real Property Trust Fund, and the remaining 50 percent into General Fund, after payment of closing costs and administrative fees.

FINANCIAL POLICIES STATEMENT

The actions recommended in this report comply with the City's Financial Policies.

FINDINGS

1. Public Interest

In accordance with LAAC Division 7, Chapter 1, Article 4 Section 7.27, the Council may determine that the sale of City-owned property is in the public interest or necessity. In this event, the Council may, by ordinance with two-thirds vote, authorize the sale of City-owned property, without notice of sale or advertisement for bids, upon review and recommendation by the City Administrative Officer. GSD reports that the sale of the property is in the best interest of the City because it will eliminate the need for infrastructure improvements of the City parcel and there will be a one-time deposit of \$2,850,000 split equally between the Council District 9 Real Property Trust Fund and the General Fund.

2. Terms of Sale

The following are the terms of sale as described in the Ordinance:

- The total sale price is \$2,850,000, which is the agreed upon price between the City and the Buyer;
- The Buyer is SGRE Fig & Flower Investors 1 LLC;

- The Property will be sold in “As Is” condition and without any warranty as to fitness for use, fitness for a particular use, or condition of the Property, and that the City has no obligation to correct any condition of the Property, whether known before or after the date of the sale;
- In accordance with Section 3 of the Ordinance, the Buyer shall pay escrow and all incidental costs associated with this property purchase transaction including, but not limited to, recording fees, documentary transfer fees, title insurance fees, escrow fees, personal property taxes where applicable, and any other real estate transaction taxes. The Buyer, at their own expense, may obtain any desired survey of the Property;
- The City will reserve all oil, gas, water and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.
- Subject to covenants, conditions, restrictions, encroachments, reservations, easements, rights, and rights-of-way of record or which are apparent from a visual inspection of the real property and excepting and reserving to the City any interest in the fee to the adjacent streets which would otherwise pass with the conveyance;

3. Property Description / Legal Description

The Property is located at 3971 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-900); and 3977 S. Flower Dr., Los Angeles, CA 90037 (APN 5037-032-901). The Property is zoned C2-1L (Commercial Zone) and lies within Council District 9 and the South Los Angeles Community Plan Area. The legal description is contained in Attachment A, Exhibit V to this report.



ANGELO YENKE, Management Assistant

RHL:YC/JVW/AY
DocId 15200075

Attachments

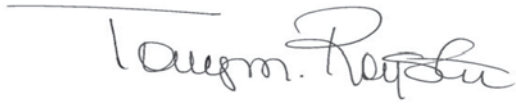
Attachment A: April 1, 2021 Report Package from GSD to CAO
Attachment B: February 27, 2019 Motion (Price – Rodriguez) (CF 17-1002-S1)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: April 1, 2021

TO: Richard H. Llewellyn Jr., City Administrative Officer
Office of the City Administrative Officer

Attention: Jacqueline Wagner, Chief Administrative Analyst

FROM: Tony M. Royster, General Manager
Department of General Services 

SUBJECT: **REVIEW OF PROPOSED DIRECT SALE OF PROPERTY LOCATED IN THE VICINITY OF FLOWER DRIVE AND MARTIN LUTHER KING JR. BOULEVARD – CD 9 APNS: 5037-032-900, 901**

The Department of General Services, Real Estate Services Division (RES) is in the process of selling the above-referenced property through a direct sale to SGRE Fig & Flower Investors 1, LLC (SGRE), who is the owner of property adjacent to the referenced City property, at the request of Council District 9. The proposed sale is in compliance with State Law AB 1486 which became effective on January 1, 2020 and allows property to be exempt from surplus property procedures. As such, Council has declared the referenced parcels “exempt surplus land” in compliance with State law and the property can therefore legally be sold to the adjacent property owner. SGRE’s ownership surrounds the City parcel on three sides.

Most surplus property is sold at public auction to the highest bidder. However, in some cases as defined in Los Angeles Administrative Code (LACC) Section 7.27, the “Council may determine that the public interest or necessity requires the sale, conveyance, or exchange of real property owned by the City or ... of any City interest in the real property without notice of sale or advertisement for bids. In the event of such determination, the Council may, by ordinance adopted by the vote of at least two-thirds of all of its members authorize the execution of such deed...or other instrument as may be necessary to effect such sale...”

The market value of the subject property as of November 25, 2019 is \$2,850,000. The negotiated sales price is \$2,850,000.

The proceeds of the sale, less yet to be determined closing costs, will be split 50% to Council Office 9 and 50% to the General fund as follows:

- To CD 9: Public Benefits Trust Account Dept. 14 Fund 48X
- To the General Fund: General Fund 100, Dept. 40, Rev Source 5141

No separate funds are required of the City for this transaction as any City-required closing costs will be taken from the sales proceeds.

The RES has followed the Surplus Property Procedures to declare the Property “exempt surplus land” and is hereby submitting the Property’s surplus package to the City Administrative Officer’s office for review and recommendation to the City Council for direct sale to SGRE.

Attached for your information is the documentation showing the necessary approvals obtained in processing the sale of this property in accordance with LAAC Sections 7.22 and 7.27. Should there be any question or additional information required, please contact Armando Parra, Senior Real Estate Officer, at (213) 926-9483, or via email at armando.parra@lacity.org or Amy Benson at (213) 798-0445 or via email at amy.benson@lacity.org.

Attachments

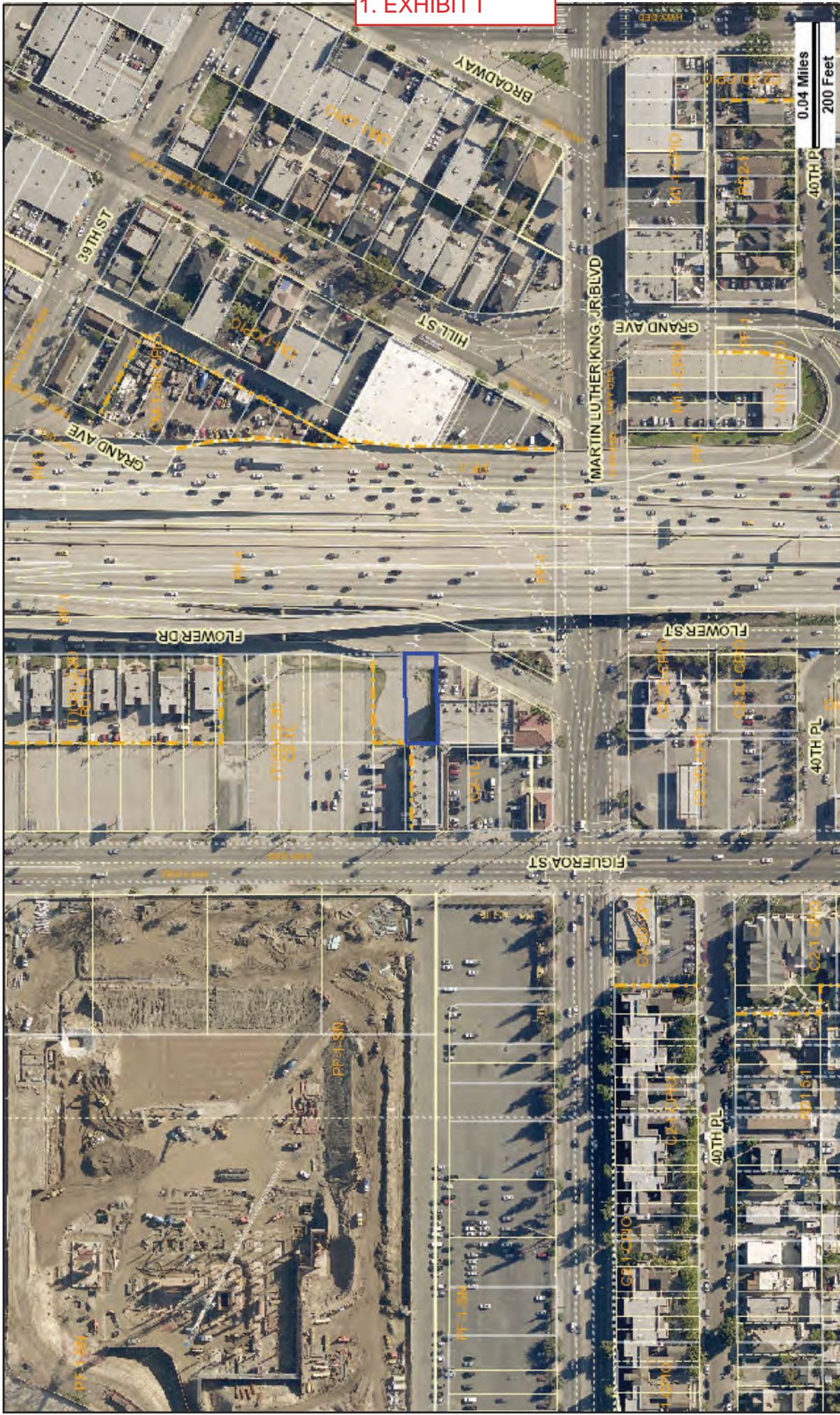
SURPLUS PROPERTY (DIRECT SALE) CHECKLIST DOCUMENTS FOR CAO OFFICE'S REVIEW

APN:5037-032-900, 901

ADDRESS: 3971/3973 (900 parcel) and
3977/3979 Flower Street (901 parcel)

Council File No. 17-1002-S1

1	Assessor Parcel Map Navigate LA Map/IMAP LA Map Photo if necessary	Exhibit I
2	Documentation on Prior Council Actions	Exhibit II
3	City Council Declaration of "Exempt Surplus Land" under State Law AB 1486	Exhibit III
4	54220 Notices	Not Applicable Due to "Exempt Surplus Land" Council declaration.
5	State Department of Housing and Community Development Approval	Not Applicable Due to "Exempt Surplus Land" Council declaration.
6	Ownership Report City Title Report	Exhibit IV
7	Legal Description	Exhibit V
8	BOE District Engineer Report BOE Geotechnical Report BOE Environment Report	Exhibit VI
9	Planning Approval (50 days waiver acceptance)	Exhibit VII
10	Council District Approval/Notice to the Mayor	Exhibit VIII
11	Appraisal Report/Appraisal Review Explanation/Description of Zoning	Exhibit IX
12	Draft Ordinance	Exhibit X
13	Detail on Source of Funds/Account used to purchase Property	Exhibit XI. Not Applicable. Property was Relinquished to City at no cost.
14	Detail on Fund, Account to deposit sale proceeds	Exhibit XII
15	Miscellaneous Documentation -Relinquishment Document -Freeway Agreement	XIII



Address: 3977 S FLOWER DR
Tract: ZOBELIN'S GRAND AVENUE AND FIGUEROA STREET TRACT

Block: BLK 15

Lot: 16









Arb: None

Zoning: C2-1L
General Plan: Community Commercial

APN: 5037032901
PIN #: 115-5A201 31

LEGEND

GENERALIZED ZONING

-  OS, GW
-  A, RA
-  RE, RS, R1, RU, RZ, RW1
-  R2, RD, RMP, RW2, R3, RAS, R4, R5, PVSP
-  CR, C1, C1.5, C2, C4, C5, CW, WC, ADP, LASED, CEC, USC, PPSP, MU, NMU
-  CM, MR, CCS, UV, UI, UC, M1, M2, LAX, M3, SL, HJ, HR, NI
-  P, PB
-  PF

GENERAL PLAN LAND USE

LAND USE

RESIDENTIAL


-  Minimum Residential
-  Very Low / Very Low I Residential
-  Very Low II Residential
-  Low / Low I Residential
-  Low II Residential
-  Low Medium / Low Medium I Residential
-  Low Medium II Residential
-  Medium Residential
-  High Medium Residential
-  High Density Residential
-  Very High Medium Residential

COMMERCIAL






-  Limited Commercial
-  Limited Commercial - Mixed Medium Residential
-  Highway Oriented Commercial
-  Highway Oriented and Limited Commercial
-  Highway Oriented Commercial - Mixed Medium Residential
-  Neighborhood Office Commercial
-  Community Commercial
-  Community Commercial - Mixed High Residential
-  Regional Center Commercial

FRAMEWORK

COMMERCIAL

-  Neighborhood Commercial
-  General Commercial
-  Community Commercial
-  Regional Mixed Commercial






INDUSTRIAL

-  Commercial Manufacturing
-  Limited Manufacturing
-  Light Manufacturing
-  Heavy Manufacturing
-  Hybrid Industrial




PARKING

-  Parking Buffer


PORT OF LOS ANGELES

-  General / Bulk Cargo - Non Hazardous (Industrial / Commercial)
-  General / Bulk Cargo - Hazard
-  Commercial Fishing
-  Recreation and Commercial
-  Intermodal Container Transfer Facility Site



LOS ANGELES INTERNATIONAL AIRPORT

-  Airport Landside / Airport Landside Support
-  Airport Airside
-  LAX Airport Northside

OPEN SPACE / PUBLIC FACILITIES
































-  Open Space
-  Public / Open Space
-  Public / Quasi-Public Open Space
-  Other Public Open Space
-  Public Facilities

INDUSTRIAL






-  Limited Industrial
-  Light Industrial

CIRCULATION

STREET

-  Arterial Mountain Road
-  Collector Scenic Street
-  Collector Street
-  Collector Street (Hillside)
-  Collector Street (Modified)
-  Collector Street (Proposed)
-  Country Road
-  Divided Major Highway II
-  Divided Secondary Scenic Highway
-  Local Scenic Road
-  Local Street
-  Major Highway (Modified)
-  Major Highway I
-  Major Highway II
-  Major Highway II (Modified)
-  Major Scenic Highway
-  Major Scenic Highway (Modified)
-  Major Scenic Highway II
-  Mountain Collector Street
-  Park Road
-  Parkway
-  Principal Major Highway
-  Private Street
-  Scenic Divided Major Highway II
-  Scenic Park
-  Scenic Parkway
-  Secondary Highway
-  Secondary Highway (Modified)
-  Secondary Scenic Highway
-  Special Collector Street
-  Super Major Highway

FREEWAYS

-  Freeway
-  Interchange
-  On-Ramp / Off- Ramp
-  Railroad
-  Scenic Freeway Highway


























MISC. LINES

-  Airport Boundary
-  Bus Line
-  Coastal Zone Boundary
-  Coastline Boundary
-  Collector Scenic Street (Proposed)
-  Commercial Areas
-  Commercial Center
-  Community Redevelopment Project Area
-  Country Road
-  DWP Power Lines
-  Desirable Open Space
-  Detached Single Family House
-  Endangered Ridgeline
-  Equestrian and/or Hiking Trail
-  Hiking Trail
-  Historical Preservation
-  Horsekeeping Area
-  Local Street
-  MSA Desirable Open Space
-  Major Scenic Controls
-  Multi-Purpose Trail
-  Natural Resource Reserve
-  Park Road
-  Park Road (Proposed)
-  Quasi-Public
-  Rapid Transit Line
-  Residential Planned Development
-  Scenic Highway (Obsolete)
-  Secondary Scenic Controls
-  Secondary Scenic Highway (Proposed)
-  Site Boundary
-  Southern California Edison Power
-  Special Study Area
-  Specific Plan Area
-  Stagecoach Line
-  Wildlife Corridor





POINTS OF INTEREST

 Alternative Youth Hostel (Proposed)	 Horticultural Center	 Public Elementary School
 Animal Shelter	 Hospital	 Public Elementary School (Proposed)
 Area Library	 Hospital (Proposed)	 Public Golf Course
 Area Library (Proposed)	HW House of Worship	 Public Golf Course (Proposed)
 Bridge	e Important Ecological Area	 Public Housing
 Campground	 Important Ecological Area (Proposed)	 Public Housing (Proposed Expansion)
 Campground (Proposed)	 Interpretive Center (Proposed)	 Public Junior High School
 Cemetery	 Junior College	 Public Junior High School (Proposed)
HW Church	 MTA / Metrolink Station	 Public Middle School
 City Hall	 MTA Station	 Public Senior High School
 Community Center	 MTA Stop	 Public Senior High School (Proposed)
 Community Library	MWD MWD Headquarters	 Pumping Station
 Community Library (Proposed Expansion)	 Maintenance Yard	 Pumping Station (Proposed)
 Community Library (Proposed)	 Municipal Office Building	 Refuse Collection Center
 Community Park	P Municipal Parking lot	 Regional Library
 Community Park (Proposed Expansion)	 Neighborhood Park	 Regional Library (Proposed Expansion)
 Community Park (Proposed)	 Neighborhood Park (Proposed Expansion)	 Regional Library (Proposed)
 Community Transit Center	 Neighborhood Park (Proposed)	 Regional Park
 Convalescent Hospital	 Oil Collection Center	 Regional Park (Proposed)
 Correctional Facility	 Parking Enforcement	RPD Residential Plan Development
 Cultural / Historic Site (Proposed)	 Police Headquarters	 Scenic View Site
 Cultural / Historical Site	 Police Station	 Scenic View Site (Proposed)
 Cultural Arts Center	 Police Station (Proposed Expansion)	 School District Headquarters
DMV DMV Office	 Police Station (Proposed)	 School Unspecified Loc/Type (Proposed)
DWP DWP	 Police Training site	 Skill Center
 DWP Pumping Station	PO Post Office	SS Social Services
 Equestrian Center	 Power Distribution Station	 Special Feature
 Fire Department Headquarters	 Power Distribution Station (Proposed)	 Special Recreation (a)
 Fire Station	 Power Receiving Station	 Special School Facility
 Fire Station (Proposed Expansion)	 Power Receiving Station (Proposed)	 Special School Facility (Proposed)
 Fire Station (Proposed)	C Private College	 Steam Plant
 Fire Supply & Maintenance	E Private Elementary School	 Surface Mining
 Fire Training Site	 Private Golf Course	 Trail & Assembly Area
 Fireboat Station	 Private Golf Course (Proposed)	 Trail & Assembly Area (Proposed)
 Health Center / Medical Facility	JH Private Junior High School	UTL Utility Yard
 Helistop	PS Private Pre-School	 Water Tank Reservoir
 Historic Monument	 Private Recreation & Cultural Facility	 Wildlife Migration Corridor
 Historical / Cultural Monument	SH Private Senior High School	 Wildlife Preserve Gate
 Horsekeeping Area	SF Private Special School	
 Horsekeeping Area (Proposed)	 Public Elementary (Proposed Expansion)	

SCHOOLS/PARKS WITH 500 FT. BUFFER

 Existing School/Park Site	 Planned School/Park Site	 Inside 500 Ft. Buffer
 Aquatic Facilities	 Other Facilities	 Opportunity School
 Beaches	 Park / Recreation Centers	 Charter School
 Child Care Centers	 Parks	 Elementary School
 Dog Parks	 Performing / Visual Arts Centers	 Span School
 Golf Course	 Recreation Centers	 Special Education School
 Historic Sites	 Senior Citizen Centers	 High School
 Horticulture/Gardens		 Middle School
 Skate Parks		 Early Education Center

COASTAL ZONE



 Coastal Zone Commission Authority
 Calvo Exclusion Area
 Not in Coastal Zone
 Dual Jurisdictional Coastal Zone

TRANSIT ORIENTED COMMUNITIES (TOC)


 Tier 1	 Tier 3
 Tier 2	 Tier 4

Note: TOC Tier designation and map layers are for reference purposes only. Eligible projects shall demonstrate compliance with Tier eligibility standards prior to the issuance of any permits or approvals. As transit service changes, eligible TOC Incentive Areas will be updated.

WAIVER OF DEDICATION OR IMPROVEMENT

 Public Work Approval (PWA)
 Waiver of Dedication or Improvement (WDI)

OTHER SYMBOLS

 Lot Line	 Airport Hazard Zone	 Flood Zone
 Tract Line	 Census Tract	 Hazardous Waste
 Lot Cut	 Coastal Zone	 High Wind Zone
 Easement	 Council District	 Hillside Grading
 Zone Boundary	 LADBS District Office	 Historic Preservation Overlay Zone
 Building Line	 Downtown Parking	 Specific Plan Area
 Lot Split	 Fault Zone	 Very High Fire Hazard Severity Zone
 Community Driveway	 Fire District No. 1	 Wells
 Building Outlines 2014	 Tract Map	
 Building Outlines 2008	 Parcel Map	



Office of the City Clerk, City of Los Angeles

This report was generated by the Council File Management System on 12/10/2020

Council File Number

[17-1002-S1](#)

Title

Flower Drive / Two Parcels / Sale of Surplus Property

Last Change Date

12/08/2020

Expiration Date

12/04/2022

Reference Numbers

Assessors Parcels (APNs): 5037-032-900; 5037-032-901, Related Council File: 18-0367, City Administrative Officer Report: 0220-05786-0000

Council District

9

Mover

CURREN D. PRICE, JR.

Second

MONICA RODRIGUEZ

Action History for Council File [17-1002-S1](#)

- | Date | Activity |
|------------|---|
| 12/08/2020 | Council adopted item forthwith. |
| 12/04/2020 | City Clerk scheduled item for Council on December 8, 2020. |
| 11/24/2020 | Information, Technology, and General Services Committee approved item(s) . |
| 11/20/2020 | Information, Technology, and General Services Committee scheduled item for committee meeting on November 24, 2020. |
| 10/28/2020 | Information, Technology, and General Services Committee meeting cancelled. |
| 10/23/2020 | Information, Technology, and General Services Committee scheduled item for committee meeting on October 28, 2020. |
| 09/30/2020 | Municipal Facilities Committee document(s) referred to Information, Technology, and General Services Committee. |
| 09/30/2020 | Document(s) submitted by Municipal Facilities Committee, as follows:

Municipal Facilities Committee report 0220-05786-0000, dated September 30, 2020, relative to a request from the Department of General Services for an exempt surplus land declaration for the City-owned property located at 3971-3979 1/2 Flower Drive, in Council District 9. |
| 02/27/2019 | Motion document(s) referred to Information, Technology, and General Services Committee. |

2. EXHIBIT II


0220-05786-0000

TRANSMITTAL

TO City Council	DATE 09-30-20	COUNCIL FILE NO. 17-1002-S1
FROM Municipal Facilities Committee	COUNCIL DISTRICT 9	

At its meeting held on September 24, 2020, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted to Council for consideration. Adoption of the report recommendations would declare that the City-owned property located at 3971-3979 ½ S. Flower Drive, Los Angeles, CA 90037 (Assessor's Parcel Numbers 5037-032-900, 5037-032-901) in Council District 9 is "exempt surplus land" pursuant to AB 1486. Furthermore, adoption of the report recommendations would find and determine that the subject property is no longer required for use by the City and that the public interest is best served by its disposal.

Fiscal Impact: The City will receive the fair market value of the property after the sale is completed. The anticipated impact on the General Fund is unknown at this time.


Richard H. Llewellyn, Jr.
for City Administrative Officer
Chair, Municipal Facilities Committee

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

September 24, 2020

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, California 90012

Attention: Armando Bencomo, Legislative Assistant

REQUEST FOR "EXEMPT SURPLUS LAND" DECLARATION FOR CITY-OWNED PROPERTY IN COMPLIANCE WITH STATE LAW REQUIREMENTS FOR THE SALE OF SURPLUS PROPERTY

The Department of General Services (GSD) in compliance with AB-1486, is requesting to declare as "exempt surplus lands" for the eventual sale of parcels in the vicinity of Flower Street and Martin Luther King Jr. Blvd, Assessor Parcel Numbers 5037-032-900 and 901 ("Property"), depicted in Attachment "A" at the request of Council District Nine.

BACKGROUND

Prior to AB-1486, GSD was processing the sale of subject Property under a Council Motion (Council File 17-1002-S1) which declared the Property "surplus assets" and instructed the City Administrative Officer to evaluate the feasibility of a direct sale to SGRE Fig & Flower Investors 1 LLC ("Buyer") at fair market value. This motion also directed various departments, including GSD to take necessary steps and prepare required documents to effectuate the potential direct sale of the parcels.

On January 1, 2020, AB-1486 took effect and amended the previous process for disposing of City-owned lands. Among other changes, AB 1486 requires that "Land shall be declared either 'surplus land' or 'exempt surplus land,' as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency's policies or procedures."

The fee title interest to the Property was acquired from Caltrans on December 20, 2018 as part of the Relinquishment of Collateral Facilities adjacent to Route 110 Freeway between Martin Luther King, Jr. Avenue and 39th Street (CF 17-1002). The City accepted



the relinquishment upon the completion of Caltrans's improvements to the 110 Freeway for the Metro Express Toll Lanes Project. The surplus property was acquired by Caltrans to create a turnaround circle for emergency vehicles. Since Flower Drive will be widened as a condition of a privately-financed development, the City has determined that there is no need for the turnaround and is declaring the Property surplus and will make it available for sale.

PROPERTY DESCRIPTION

ADDRESS/APN	LOT SIZE	CD
5037-032-900, 901	14,000	9

FINDINGS

Under AB1486, specifically Government Code Section 54221(f)(1)(E), "Exempt Surplus Land" includes "surplus land that is a former street, right of way, or easement, and is conveyed to an owner of an adjacent property." The City finds that the Property is a former Caltrans right of way, and Owner is the fee owner of that certain property located at 3965 S. Flower Street, which is adjacent to the Property. City further finds that the Property is not needed for right of way or any other City purpose since the City has determined that there is no need for a turnaround and is therefore declaring the Property surplus and will make it available for sale. The Property has also become a nuisance property for the City as it has been used illegally in the past as a parking lot.

FISCAL IMPACT

City will receive fair market value in the sale of the property. There is currently no fiscal impact to the General Fund.

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor:

1. Declare that the Property is "Exempt Surplus Land" under AB 1486 based on the findings above; and
2. Find and Determine that the Property, as described in this report, is no longer required for use by the City and that the public interest is best served by its disposal.

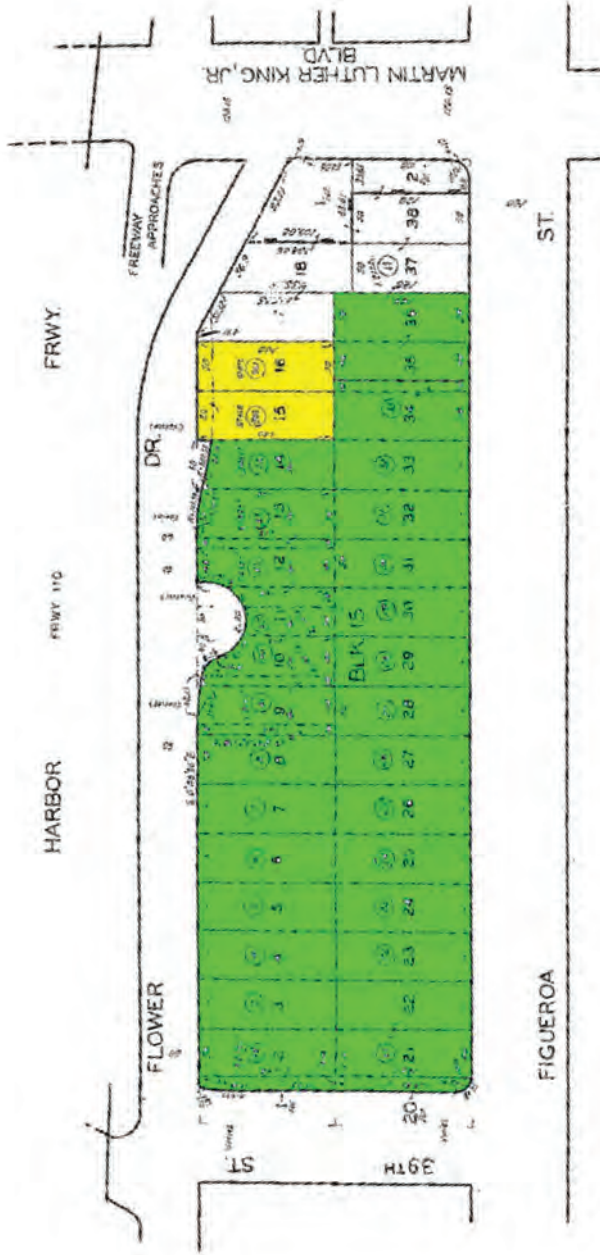


Tony M. Royster
General Manager

Attachments: Exhibit "A" - Plat map

5037-032-900 & 901
SUBJECT AREA SHOWN IN YELLOW

PLAT MAP



FIGUEROA ST.
HARBOR DR.
FRWY
FLOWER ST.
MARTIN LUTHER KING, JR. BLVD.
FREIGHTWAY APPROACHES

ZOBELIN'S GRAND AVENUE TRACT
M.B. 28-77-79

AND FIGUEROA STREET TRACT
M.B. 9-41

TRACI NO. 2411

2. EXHIBIT II

Council Motions

Introduced in the Council meeting of February 27, 2019

The following Council Motions were introduced during today's City Council meeting. Council file numbers have not been assigned at this time and are currently being processed. To obtain the Council file numbers, please refer to the Council and Committee Referral "Hot Sheet" for the date listed above.

MOTION

On August 28, 2017, the California Department of Transportation (Caltrans) issued a notice of intent to relinquish to the City highway right of way from Flower Drive between Martin Luther King (MLK) Boulevard and 39th Street and 39th Street between Figueroa Street and mid-block between Hill Street and Grand Avenue. On September 21, 2018, the City adopted the Bureau of Engineering's recommendations in a report dated August 21, 2018 to find that the no-fee relinquishment is in the best interest of the City and to adopt the accompanying resolution and related actions to effectuate the relinquishment (C.F. 17-1002).

The highway right of way relinquished to the City does not meet City standards and additional funding will be required to complete the improvements. These improvements include: new curb ramps; curbs and gutters; driveways; and repaving and signage. The Fig Project is a mixed-use development project that is currently under construction at 3900 – 3972 S. Figueroa Street and is adjacent to and surrounds two of the parcels located on Flower Drive that were relinquished to the City (APNs: 5037-032-900 and 5037-032-901). The developer, SGRE Fig & Flower Investors 1 LLC, is interested in purchasing the two parcels and will complete the necessary improvements.

I THEREFORE MOVE that City Council direct the Department of General Services (GSD) to take the following actions relative to the two parcels located on Flower Drive that Caltrans relinquished to the City (APNs: 5037-032-900 and 5037-032-901):

1. Declare the two parcels located on Flower Drive (APNs: 5037-032-900 and 5037-032-901) surplus assets;
2. Initiate the Surplus Property Process and conduct a Class "A" appraisal of the parcels;
3. Instruct the City Administrative Officer (CAO) to evaluate the feasibility of a direct sale to SGRE Fig & Flower Investors 1 LLC at fair market value; and
4. Direct GSD, with the assistance of the CAO, the City Attorney, and any other relevant departments, to take all necessary steps and prepare all required documents to effectuate the potential sale of the parcels.

PRESENTED BY: 

CURREN D. PRICE, JR.

Councilmember, 9th DistrictSECONDED BY: 

cbs

FEB 27 2019

ORIGINAL

HOLLY L. WOLCOTT
CITY CLERK

PETTY F. SANTOS
EXECUTIVE OFFICER

City of Los Angeles
CALIFORNIA

3. EXHIBIT III

OFFICE OF THE
CITY CLERK



Eric Garcetti
MAYOR

Council and Public Services Division

200 N. SPRING STREET, ROOM 395
LOS ANGELES, CA 90012
GENERAL INFORMATION - (213) 978-1133
FAX: (213) 978-1040

PATRICE Y. LATTIMORE
DIVISION MANAGER

CLERK.LACITY.ORG

When making inquiries relative to
this matter, please refer to the
Council File No.: [17-1002-S1](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

December 9, 2020

Council File No.: [17-1002-S1](#)

Council Meeting Date: December 08, 2020

Agenda Item No.: 32

Agenda Description: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring City-owned property located at 3971 - 3979 1/2 South Flower Drive as Exempt Surplus Land pursuant to State of California Assembly Bill (AB) 1486 (Ting).

Council Action: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT - ADOPTED FORTHWITH

Council Vote:

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
YES	GILBERT A. CEDILLO
YES	KEVIN DE LEON
YES	MARQUEECE HARRIS-DAWSON
YES	PAUL KORETZ
YES	PAUL KREKORIAN
YES	JOHN LEE
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
ABSENT	CURREN D. PRICE
YES	MONICA RODRIGUEZ
ABSENT	DAVID RYU
YES	HERB WESSON

HOLLY L. WOLCOTT
CITY CLERK

Adopted Report(s)

Title

Report from Information, Technology, and General Services Committee

Date

11/24/2020

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring City-owned property located at 3971 - 3979 1/2 South Flower Drive as *Exempt Surplus Land* pursuant to State of California Assembly Bill (AB) 1486 (Ting).

Recommendations for Council action:

1. DECLARE the City-owned property (Property) located at 3971 - 3979 1/2 South Flower Drive, Los Angeles, California 90037, identified as Assessor's Parcel Numbers 5037-032-900 and 5037-032-901, as *Exempt Surplus Land* pursuant to AB 1486.
2. FIND and DETERMINE that the Property is no longer required for City use, and that the public interest is best served by its disposal.

Fiscal Impact Statement: The Municipal Facilities Committee (MFC) reports that the City will receive the fair market value of the Property after the sale is completed. The anticipated impact to the General Fund is unknown at this time.

Community Impact Statement: None submitted.

SUMMARY

At a Special Meeting held on November 24, 2020, the Information, Technology, and General Services Committee considered the MFC report dated September 30, 2020 relative to declaring the Property located at 3971 - 3979 1/2 South Flower Drive as *Exempt Surplus Land* pursuant to AB 1486; and, approval of the finding and determination that the Property is no longer required for City use, and that the public interest is best served by its disposal, for the eventual sale of parcels in the vicinity of Flower Street and Martin Luther King, Jr. Boulevard. The fee title interest to the Property was acquired from the State of California Department of Transportation (Caltrans) on December 20, 2018 as part of the Relinquishment of Collateral Facilities adjacent to the 110 Freeway between Martin Luther King, Jr. Boulevard and 39th Street, which was acquired by the Caltrans to create a turnaround circle for emergency vehicles. The City accepted the relinquishment upon the completion of Caltrans improvements to the 110 Freeway for the Metro Express Toll Lanes Project. Since Flower Drive will be widened as a condition of a privately-financed development, the City has determined that there is no need for the turnaround, and is therefore declaring the Property as *Exempt Surplus Land* to make it available for sale.

After providing an opportunity for public comment, the Committee moved to approve the recommendations contained in the subject MFC report, as detailed above. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
LEE:	YES
BLUMENFIELD:	YES
RODRIGUEZ:	YES

AXB
17-1002-S1_rpt_ITGS_11-24-20

-NOT OFFICIAL UNTIL COUNCIL ACTS-



725 South Figueroa Street, Suite 200, Los Angeles, CA 90017
Phone: (213) 488-4300 • Fax: (213) 488-4377

Issuing Policies of Chicago Title Insurance Company

ORDER NO.: **00109950-994-LT2-KD**

Escrow/Customer Phone: **(213) 488-4300**

City of Los Angeles
111 E. 1St Street, Room 201
Los Angeles, CA 90012
ATTN: Louie Padua
Email: Louie.Padua@lacity.org
REF: Flower Drive

Title Officer: **Karl Daly (LA/Comm)**
Title Officer Phone: **(213) 612-4157**
Title Officer Fax: **(213) 488-4385**
Title Officer Email: **Karl.Daly@CTT.com**

PROPERTY: **3971-3977 FLOWER DRIVE, LOS ANGELES, CA**

AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Florida corporation.

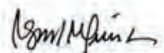

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Chicago Title Company

By: 
Authorized Signature



By: 
Randy Quirk, President
Attest: 
Michael Gravelle, Secretary



AMENDED PRELIMINARY REPORT

EFFECTIVE DATE: **May 9, 2019 at 7:30 a.m., Amended: June 7, 2019, Amendment No. 3**

ORDER NO.: 00109950-994-LT2-KD

The form of policy or policies of title insurance contemplated by this report is:

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

Fee Estate

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

City of Los Angeles

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 15 AND 16 IN BLOCK 15 OF ZOBELIEN'S GRAND AVENUE AND FIGUEROA STREET TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 9, PAGE\(S\) 41 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: **5037-032-900 & 901**

EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2019-2020.
- B. There were no taxes levied for the fiscal year 2018-2019 as the property was vested in a public entity.
- C. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
- 2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as delineated on or as offered for dedication on

Map/Plat: Zobelein's Grand Avenue and Figueroa Street Tract
Recorded: in [Book 9, Page 41 of maps](#)
Purpose: Street
Affects: That portion of said land as shown on the map of said tract.

- 3. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Lessor: Rosa Capiloute, as owner of said land and by other persons as owners of other lands in the community area
Lessee: Standard Oil Company of California
Recording Date: July 18, 1961
Recording No: [4201, Official Records](#)

Said lease affects that portion of said Land lying below a depth of 500 feet from the surface thereof.

Said lease provides for no right of surface entry.

No insurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interests of the lessor or lessee in said lease.

- 4. Intentionally deleted.

EXCEPTIONS
(Continued)

5. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Lessor: Andrew Melikian, a single man and Nectar Melikian, a widow, as to Parcel 1 and Rosa Capiloute, a widow, as to Parcel 2, as owner of said land and by other persons as owners of other lands in the community area
Lessee: Standard Oil Company of California, a California corporation
Recording Date: January 29, 1964
Recording No: [4307, Official Records](#)

Said lease affects that portion of said Land lying below a depth of 500 feet from the surface thereof.

Said lease provides for no right of surface entry.

No insurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interests of the lessor or lessee in said lease.

6. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, citizenship, immigration status, primary language, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recorded: in [Book 2064, Page 78, Official Records](#)

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

7. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: The Hoover Redevelopment Project Redevelopment Area
Recording Date: May 13, 1983
Recording No: [83-542448, Official Records](#)

and Recording Date: May 12, 1989
and Recording No: [89-769675, Official Records](#)

8. Intentionally deleted.
9. Intentionally deleted.

EXCEPTIONS
(Continued)

10. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Lessor: Emma G. Mayo
Lessee: Standard Oil Company of California, a California corporation
Recording Date: December 26, 1958
Recording No: [1206, in Book M186, Page 700, Official Records](#)

Said lease affects that portion of said Land lying below a depth of 500 feet from the surface thereof.

Said lease provides for no right of surface entry.

No insurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interests of the lessor or lessee in said lease.

11. Intentionally deleted.

12. Intentionally deleted.

13. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: Public utilities
Recorded: in [Book 84, Page 271, Official Records](#)
Affects: 4 feet wide, along, over and under the rear line of said land

14. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Lessor: William H. Walton and Mabel F. Walton
Lessee: Standard Oil Company of California, a California corporation
Recording Date: November 20, 1961
Recording No: [2631, in Book M898, Page 733, Official Records](#)

Said lease affects that portion of said Land lying below a depth of 500 feet from the surface thereof.

Said lease provides for no right of surface entry.

No insurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interests of the lessor or lessee in said lease.

EXCEPTIONS
(Continued)

15. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$28,500.00
Dated: August 5, 1969
Trustor/Grantor Larkin B. Reeves and Grace Reeves, husband and wife
Trustee: Title Insurance and Trust Company, a California corporation
Beneficiary: Crawshaw Mortgage and Investment Company, a California corporation
Recording Date: September 17, 1969
Recording No: [902, Official Records](#)

By various assignments, the beneficial interest thereunder is now held of record in:

Assignee: the Secretary of Housing and Urban Development
Recording Date: June 4, 1990
Recording No: [90-990666, Official Records](#)

Affects: Lot 15

16. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: the City of Los Angeles
Recording Date: November 30, 2007
Recording No: [20072636429, Official Records](#)

17. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by the document,

Recording Date: December 20, 2018
Recording No: [2018-1294777, Official Records](#)
Affects: the adjoining freeway

18. Rights of the public to any of the Land lying within the public alley located on the east side of said land.

19. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

20. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

21. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

**EXCEPTIONS
(Continued)**

22. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

PLEASE REFER TO THE “INFORMATIONAL NOTES” AND “REQUIREMENTS” SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

2. This Company will require evidence of compliance with the statutory limitations incident to the governmental agency named below, with reference to any conveyance of an interest in the Land this Company will be asked to record and/or rely upon in the issuance of any form of title insurance.

Governmental agency: City of Los Angeles

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
2. None of the items shown in this report will cause the Company to decline to attach ALTA Endorsement Form 9 to an Extended Coverage Loan Policy, when issued.
3. The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Commercial properties, known as 3971-3977 Flower Drive, located within the city of Los Angeles, California, , to an Extended Coverage Loan Policy.
4. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
7. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

END OF INFORMATIONAL NOTES

Karl Daly (LA/Comm)/b1c

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF,” “our,” or “we”) respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

Types of Information Collected

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g., Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g., loan or bank account information); and
- other personal information necessary to provide products or services to you.

Browsing Information. FNF may automatically collect the following types of Browsing Information when you access an FNF website, online service, or application (each an “FNF Website”) from your Internet browser, computer, and/or mobile device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website

How Personal Information is Collected

We may collect Personal Information about you from:

- information we receive from you on applications or other forms;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

How Browsing Information is Collected

If you visit or use an FNF Website, Browsing Information may be collected during your visit. Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to “Do Not Track” features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to other websites. FNF is not responsible for the privacy practices or the content of any of those other websites. We advise you to read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates’, and third parties’ products and services, jointly or independently.

When Information Is Disclosed

We may make disclosures of your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or

- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Please see “**Choices With Your Information**” to learn the disclosures you can restrict.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to guard your Personal Information. We limit access to nonpublic personal information about you to employees who need to know that information to do their job. When we provide Personal Information to others as discussed in this Privacy Notice, we expect that they process such information in compliance with our Privacy Notice and in compliance with applicable privacy laws.

Choices With Your Information

If you do not want FNF to share your information with our affiliates to directly market to you, you may send an “opt out” request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by California law.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not share information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF’s headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the “Service Websites”). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender’s privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender’s privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information

collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the field rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transaction involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

CTC - Chicago Title Company

FNF Underwriter

CTIC - Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge within the following time period from the date of the report.

DISASTER LOANS (CTIC)

The charge for a lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

EMPLOYEE RATE (CTC and CTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

ATTACHMENT ONE

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990**

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount		Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00%	% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00%	% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00%	of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00%	of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

(Except as provided in Schedule B - Part II, (t(or)his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

(PART I

(The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:)

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

(The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. (Variable exceptions such as taxes, easements, CC&R's, etc. shown here.)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Insert Map here

OWNER'S DECLARATION

Escrow No.: 00109950-994-LT2-KD
Property Address: 3971-3977 Flower Drive
Los Angeles, CA

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
 - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at 3971-3977 Flower Drive, Los Angeles, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
 - b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at 3971-3977 Flower Drive, Los Angeles, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
 - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
 - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of \$ _____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Chicago Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.
5. The Land is currently in use as _____; _____ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.
8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Chicago Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on _____ at _____.

Signature: _____

7. EXHIBIT V


Legal Description

THAT PORTION OF SEGMENT 1, OF RELINQUISHMENT NO. 1268, LYING IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON RESOLUTION NUMBER R-4014 RECORDED DECEMBER 20, 2018 AS INSTRUMENT NUMBER 20181294777, OFFICIAL RECORDS, OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF SAID SEGMENT 1, BOUND TO THE NORTH BY THE SOUTHERLY LINE OF LOT 14, OF BLOCK 15, OF THE MAP OF ZOBELINS GRAND AVENUE AND FIGUEROA STREET TRACT, AS PER MAP RECORDED IN BOOK 9, PAGE 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND ITS EASTERLY PROLONGATION THEREOF; BOUND TO THE WEST BY THE EASTERLY LINES OF LOT 34 AND LOT 35, OF BLOCK 15, OF SAID TRACT; BOUND TO THE SOUTH BY THE NORTHERLY LINE OF LOT 17 OF BLOCK 15, OF SAID TRACT AND ITS EASTERLY PROLONGATION THEREOF.

RESERVING UNTO THE CITY OF LOS ANGELES AN EASEMENT FOR PUBLIC STREET PURPOSES, IN, OVER, ALONG, UPON AND ACROSS THE EASTERLY 45.00 FEET OF THE ABOVE DESCRIBED PARCEL OF LAND.

CONTAINING 9,881 SQUARE FEET, MORE OR LESS.



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: December 21, 2020

TO: Magdi Soliman, Survey Supervisor
Survey Division
Bureau of Engineering

FROM: E. Amy Benson, Acting Director
Real Estate Services Division
Department of General Services



**SUBJECT: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY – CD 9
3971/3973 AND 3977/3979 FLOWER STREET, LOS ANGELES, CA**

The City of Los Angeles, through its Department of General Services (GSD), Real Estate Services Division, is processing for possible sale, City-owned property located at the above-referenced location, identified and highlighted on the enclosed map and referenced 1993 Grant Deed.

APN	LEGAL DESCRIPTION	ADDRESS	CD	LAND USE
5037-032-900, 5037-032-901	Grant Deed (Attached) as Reference	3971/3973 and 3977/3979 Flower Street	9	Commercial

A copy of a prior Grant Deed showing the legal description of the referenced property and the District Engineer's comments for your review are attached. (Can the legal description reference the map as requirements to facilitate the legal description to be used when selling the subject property?) The City desires to sell the property as a direct sale. Please provide this Division with an appropriate legal description by **January 15, 2021** by sending your response to the Department of General Services, Real Estate Services Division, E. Amy Benson, Acting Director, and Armando Parra, Senior Real Estate Officer via emails at amy.benson@lacity.org and armando.parra@lacity.org.

If for any reason, the legal description cannot be provided by this requested date, please inform me and Armando Parra as soon as possible.

Your prompt attention is appreciated. Should you need additional information, please contact Armando Parra at (213) 926-9483 or by e-mail to armando.parra@lacity.org.

Attachments: Prior Grant Deed, District Engineer's Comments

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 22, 2019

TO: Ramzy Sawaya, District Engineer
Public Works: Bureau of Engineering
6262 Van Nuys Blvd, Ste. 251
Van Nuys CA 91401-2615
Mail Stop 496

FROM:  David Roberts, Assistant Director
Real Estate Services Division
Department of General Services

**SUBJECT: REQUEST FOR REQUIRED EASEMENT RESERVATIONS
AND RIGHT OF WAY FOR PROPOSED SALE OF CITY PROPERTY IN
THE VICINITY OF FLOWER DRIVE AND MARTIN LUTHER KING JR
BOULEVARD, APNS: 5037-032-900, 901 CD 9**

The Department of General Services (GSD), Real Estate Services Division (RES), is processing for possible sale the City-owned vacant parcels referenced above and highlighted on the attached map.

Please furnish us with your signed recommendations and comments regarding any required reservation for easements and right of way on this property by **April 26, 2019**. E-mail your response to Armando.Parra@lacity.org and send a hard copy of your response to Real Estate Services Division, Stop No. 706, attention Armando Parra, Senior Real Estate Officer.

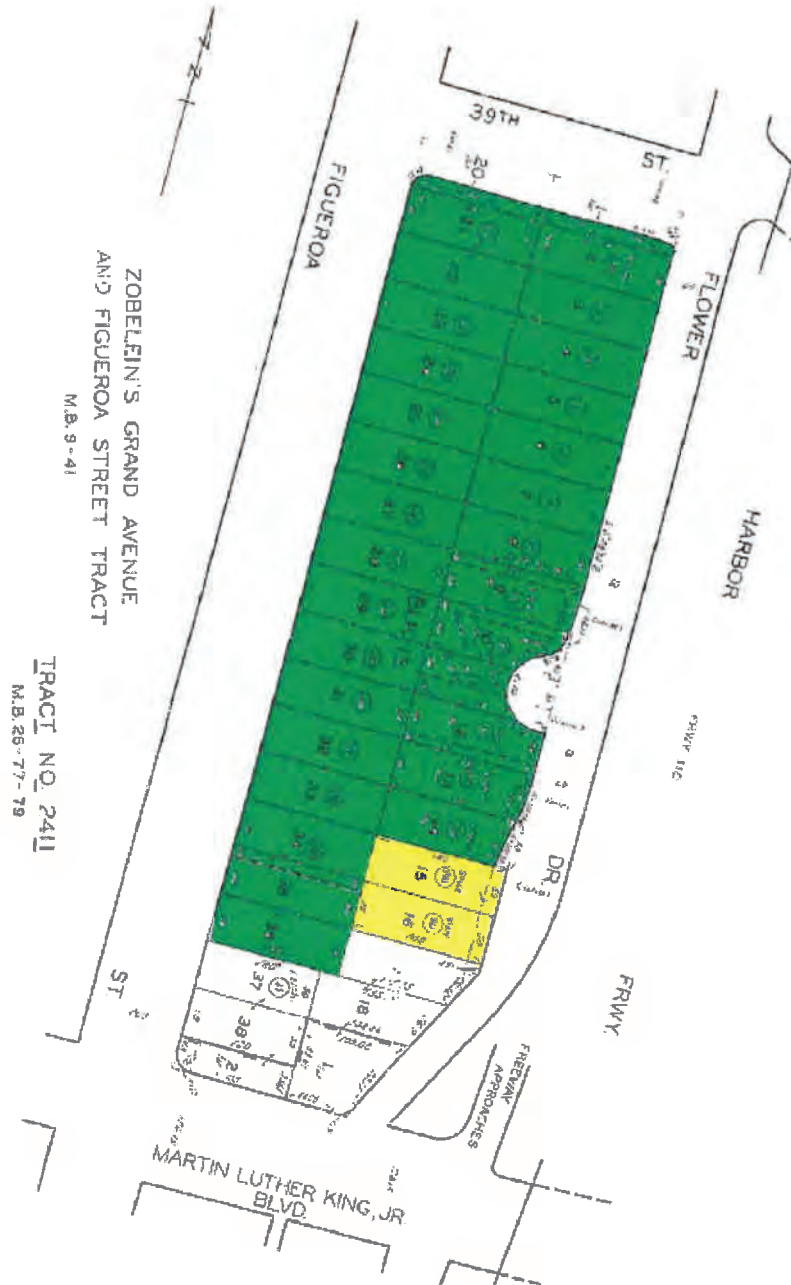
Thank you for your prompt attention. If you have any questions or should you need additional information, please contact Armando Parra, Senior Real Estate Officer at (213) 922-8559 or myself at (213) 922-8546.

Attachment

c: Wesley Tanijir
Carl Mills

5037-032-900 & 901
SUBJECT AREA SHOWN IN YELLOW

PLAT MAP



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April ²⁴~~18~~, 2019

To: David Roberts, Assistant Director
General Services Department
Real Estate Services Division, Mail Stop 706

From: *for Carl Mills*
Ramzy Sawaya, P.E., S.E.
Central District Engineer
Mail Stop 503

Subject: **EASEMENT RESERVATIONS AND RIGHT OF WAY FOR PROPOSED
SALE OF CITY PROPERTY THE VICINITY OF FLOWER DR. AND
MARTIN LUTHER KING JR BLVD. – CD 9
3971-3973 and 3977-3979 S. FLOWER DRIVE, APN: 5037-032-900/901**

This office has reviewed your request for the proposed sale of the subject properties. The Bureau of Engineering has **no objection** to this proposed sale of city-owned properties subject to the following:

Dedication:

Flower Dr. between 39th St. and Martin Luther King Jr Blvd. is a designated standard Local Street and is dedicated 60-ft and variable width and improved with 30-ft roadway, concrete curb, gutter, and sidewalk terminating with a cul-de-sac at approximately 500 feet southerly of 39th St.

As per Department of City Planning's conditions of approval for the merger, resubdivision, and condominium purposes of VTT 74193, including for the completion of Flower Dr. southerly extension and re-alignment, a **dedication of approximately 45-ft** wide over the subject properties is required as shown on approved tentative map stamp dated August 30, 2018 (attached).

Improvements:

Improvements shall be constructed and completed under a Class "B" Permit in a manner satisfactory to the City Engineer.

Sewers:

There is an existing sewer maintenance hole and an active 8-in diameter sewer line that crosses at the front properties of both Lots 16 and 17. These shall either be relocated

under a "B" Permit in a manner satisfactory to the City Engineer OR reserve a minimum of 10-ft wide sanitary sewer easement for periodic maintenance and repair purposes.

No building structure shall be constructed over or near this active sewer line without first obtaining approval from the City Engineer.

Any questions regarding this report may be directed to me at james.kho@lacity.org

VESTING TENTATIVE TRACT M, FOR MERGER, RESUBDIVISION, AND CONDOMINIUM

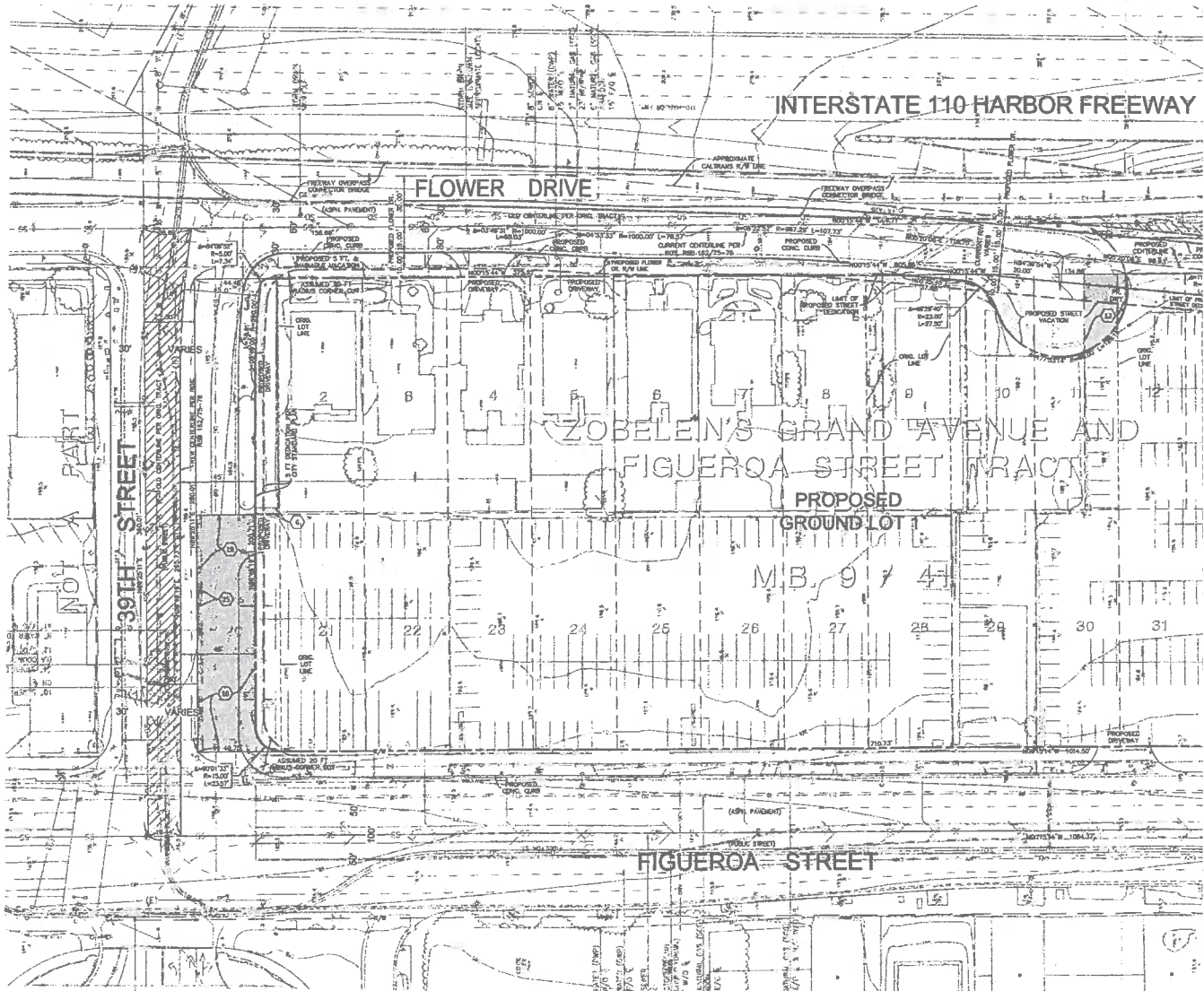
STREET CENTERLINE AREAS TABLE	
AREA TO E. PER ORIG. TRACT (M.B. 9/41)	372,240 SQ. FT. OR 8.667 AC.
AREA TO E. PER ORIG. TRACT & EXCEPT PORTION OF 39TH ST. PER REALIGNMENT (TO NEW E.)	389,928 SQ. FT. OR 8.992 AC.
AREA TO E. PER ORIG. TRACT EXCEPT CURRENT CALTRANS R/W	371,498 SQ. FT. OR 8.528 AC.
AREA TO E. PER ORIG. TRACT EXCEPT BOTH 39TH ST. REALIGNMENT PORTION & CALTRANS R/W	343,851 SQ. FT. OR 7.933 AC.
AREA BETWEEN ORIG. TRACT E. & NEW/CURRENT E. ON 39TH STREET	7,516 SQ. FT. OR 0.175 AC.
AREA BETWEEN ORIG. TRACT E. & CURRENT CALTRANS WESTERLY R/W	6,277 SQ. FT. OR 0.140 AC.



AREAS

	TOTAL CURRENT EXISTING PROPERTY AREA - BEFORE DEDICATIONS & VACATIONS
	191,047 SQ. FT. OR 4.386 AC.
	TOTAL PROPOSED NET AREA - AFTER DEDICATIONS & VACATIONS
	185,133 SQ. FT. OR 4.219 AC.

- FIGUEROA STREET
- 39TH STREET
- FLOWER DRIVE
- WASHINGTON LUTHER CHURCH
- 39TH STREET
- FLOWER DRIVE
- FLOWER DRIVE
- CUL DE SAC
- FLOWER DRIVE
- EX. STREET EA.



8. EXHIBIT VI


FORM GEN. 160(rev.6-80)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 22, 2019

TO: Gary Lee Moore, City Engineer
1149 S. Broadway, Ste. 700 (MS 490)

Attention: Mike Mulhern, BOE Geotechnical Engineering
1149 S. Broadway, 1st Floor (MS 495)

FROM:  David Roberts, Assistant Director
General Service Department, Real Estate Services Division

SUBJECT: **REQUEST FOR REAL ESTATE DISCLOSURES FOR PARCEL
IN THE VICINITY OF FLOWER DRIVE AND MARTIN LUTHER KING JR
BOULEVARD, APNS: 5037-032-900, 901 CD 9**

The Real Estate Services Division (RES) is processing the City-owned parcel, to be declared surplus, for a future sale. The parcel is located at the above-referenced location.

We are requesting any required real estate disclosure statements, including natural hazards disclosures, if necessary, for the proposed sale of the above listed property. A parcel map is enclosed for your review.

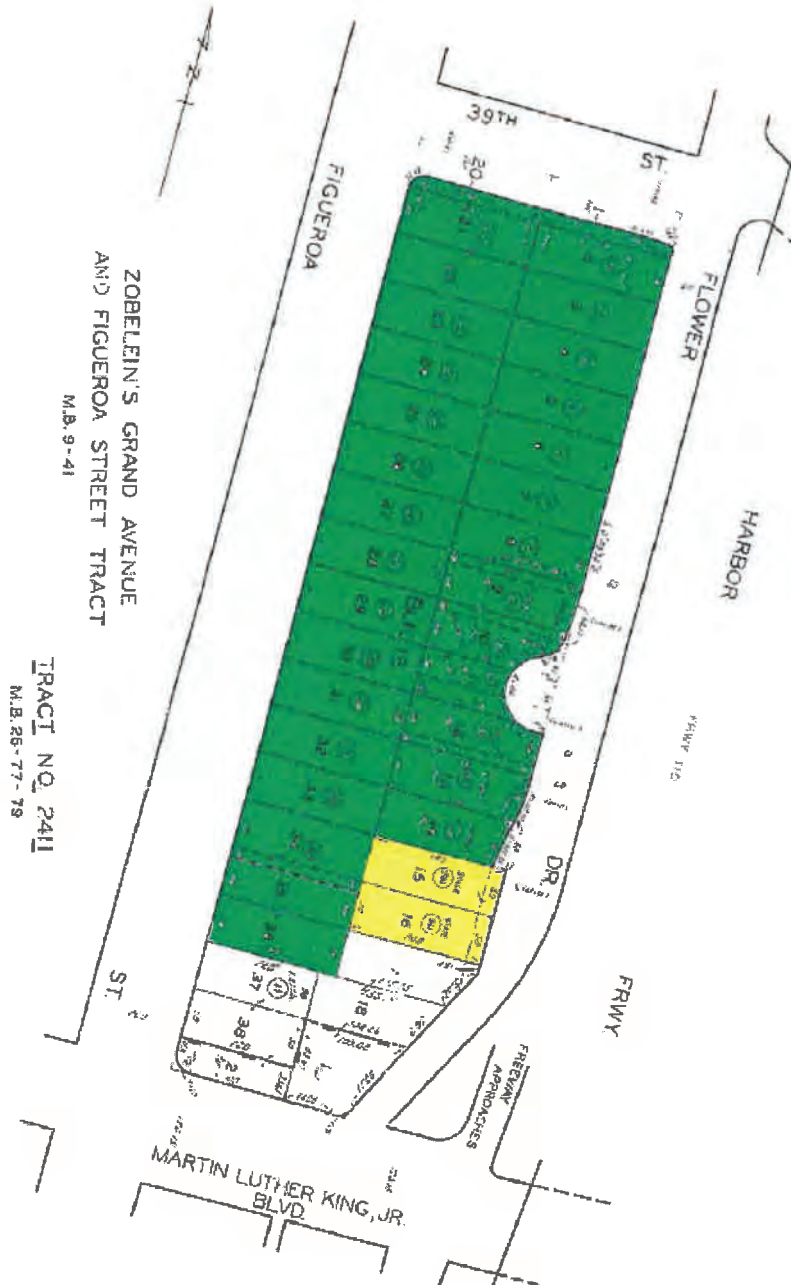
Please furnish RES with a report on this parcel by **April 26, 2019**. E-mail your response to Armando.Parra@lacity.org and send a hard copy of your response to Real Estate Services Division, Stop No. 706, Attention Armando Parra.

Thank you for your prompt attention. Should you need additional information, please contact Senior Real Estate Officer, Armando Parra, at (213) 922-8559 or via e-mail.

Attachment

5037-032-900 & 901
SUBJECT AREA SHOWN IN YELLOW

PLAT MAP



8. EXHIBIT VI

FORM GEN. 160 (Rev. 7-98)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 6, 2019

To: David L. Roberts, Deputy Director
Department of General Services, Asset Management Division

Attn: Armando Parra, Real Estate Officer II

From: Maria Martin, Environmental Affairs Officer *ME Martin*
Environmental Management Group
Bureau of Engineering, Department of Public Works

Subject: **HAZARDOUS SUBSTANCE DISCLOSURE FOR APNs 5037-032-900 & -901**

California Health and Safety Code §25359.7(a) states, "Any owner of **non-residential** real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property shall, prior to the sale, lease, or rental of the real property by that owner, give written notice of that condition to the buyer, lessee, or renter of the real property."

In response to your request, the Department of Public Works Bureau of Engineering has reviewed the city's records to provide the information required by state law to be disclosed to prospective purchasers of the city-owned commercial property named above. No records in your department's file contained information pertaining to hazardous materials or hazardous waste. A review of the Los Angeles Fire Department's Hazardous Materials Unit and Underground Storage Tanks Unit online records has revealed no records pertaining to hazardous substances for the property. Findings of a visual inspection indicate that the property is a vacant commercial lot. The property is secured by a chain link fence. The following representation is based solely on the foregoing information and not on any sampling or sub-surface investigation. As a result, it is not a definitive indicator of whether or not the property has been affected by a release of a hazardous substance. This information is a disclosure and is not intended to be part of any contract between the city and the purchaser.

The city does not know or have reasonable cause to believe that any release of a hazardous substance has come to be located on or beneath this real property.

Although not legally required, the following natural hazards information is provided for discretionary disclosure. As with the foregoing disclosure, these representations are based on the city's knowledge and analysis of maps drawn by city, state and federal agencies. As a result, they are not definitive indicators of whether or not the property will be affected by a natural disaster.

THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):

1. An EARTHQUAKE FAULT ZONE pursuant to § 2622 of the Public Resources Code?

David L. Roberts

May 6, 2019

Page 2 of 2

This information was provided in a memo from the Bureau of Engineering, Geotechnical Engineering Division dated March 26, 2019.

Yes _____

No X _____

2. A SEISMIC HAZARD ZONE pursuant to § 2696 of the Public Resources Code?
This information was provided in a memo from the Bureau of Engineering, Geotechnical Engineering Division dated March 26, 2019.

Yes _____ (*Landslide zone*)

Yes _____ (*Liquefaction zone*)

No X _____

3. A SPECIAL FLOOD HAZARD AREA (any type Zone "A" or "V") designated by the Federal Emergency Management Agency?

Yes _____

No X _____

4. An AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to § 8589.5 of the Government Code?

Yes X _____

No _____

5. A VERY HIGH FIRE HAZARD SEVERITY ZONE pursuant to § 51178 or 51179 of the Government Code?

Yes _____

No X _____

6. Pursuant to § 4125 of the Public Resources Code, there are no WILDLAND AREAS THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS within the City of Los Angeles.

If you have any questions, please contact Talmage Jordan of my staff at (213) 485-5754.

CITY OF LOS ANGELES
 OFFICE OF THE CITY CLERK
 ROOM 395, CITY HALL
 LOS ANGELES, CALIFORNIA 90012
 CALIFORNIA ENVIRONMENTAL QUALITY ACT
NOTICE OF EXEMPTION
 (Articles II and III – City CEQA Guidelines)

Submission of this form is optional. The form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, California, 90650, pursuant to Public Resources Code Section 21152(b). Pursuant to Public Resources Code Section 21167(d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project.

LEAD CITY AGENCY AND ADDRESS: City of Los Angeles c/o Bureau of Engineering 1149 S. Broadway, MS 939 Los Angeles, CA 90015	COUNCIL DISTRICT 9
--	------------------------------

PROJECT TITLE: APNs 5037-032-900 & -901 - Sale	LOG REFERENCE
---	----------------------

PROJECT LOCATION: The project is located at 3971 & 3977 South Flower Drive in the Southeast Los Angeles Community Plan. The Project is located north of the intersection of Martin Luther King Jr. Boulevard and South Flower Drive. The Assessor's Parcel Numbers are 5037-032-900 & -901. Please see attached narrative.

T.G. 674 B2

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT: The City of Los Angeles intends to designate the property located at 3971 & 3977 South Flower Drive as surplus and sell the property. Any future proposed plans for the project or use of the property for a different use would be subject to subsequent California Environmental Quality Act (CEQA) review and compliance.


CONTACT PERSON Talmage Jordan	TELEPHONE NUMBER 213-485-5754
--------------------------------------	---

EXEMPT STATUS: (Check One)	CITY CEQA GUIDELINES	STATE CEQA GUIDELINES
<input type="checkbox"/> MINISTERIAL	Art. II, Sec. 2.b	Sec. 15268
<input type="checkbox"/> DECLARED EMERGENCY	Art. II, Sec. 2.a(1)	Sec. 15269(a)
<input type="checkbox"/> EMERGENCY PROJECT	Art. II, Sec. 2.a(2)	Sec. 15269(b)(c)
<input type="checkbox"/> GENERAL EXEMPTION	Art. II, Sec. 1	Sec. 15061(b)(3)
<input checked="" type="checkbox"/> CATEGORICAL EXEMPTION*	Art. III, Sec. 1 Class 12	Sec. 15312
<input type="checkbox"/> STATUTORY*	Art. _____	Sec. _____

* See Public Resources Code Sec. 21080 and set forth state and city guidelines provisions.

JUSTIFICATION FOR PROJECT EXEMPTION: The project is categorically exempt pursuant to CEQA Article 19, Section 15312, Class 12. *Surplus Government Property Sales*. The project is also categorically exempt under the *City of Los Angeles CEQA Guidelines*, Art. III, Sec. 1. Class 12 *Surplus Government Property Sales*. None of the limitations set forth in State CEQA Guidelines 15300.2 apply (see attached narrative).

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING

SIGNATURE:  Maria Martin	TITLE: Environmental Affairs Officer Environmental Management Group	DATE: 5/6/19
FEE: \$75.00 _____	RECEIPT NO.	REC'D BY
		DATE

CATEGORICAL EXEMPTION NARRATIVE

I. PROJECT DESCRIPTION (Continued)

The City intends declare the property located at 3971 and 3977 South Flower Drive as surplus and sell the property. The property does not have any significant value for wildlife habitat or other environmental purposes. Any other uses, specifically those that would result in a substantial increase in traffic, which differ from the above listed services, are not covered by this exemption and would be subject to subsequent CEQA review.

The property is currently vacant.

II. PROJECT HISTORY

According to historical aerial imagery obtained from www.historicaerials.com/viewer, the property was developed with two single-family residences from at least 1948 until at least 1989, and has been vacant since at least 1994.

III. ENVIRONMENTAL REVIEW

A. Basis for Categorical Exemption

The surplus sale of the property is exempt from CEQA pursuant to CEQA Guidelines Section 15312 as well as City CEQA Guidelines Class 12, Section I. Class 12, because Class 12 consists of the sale of surplus government property which does not have any significant value for wildlife habitat or other environmental purposes. Any future proposed change of use or expansion of use that differs from the above described action would be subject to a subsequent CEQA review.

B. Consideration of Potential Exceptions to use of a Categorical Exemption

The State CEQA Guidelines (CCR Sec 15300.2) limit the use of categorical exemptions in the following circumstances:

1. Location. Exemption Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may be significant in a particularly sensitive environment. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. The project is exempt under Class 12 (sale of surplus government property), therefore, this exception has no application here.

2. Cumulative Impact. This exception applies when, although a particular project may not have a significant impact, the cumulative impact of successive projects of the same type in the same place, over time is significant.

A search for building permits pulled from the Los Angeles Department of Building and Safety's online permit portal was performed in May 2019. None of the permits reviewed in the vicinity of the project are expected to cause a cumulative impact in connection with the Project. There are no other known projects that could involve cumulatively significant impacts. Therefore, this exception has no application here.

3. Significant Effect. This exception applies when, although the project may otherwise be exempt, there is a reasonable possibility that the project will have a significant effect due to unusual circumstances. Large municipalities, such as the City of Los Angeles, are constantly evaluating their real estate holdings and are engaged in acquisition and sale of real estate to meet the City's needs. There are no unusual circumstances known to this office that would present a reasonable possibility that the project will have a significant effect. Therefore, this exception has no application here.

4. Scenic Highway. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. The proposed project is not within a state designated scenic highway or within sight of any state designated scenic highway. Therefore, this exception has no application here.

5. Hazardous Waste Site. This exception applies when a project is located on a site listed as a hazardous waste site under Government Code Section 65962.5.

As of May 6, 2019, the State Department of Toxic Substances Control (DTSC) (Envirostor at www.envirostor.dtsc.ca.gov) has not listed any contaminated sites at or in the vicinity of the project; therefore, this exception does not apply here.

As May 6, 2019, the California Regional Water Quality Control Board (RWQCB) (Geotracker at <https://geotracker.waterboards.ca.gov/>) has not listed any contaminated sites at or in the vicinity of the project; therefore, this exception does not apply here.

6. Historical Resources. This exception applies when a project may cause a substantial adverse change in the significance of a historical resource. No historical resource is involved in the proposed project so this exception has no application here.

8. EXHIBIT VI

FORM GEN. 160(rev.6-80)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 22, 2019

TO: Gary Lee Moore, City Engineer
1149 S. Broadway, Ste. 700 (MS 490)

Attention: Maria Martin, Group Manager
Environmental Management Group
1149 S. Broadway, Ste. 600 (MS 939)

FROM:  David Roberts, Assistant Director
General Services Department, Real Estate Services Division

SUBJECT: **REQUEST FOR ENVIRONMENTAL CLEARANCE FOR
PARCEL IN THE VICINITY OF FLOWER DRIVE AND MARTIN LUTHER
KING JR BOULEVARD, APNS: 5037-032-900, 901 CD 9**

The Real Estate Services Division (RES) is processing the City-owned parcel, to be declared surplus, for a future sale. The parcel is located at the above-referenced location.

We are requesting any necessary environmental clearance(s) for the proposed sale of the above listed property. A parcel map and property profile is enclosed for your review.

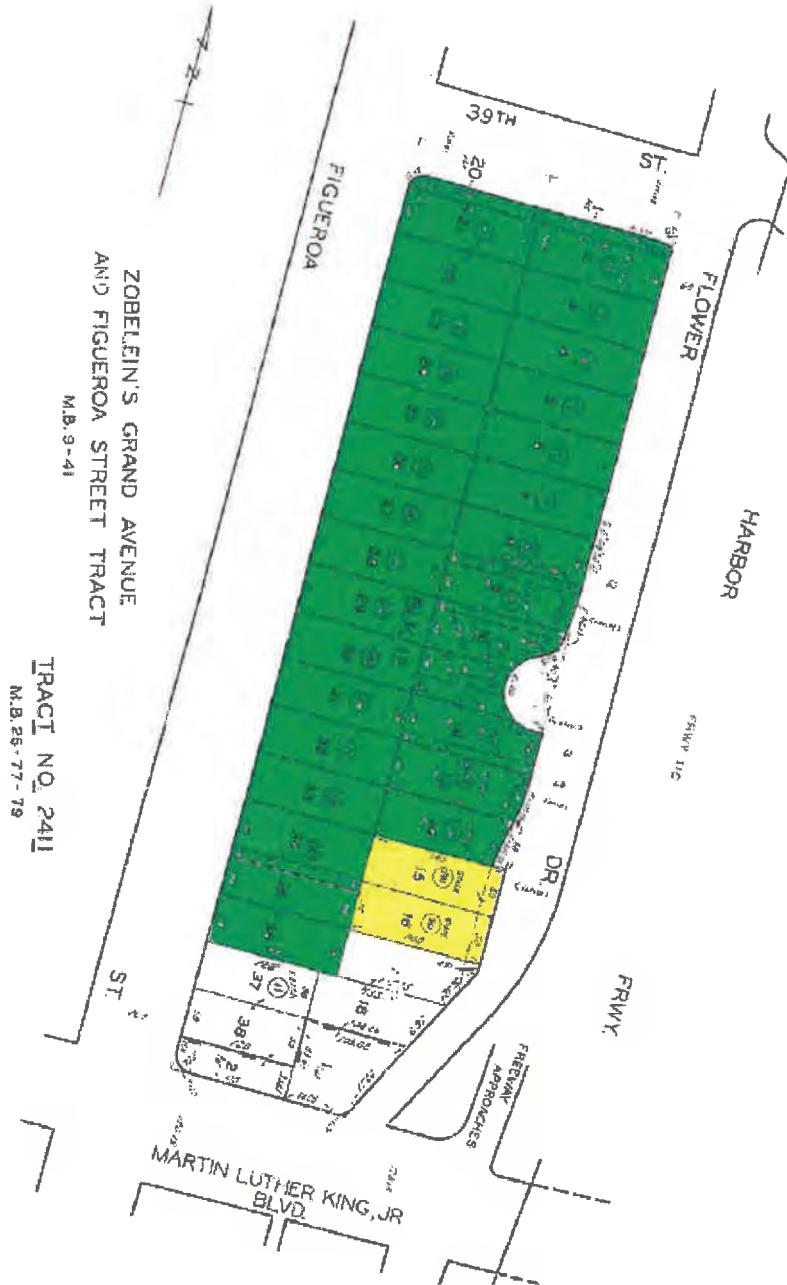
Please furnish RES with the Environmental Clearance Report by **April 26, 2019**. Please e-mail your response to Armando.Parra@lacity.org and send a hard copy of your response to Real Estate Services Division, Stop No. 706, attention Armando Parra, Senior Real Estate Officer.

Thanks you for your prompt attention. Should you need additional information, please contact Armando Parra at (213) 922-8559 or myself at (213) 922-8546.

Attachment

5037-032-900 & 901
SUBJECT AREA SHOWN IN YELLOW

PLAT MAP



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 26, 2019

To: David L. Roberts, Assistant Director
Department of General Services, Real Estate Services Division

From: Patrick J. Schmidt, Manager 
Bureau of Engineering, Geotechnical Engineering Division

Subject: **REQUEST FOR NATURAL HAZARDS DISCLOSURE STATEMENT
INFORMATION, PROPOSED SALE OF TWO CITY-OWNED PARCELS LOCATED
AT 3971 AND 3977 S. FLOWER DRIVE, LOS ANGELES, CA 90037 (APNs: 5037-
032-900 and 5037-032-901), CD 9
W.O. EXX11161 GED FILE NO. 19-064**

The Department of Public Works, Bureau of Engineering, Geotechnical Engineering Division (GED) has reviewed the State of California's Seismic Hazard Maps and the Alquist Priolo Earthquake Fault Zones maps for the subject properties and is disclosing the following:

AN EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.

Yes _____ No X

A SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.

Yes _____ No X (Landslide Zone) Yes _____ No X (Liquefaction Zone)

A METHANE OR METHANE BUFFER ZONE, a Department of Building & Safety defined zone, which will require a methane investigation and possible mitigation for enclosed structures, pursuant to Los Angeles Building Code, Ch. 71.

Yes _____ No X

The property does not have any oil wells. We have no evidence of soil contamination in our records.

These disclosures are solely based on the analysis of maps that only estimate where natural hazards exist and not on the results of a field or subsurface investigation. As a result, they are not definitive indicators of whether or not the property will be affected by a natural disaster.

If you have any questions please call Craig Kunesh at (213) 847-0504.

8. EXHIBIT VI

FORM GEN. 160(rev.6-80)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 22, 2019

TO: Gary Lee Moore, City Engineer
1149 S. Broadway, Ste. 700 (MS 490)

Attention: Maria Martin, Group Manager
Environmental Management Group
1149 S. Broadway, Ste. 600 (MS 939)

FROM:  David Roberts, Assistant Director
General Services Department, Real Estate Services Division

SUBJECT: **REQUEST FOR ENVIRONMENTAL CLEARANCE FOR
PARCEL IN THE VICINITY OF FLOWER DRIVE AND MARTIN LUTHER
KING JR BOULEVARD, APNS: 5037-032-900, 901 CD 9**

The Real Estate Services Division (RES) is processing the City-owned parcel, to be declared surplus, for a future sale. The parcel is located at the above-referenced location.

We are requesting any necessary environmental clearance(s) for the proposed sale of the above listed property. A parcel map and property profile is enclosed for your review.

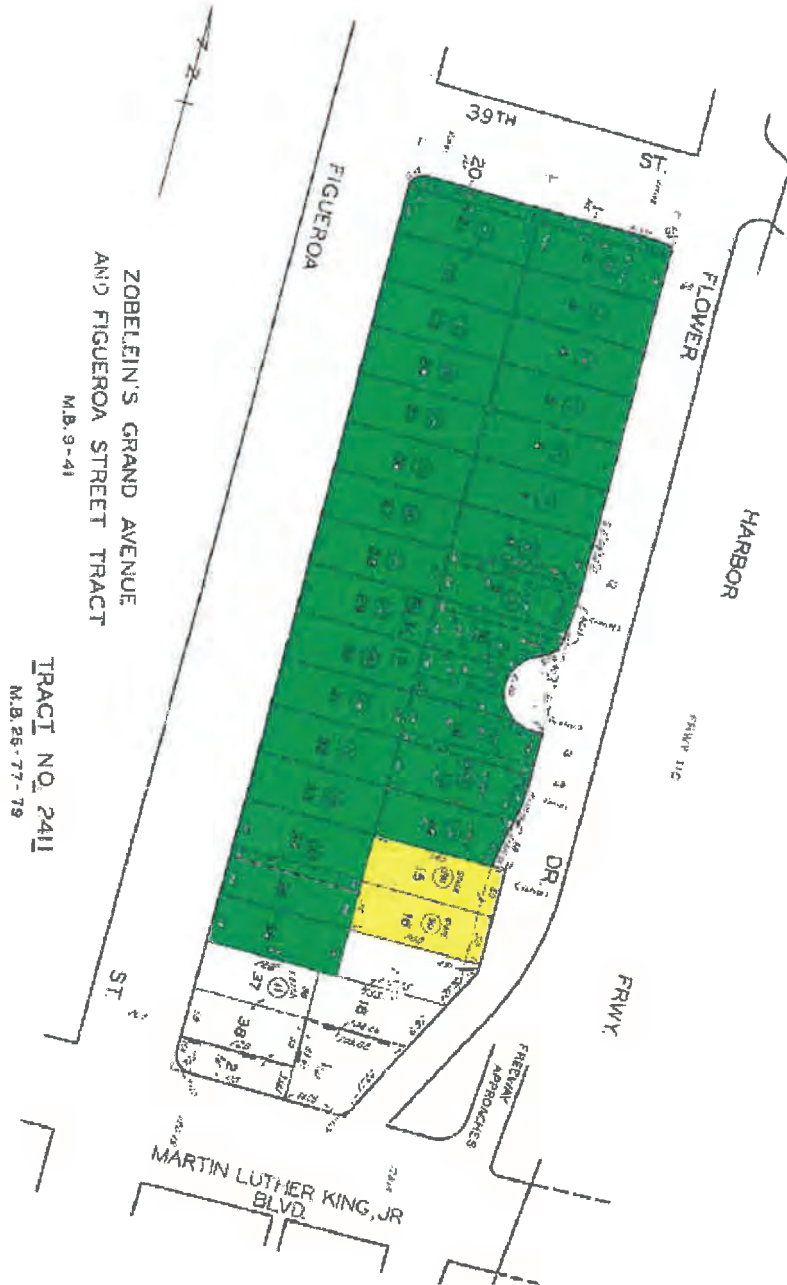
Please furnish RES with the Environmental Clearance Report by **April 26, 2019**. Please e-mail your response to Armando.Parra@lacity.org and send a hard copy of your response to Real Estate Services Division, Stop No. 706, attention Armando Parra, Senior Real Estate Officer.

Thanks you for your prompt attention. Should you need additional information, please contact Armando Parra at (213) 922-8559 or myself at (213) 922-8546.

Attachment

5037-032-900 & 901
SUBJECT AREA SHOWN IN YELLOW

PLAT MAP



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

March 9, 2021

TO: E Amy Benson, Acting Director
Department of General Services, Real Estate Services Division

FROM: Craig Weber, Principal City Planner
Community Planning Division, Department of City Planning

SUBJECT: **PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY
LOCATED AT 3971/3973, 3977/3979 FLOWER DRIVE APNS:
5037-032-900, 901 - CD 9**

We have received your request for comment regarding the proposed sale of City-owned property located at 3971-3979 ½ Flower Drive, alternately identified as APNS: 5037-032-900 and 5037-032-901. The subject property includes two rectangular shaped parcels that are approximately 14,005 square feet in area and are interior lots. The subject property is vacant and improved partially with paved concrete. The parcels to the north and directly west of the subject property are zoned (T)(Q)C2-2D and are currently developed with a parking lot. The properties to the south and southwest of the subject property are C2-1L zoned lots developed with a two-story commercial corner development with multiple commercial establishments. The subject property fronts Flower Drive to the east. Access to the subject property is also provided via Flower Drive, which is designated as a Local Street - Standard. The 110 freeway is adjacent to the subject property to the east.

The property is located within the South Los Angeles Community Plan area and is assigned a Community Commercial General Plan Land Use designation. The subject property is zoned C2-1L which corresponds to the Community Commercial General Plan Land Use Designation. Thus sale of the subject property for any purpose allowed within the C2 zone would be consistent with the City's General Plan.

It is our understanding that the subject properties were recently conveyed by the State (CalTrans) to the City, and that the properties will likely be sold to an adjacent property owner who has recently received approvals for a large mixed use development. If the two parcels are incorporated into the adjacent proposed development to the north and west of the subject property, there may be implications to the existing project's entitlements (per CPC-2016-2658-VZC-HD-CU-MCUP-ZAD-SPR) and California Environmental Quality Act. It is incumbent upon the purchaser to consult with City Planning's Development Service Center if any changes to those entitlements are envisioned.

Please contact me directly if you need any additional information.

CITY OF LOS ANGELES
CALIFORNIA

10. EXHIBIT VIII

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

March 27, 2019

Honorable Eric Garcetti
Mayor, City of Los Angeles
200 North Spring Street, Room 300
Los Angeles, California 90012

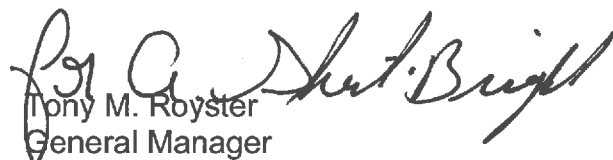
Attention: Ana Guerrero, Chief of Staff

**PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY – CD 9
VICINITY OF FLOWER DRIVE AND MARTIN LUTHER KING JR. BOULEVARD
ASSESSOR PARCEL NUMBERS 5037-032-900 AND 5037-032-901**

The Department of General Services, Real Estate Services Division, is processing the City-owned property, as identified on the attached assessor map, to be declared surplus for a direct sale to the adjacent property owner/developer.

Your comments are invited relative to the proposed direct sale. Your response within 30 days of this letter is sincerely appreciated. Please return a signed copy of this letter to Room 201 City Hall South, Real Estate Services Division, Mail Stop 706, Attention: Armando Parra, Senior Real Estate Officer. If we do not hear from you within this time frame, we will assume you have no objections to the proposed sale.

Should you need additional information, please contact Armando Parra, Senior Real Estate Officer, at (213) 922-8559 or by email at armando.parra@lacity.org or David L. Roberts, Assistant Real Estate Services Director, at (213) 922-8546 or by email at david.l.roberts@lacity.org.


Tony M. Royster
General Manager

Attachments



**SUBJECT: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY - CD 9
VICINITY OF FLOWER DRIVE AND MARTIN LUTHER KING JR.
BOULEVARD, ASSESSOR PARCEL NUMBERS 5037-032-900 AND
5037-032-901.**

_____ I have no objections to the proposed sale.

Comments: _____

_____ I have objections to the proposed sale.

Comments: _____

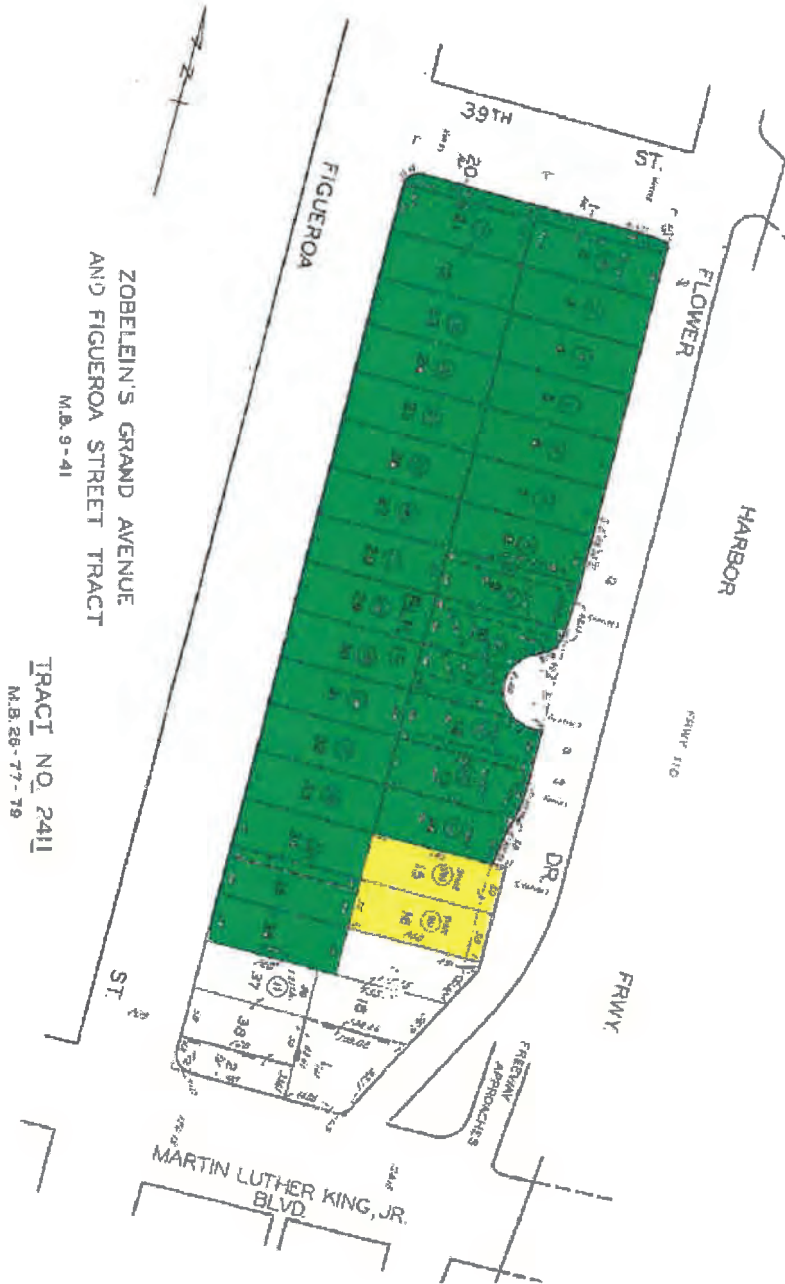
Name and Title

Signature

Date

5037-032-900 & 901
SUBJECT AREA SHOWN IN YELLOW

PLAT MAP



11. EXHIBIT IX

APPRAISAL REPORT

**Vacant C2 Zoned Land Parcel
W/S of Flower Drive &
Approx. 184' N/O Martin Luther King, Jr. Blvd.
Community of Exposition Park
Los Angeles, CA**





November 26, 2019
Our File No. 19-20

City of Los Angeles
Department of General Services
Real Estate Services Division
111 E. 1st Street, Room 201
Los Angeles, California 90012

Attn: Mr. David L. Roberts

Re: Appraisal of the Market Value of a 0.32 of an acre Parcel of Commercial Zoned Land
W/S of Flower Drive & Approx. 184' N/O Martin Luther King, Jr. Boulevard
Community of Exposition Park, City of Los Angeles, California

Ladies & Gentlemen:

Pursuant to your request and authorization, we have conducted the investigations and analyses necessary to form an opinion of the market value of the fee simple estate in the subject property.

The subject property is a commercial zoned parcel covering 14,000 sq.ft. of land area located along the west side of Flower Drive and approximately 184' north of Martin Luther King, Jr. Boulevard, Community of Exposition Park, City of Los Angeles, California.

Based on the investigations undertaken and the analyses made, we have formed the opinion of the market value as of November 25, 2019, and subject to the Assumptions and Limiting Conditions set forth in the report which follows, as follows:

TWO MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS

\$2,850,000

The appraisal report, which follows, sets forth the data and analyses upon which our opinion of value is, in part, predicated.

Respectfully submitted,

A handwritten signature in blue ink that reads "Peter B. Finnerty".

Peter B. Finnerty, MAI
Certified General Real Estate Appraiser
California Certificate No. AG001937

668 N. Coast Highway, Suite 1409, Laguna Beach, California 92651
(949) 752-9323 • E-Mail: pacrecon@pacbell.net

EXECUTIVE SUMMARY

Property Type
and Location: Commercial Zoned Vacant Land
West side of Flower Drive &
Approx. 184' N/O Martin Luther King, Jr. Blvd.
Community of Exposition Park, City of Los Angeles, California

APN: 5037-032-900 & 901

Date of Value: November 25, 2019

Property Rights: Fee Simple Estate

Site Data

Size: 14,000 Sq. Ft. or 0.32 of an Acre
Shape: Rectangular
Density: Max. 109 Du's/Ac per zoning
Zoning: C2-1L, the general plan designation is Community Commercial

Improvement Data

Type: Vacant land
Year Built: N/A
Building Area: N/A

Status: Vacant site

Highest and Best Use

“As If” Vacant: Development with an apartment project

“As Improved”: N/A

Hypothetical Conditions: None

VALUATION

SALES COMPARISON APPROACH: \$2,850,000

VALUE OPINION: \$2,850,000

AERIAL VIEW OF THE SUBJECT PROPERTY

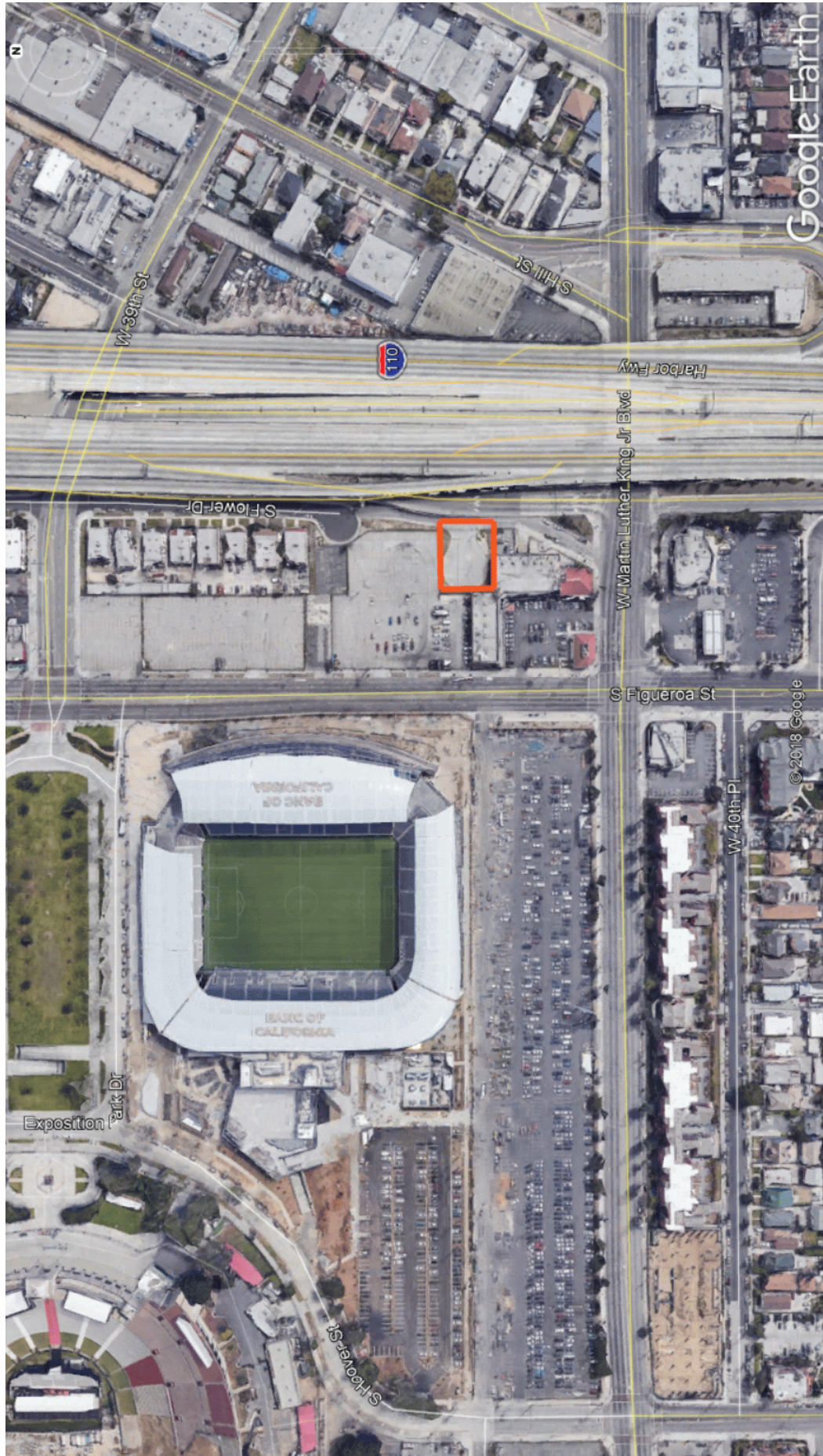


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INTRODUCTION

Purpose of the Appraisal Assignment and Property Identification

The purpose of this appraisal and the transmitting report are to set forth the data, analyses, and conclusions supporting our opinion of the market value of the fee simple estate in the subject vacant land parcel in its "as is" condition.

The subject property is a commercial zoned parcel covering 14,000 sq.ft. of land area located along the west side of Flower Drive and approximately 184' north of Martin Luther King, Jr. Boulevard, Community of Exposition Park, City of Los Angeles, California. The street addresses associated with the subject property are 3971 & 3977 Flower Drive, Los Angeles, CA 90037.

The opinions set forth in this report are subject to the Assumptions and Limiting Conditions presented beginning on page 4.

Appraisal Reporting Option

In compliance with Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice, this appraisal report has been prepared under the written Appraisal Report option.

Scope of the Appraisal Process

The scope of the appraisal process involved applying the applicable recognized methods and techniques that are necessary in order to produce a credible appraisal. The procedures used for this assignment are summarized as follow:

1. A personal inspection of the subject property and the neighborhood were completed.
2. Analyses of the characteristics and development trends for the competing markets and the neighborhood were conducted.
3. An analysis of the highest and best use of the subject property was made, giving consideration to existing zoning, as well as current and prospective uses for the property.
4. Research and analysis were conducted to collect and verify market data related to the subject property and comparable properties.
5. The appraisal was completed by developing a value indication from the applicable valuation approach.



6. A written report was prepared to provide an identification and description of the subject property, to summarize the market data considered, and to summarize the analysis and conclusions leading to the opinion of value for the subject property.

This appraisal and report have been prepared in conformance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute, and the requirements of the City of Los Angeles General Services Department, in effect as of the date of the report.

Date of Valuation

The opinions expressed in this report are stated as of the November 25, 2019.

The effective date of the report is the same date as set forth on the transmittal letter.

Interest Appraised

This appraisal includes a valuation opinion of the fee simple estate.

Market Value Defined

The term "market value"¹ is defined as follows:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

¹ Office of the Comptroller of the Currency 12CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions (f).



5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The opinion of market value of the subject parcel included in this appraisal is predicated on an all cash to the seller transaction at a price equal to the value conclusion reached in this appraisal along with a reasonable exposure time in the open market ranging from 2 months to 6 months prior to the date of value.

Remnant Parcel Defined

The term "remnant parcel"² is defined as follows:

A remainder that has negligible economic utility or value due to its size, shape, or other detrimental characteristics; also called uneconomic remainder or uneconomic remnant.

Fee Simple Estate Defined

The term "fee simple estate"³ is defined as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use Defined

"Highest and Best Use"⁴ is an appraisal concept which has been defined as follows:

1. The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating that price that it would be willing to bid. (International Valuation Standards)

² Ibid, pg. 196.

³ Ibid, pg. 90.

⁴ Ibid, pg. 109



3. The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonable near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Intended Use of the Appraisal and the Intended User

This appraisal is intended for use by the intended user for their specific need.

The intended use of the appraisal is to assist the intended user in the decision making process regarding a potential sale of the subject property to the developer of the adjacent property.

The intended user of the appraisal is the Department of General Services of the City of Los Angeles.

Use of this appraisal by anyone else for any other purpose is not intended.

Assumptions and Limiting Conditions

The analyses and opinions set forth in this appraisal are subject to the following assumptions and limiting conditions:

No responsibility is assumed by us for matters which are legal in nature. No opinion of title is rendered, and the property is appraised as though free of all encumbrances and the title is assumed to be marketable.

No survey of the boundaries of the property was undertaken by us. All areas and dimensions furnished to us are presumed to be correct.

No soils report was uncovered in our investigations. For purposes of this appraisal, it is assumed that a soils report would not reveal any adverse soil conditions that would negatively affect the value of the subject property, unless specifically set forth in this report. However, no representations are made by us as to these matters.

No opinion is expressed as to the value of sub-surface oil, gas, or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.

This appraisal is predicated on the assumption that the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers, unless otherwise stated in the appraisal. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, lead-based paint, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that no such material exists on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.



No title insurance policy was uncovered during our investigations. Based on our inspection of the subject site, it appears that typical public utilities easements exist which do not negatively impact the value of the property which is the subject of this appraisal. The Relinquishment of Highway Right of Way document that transferred ownership to the City of Los Angeles from the State of California reserved easements for a freeway footing over the easterly 4'± as well as ingress and egress purposes. That document also includes the relinquishment of ingress or egress to the adjacent highway (i.e. Harbor Freeway) from the subject parcel. The value opinion in this appraisal considers the impact from the freeway footing easement, the easement for ingress and egress, and the relinquishment of access rights to the freeway.

It is assumed that the subject property is in compliance with the Americans with Disabilities Act (ADA) in reaching the valuation opinion set forth in this appraisal. The regulations affecting real estate are recorded under Title III of the ADA in 28 CFR, Part 36. The appraisers are not experts regarding the subjects' compliance with this act.

Information contained in this appraisal has been gathered from sources which are believed to be reliable, and, where feasible, has been verified. No responsibility is assumed for the accuracy of information supplied by others.

We assume no responsibility for economic or physical factors which may affect the opinion herein stated which may occur at some date after the date of value.

No soils report on the subject property was uncovered in our investigations. It is assumed that the soil conditions and underlying geological formations are adequate and can support any existing or proposed highest and best use improvements. No representations are made by us as to these matters.

The subject property is appraised assuming it to be under responsible ownership and competent management.

The forecasts of future events which influence the valuation process are predicated on the continuation of historic and current trends in the market as perceived as of the date of value. The actual outcomes may differ due to changes in the environment between the date of value and the future date involved in the forecast.

Maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the appraisal. They should not be considered as surveys nor relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

Your appraiser has inspected, as far as possible, by observation, the land; however, it was impossible to personally inspect areas beneath the surface of the land; therefore, no representation is made as to these matters unless specifically considered in the appraisal.



No engineering survey has been made by us. Except as specifically stated, data relative to size and area were taken from sources considered reliable. No encroachment of real property improvements is considered to exist, unless otherwise specified.

No opinion is intended to be expressed on matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.

We shall not be required, by reason of this appraisal, to give testimony or to be in attendance in court or any governmental or other hearing with reference to the property without prior arrangements having first been made with us relative to such additional employment.

The signatory of this appraisal is a member of the Appraisal Institute. The Bylaws and Regulations of the Appraisal Institute require each member to control the use and distribution of each appraisal signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal was prepared may distribute copies of this appraisal, in its entirety, to such third parties as may be selected by the party for whom this appraisal was prepared; however, selected portions of this appraisal shall not be given to third parties without the prior written consent of the signatory of this appraisal. Further, neither all nor part of this appraisal shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatory of this appraisal.

Legal Description

The legal description of the subject property, according to data from the Los Angeles County Assessor's records, is as follows:

Lots 15 & 16 of Zobelein's Grand Avenue and Figueroa Street Tract, in the City of Los Angeles, County of Los Angeles, State of California, as shown on a map in Book 9, Page 41, records of said County of Los Angeles.

Ownership

The subject property is currently vested as follows:

City of Los Angeles

Property History

The current owner of the fee simple estate acquired the property on 12/20/18 (Doc. No. 1294777) from the State of California. There was no consideration paid. The transfer was via a Relinquishment of Highway Right of Way resulting from an agreement between the City of Los Angeles and the State of California. The subject parcel is a remnant parcel following an improvement project to the Harbor Freeway (CA-110).

The prior owner acquired the property in 1993.



SITE DESCRIPTION

Location

The subject property is located along the west side of Flower Drive and approximately 184' north of Martin Luther King, Jr. Boulevard, Community of Exposition Park, City of Los Angeles, California.

The street addresses associated with the subject property are 3971 & 3977 Flower Drive, Los Angeles, CA 90037.

A copy of the Plat Map is included for reference on the following page.

Street scene photographs and photographs of the subject property are included beginning on page 12.

Size and Shape

The subject property has a site area of 14,000 square feet, or approximately 0.32 of an acre.

The site area figure is based on the measurements set forth on the Los Angeles County Assessor's map.

The subject site is a rectangular shaped parcel with approximately 100' of frontage along Flower Drive and a depth of 140'.

Topography and Drainage

The topography of the subject site is fairly level just above street grade with drainage toward the adjacent streets and the local flood control system.

Soils and Geology

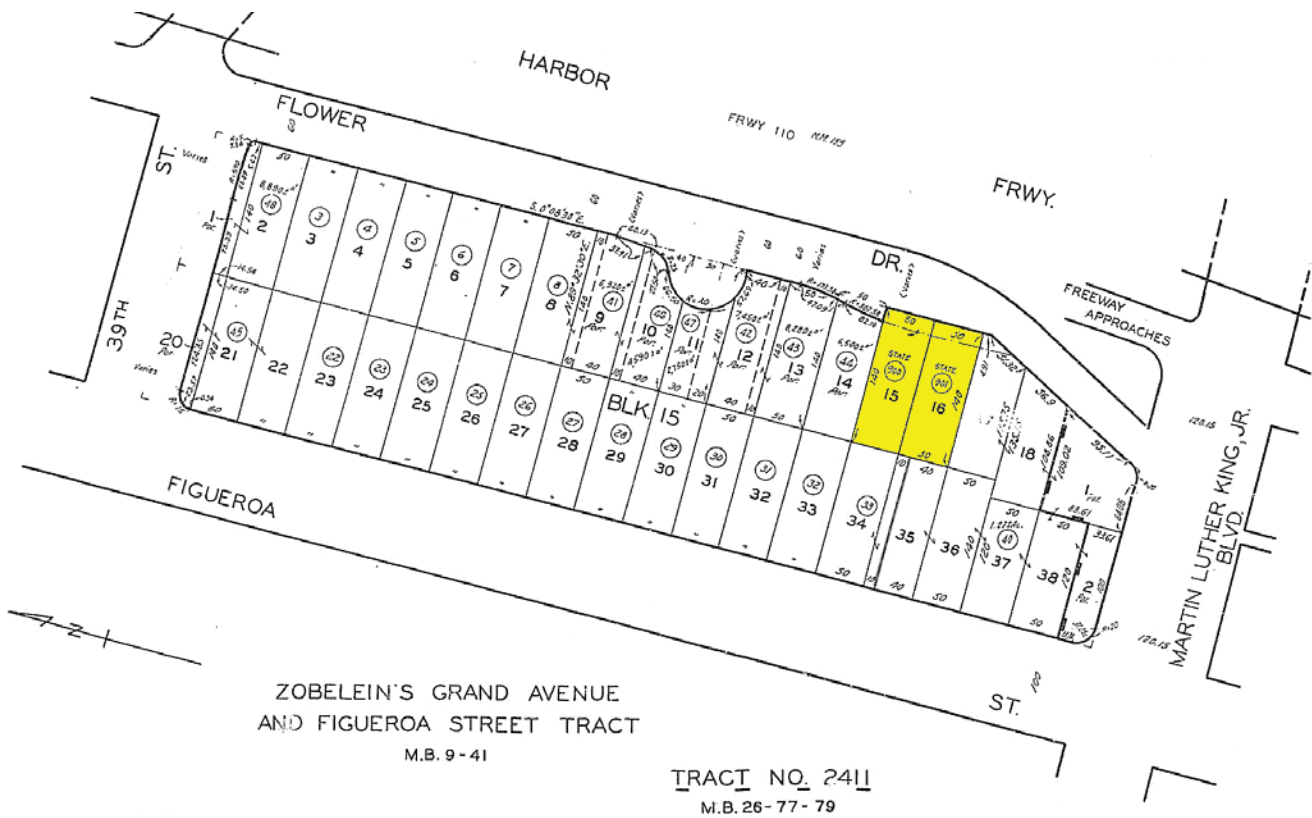
No soils or geotechnical reports were uncovered in our investigations. It is assumed that soil conditions are fairly stable and that the underlying geological formations are adequate to support any existing or proposed highest and best use improvements. No representations, however, are made concerning these matters.

Utilities

Based on our on-site inspection of the property, it appears that all utility services are available to the subject site. Suppliers of utility services in the local area are as follow:

Water	City of Los Angeles DWP
Sewer	City of Los Angeles
Electricity	City of Los Angeles DWP
Natural Gas	Southern California Gas Company

PLAT MAP





Easements, Covenants, Conditions, and Restrictions

No title insurance policy was uncovered during our investigations. Based on our inspection of the subject site, it appears that typical public utilities easements exist which do not negatively impact the value of the property which is the subject of this appraisal.

The Relinquishment of Highway Right of Way document that transferred ownership to the City of Los Angeles from the State of California reserved easements for a freeway footing over the easterly 4'± as well as ingress and egress purposes. That document also includes the relinquishment of ingress or egress to the adjacent highway (i.e. Harbor Freeway) from the subject parcel. The value opinion in this appraisal considers the impact from the freeway footing easement, the easement for ingress and egress, and the relinquishment of access rights to the freeway.

Nuisances and Hazards

Based on a physical inspection of the subject site and the surrounding area, the subject site does not appear to be impacted with hazards or nuisances, except for noise nuisance from the adjacent Harbor Freeway.

The site is located in Flood Zone X, an area of minimal flood hazard with no insurance required, according to Panel No. 060379C 1620F on the map dated September 26, 2008.

The subject site is not located in an Alquist-Priolo seismic hazard area based on our investigations.

This appraisal is predicated on the assumption that the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraisers, unless otherwise stated in the appraisal. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos or lead-based paint, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that no such material exists on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Zoning and Planning

The zoning for the subject property is C2-1L, Commercial Zone Height District 1L. Height District 1L allows a height limit of 6 stories or 75'.

The general plan land use designation is Community Commercial, which is consistent with the zoning on the property.

The subject property is located within an Enterprise Zone. The primary impact on the subject property from the Enterprise Zone designation is a decrease in the required parking to 1 space for every 500 sq.ft. of gross floor area for commercial uses.

The subject property is within the South Los Angeles Alcohol Sales Specific Plan area and would need Conditional Use approval for the sale of alcoholic beverages for on-site or off-site consumption.



The subject property is within the Greater Downtown Housing Incentive Area. The Greater Downtown Housing Incentive Area Ordinance modified several code sections relating to residential and mixed-use projects by eliminating residential density limits, reducing or eliminating yard setbacks, adding a requirement for design guidelines compliance, and establishing a floor area bonus for providing a prescribed percentage of affordable housing units within the development.

The subject property is located within a Transit Priority Area of the City of Los Angeles. By being within a Transit Priority Area, the aesthetic and parking impacts of a residential, mixed-use residential, or employment center project on an infill site within a transit priority area shall not be considered significant impacts on the environment.

Allowed uses according to the C2 zoning include a variety of commercial, office, and retail uses, hotels, student housing, plus multi-family uses consistent with the R4 zoning.

The current use of the subject property is as a vacant site.

The C2, Commercial, site development standards are set forth in the table which follows.

**City of Los Angeles
Development Standards**

	<u>C2 - Commercial</u>
Minimum Lot Area	None - commercial use 5,000 sf - residential use
Minimum Lot Width	None - commercial use 50' - residential use
Maximum Bldg. Height	75'
Maximum Lot Coverage	N/A
Maximum Density	1.5 FAR/109 Du's/Ac
Setbacks - Front Yard	None - commercial use 15' - residential use
- Side Yard	None - commercial use 5' plus 1' for each story over 2- residential use
- Rear Yard	None - commercial use 15' plus 1' for each story over 3 - residential use
Parking Requirements	1space/500sf of floor area - commercial uses

Considering the vacant site condition, the lot size of the subject property is in conformity with the zoning requirements. There are no approvals for development on the subject site based on our investigations.

Streets & Access

The subject site has frontage along Flower Drive with an existing driveway cut.



Flower Drive is a secondary street that ranges from 42' wide at the south end of the subject site to 60' wide at the north end of the subject site. Flower Drive is an asphalt paved street with 1 lane of traffic in each direction. Flower Drive is improved with concrete curbs, gutters, sidewalks, fire hydrants, and street lights.

The nearest freeway, the Harbor Freeway (I-110), is located adjacent to the east of the subject property. Access is within less than a block to the south of the subject property. Access is via Flower Drive to the south to Martin Luther King, Jr., Boulevard, then east on Martin Luther King, Jr., Boulevard to the access ramps.

Bus service is available along Figueroa Street, approximately 1 block to the west. The nearest commuter rail station is the Expo Park/USC station located less than 0.5 of a mile to the northwest along Exposition Boulevard.

Summary and Analysis

The subject site is rectangular in shape, is fairly level, and has all utilities available. The subject site is similar to smaller in size compared to most of the surrounding parcels in the local area.

Access to the subject site is from Flower Drive, street visibility is fair, and freeway access is good.

STREET SCENES



View of Flower Drive looking in a northerly direction



View of Flower Drive looking in a southerly direction

SUBJECT PROPERTY PHOTOGRAPHS



View looking southwest from the northeast corner



View looking northwest from the southeast corner



ASSESSED VALUATION AND TAXES

Real property taxes in California are limited to 1% of the market value of the property, as of a specified base year. The base year valuation is the 1975 Assessor's market value estimate, or market value indicated by a sale, or market value based upon reappraisal of the property which is triggered by new construction or leasing of the property on a long-term basis.

In addition to the taxes at 1% of the base year market value, there is an additional tax to amortize any previous voter-approved bonded indebtedness. The 2019-20 tax rate for the subject property is 1.174279%.

To provide for inflation, if there is no sale, lease, or new construction, there is a maximum 2% per year increase allowed in the assessed values assigned to the land and improvements.

The 2019-20 assessment and tax data are presented below.

Assessor's Parcel No.	Assessed Valuation			Tax Rate	2019-20	Direct Assess.	Total Real
	Land	Improvements	Total		Property Taxes	Taxes	Property Taxes
5037-032-900	\$21,049	\$0	\$21,049	1.174279%	\$0.00	\$0.00	\$0.00
5037-032-901	\$20,041	\$0	\$20,041	1.174279%	\$0.00	\$0.00	\$0.00
	\$41,090	\$0	\$41,090		\$0.00	\$0.00	\$0.00

Since the subject property is owned by the City of Los Angeles, there are no real property taxes or direct assessments associated with the subject property.

Compared with the value opinion reached in this appraisal, the assessed value and real property taxes are currently lower than what would be indicated if the property sold at a price equal to the value opinion.



MARKET ANALYSIS

The subject property is located in the Community of Exposition Park within the City of Los Angeles. The Community of Exposition Park is located in the southeastern portion of the City of Los Angeles and the southwestern portion of the County of Los Angeles County, California. A location map showing the area surrounding the subject property is included on the following page for reference.

Physical Environment

The physical environment affecting the subject property is composed of both natural and man-made resources. The region's physical environment can be described as providing the necessary elements to support a variety of residential, recreational, industrial, and commercial real estate developments.

The natural environment surrounding the subject property consists of positive aspects such as the temperate Southern California weather. The man-made environment includes a combination of various community facilities, an adequate public service infrastructure, and an overcrowded transportation network at peak travel times. There is also adequate police and fire protection, in addition to parks, schools, and community services.

Social Environment

The social environment within a 1 mile radius of the subject property can be described as a population that has a 2019 median household income that is 56% lower than the median household income for the County of Los Angeles (\$66,297) and 51% lower than for the City of Los Angeles (\$59,036). The local population growth rate is forecast to be approximately 0.32% per year on a compound annual basis between 2019 and 2024, which is lower than the forecast for the County of Los Angeles (0.41%/yr.) and lower than the forecast for the City of Los Angeles (0.54%/yr.).

The median age of the local population surrounding the subject property is 27 years old compared with 36 for the County of Los Angeles. The local area average household size is approximately 3.97 people, which is higher than for the County of Los Angeles (3.00 people) and the City of Los Angeles (2.83 people). The percentage of the local population with a 4 year college degree is 6%, compared to 22% for the County of Los Angeles and 23% for the City of Los Angeles. The housing stock in the local area is approximately 17% owner-occupied housing, 76% renter occupied, and 7% vacant.

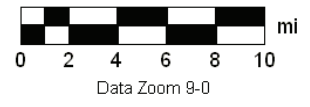
The percentage of the local area population during 2019 within the ages of 18-64 (work force) equates to 66.3% of the population. The total local employed population was reported at 38.7% of the population. With a reported 8.9% unemployment rate, there is 18.7% of the working age population that is not in the work force.

Comparatively during 2019, for the City of Los Angeles, the work force equates to 65.6% and the total employed population is 50.3%. With a 6.3% unemployment rate, there is 9.0% of the working age population that is not in the work force.

LOCATION MAP



Data use subject to license.
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www.delorme.com





For the County of Los Angeles, the work force equates to 64.2% and the total employed population is 48.6%. With a 6.0% unemployment rate, there is 9.6% of the working age population that is not in the work force.

Consequently, the area's population and social environment create average to fair demand capacity for the products produced by the region's various industries.

Economic Environment

The economic environment influencing the subject property is strongly related to the activity within the county and regional economic environment. The economic environment impacting the subject property is in an extended expansion phase. The extended growth is being fueled by a recent tax cut for corporations.

Limitations on continued growth in the economy appear to be related to trade tariffs & uncertainties in the supply chain, weak wage growth, the return of inflation, the difficulty of obtaining credit, as well as a large Federal budget deficit. The forecast is for a continued expansion of the economy during 2019 and into 2020.

The unemployment rate is at pre-recession levels with hiring in the trade, government, services, construction, and financial sectors.

The local area 2019 forecast unemployment rate is approximately 8.9%, compared to a rate of 6.3% for the City of Los Angeles, and 6.0% for the County of Los Angeles. The local unemployment rate is higher than being experienced city wide.

Political Environment

The political environment impacting the subject property is created by numerous governmental influences, including the County of Los Angeles and the City of Los Angeles. All planning and developmental guidelines for the subject property are the responsibility of the City of Los Angeles Zoning Department and Building Department. The General Plan of the City of Los Angeles controls land uses and is aimed at balancing the growth. Regulations created by these governmental bodies affect the ownership, transfer, and development of real property.

The regulations imposed by all levels of government have attempted to promote orderly growth, provide a mix of land uses, and create a desirable environment in which to work and live. The efforts in government regulations have focused on proper planning as well as environmental consequences of development.

The County of Los Angeles is the local taxing authority. The County collects taxes and distributes the funds to amortize such long term debts as school bonds, utility bonds, and direct assessment taxes.

Surrounding Land Uses

The subject property is located along the west side of Flower Drive and approximately 184' north of Martin Luther King, Jr. Boulevard, Community of Exposition Park, City of Los Angeles, California.



The land uses to the north include vacant land used as parking lots, apartments, 39th Street, restaurants, retail, and apartments.

The adjacent 4.37 acre parcel located to the north and west of the subject property is planned for the “The Fig” project. This project includes a mixture of uses including a 7-story 298 room hotel, a 7-story 222 unit student housing project, a 7-story 186 dwelling unit mixed-income multi-family housing project, plus a 7-story parking structure with rooftop amenities for the hotel and residents. Each component includes ancillary retail and restaurant uses. The mixed-income multi-family project also includes an office component. This project received approvals from the City of Los Angeles in May 2019.

To the east of the subject property is Flower Drive, an off-ramp from the Harbor Freeway (I-110) southbound lanes, the Harbor Freeway, industrial uses, along with multi-family uses in the background.

To the south and southwest of the subject property is a retail and office center (Expo Park Plaza), Martin Luther King, Jr. Boulevard, a gas station, commercial uses, and multi-family residential uses.

To the west and northwest of the subject property is a portion of the retail and office center located to the south, open parking lots, Figueroa Street, and Exposition Park. Within Exposition Park are the new Banc of California soccer stadium, the Los Angeles Memorial Coliseum, the California Science Center, the California African American Museum, the Los Angeles County Natural History Museum, with the University of Southern California University Park Campus further to the northwest.

The nearest freeway, the Harbor Freeway (I-110), is located adjacent to the east of the subject property. Access is within less than a block to the south of the subject property. Access is via Flower Drive to the south to Martin Luther King, Jr., Boulevard, then east on Martin Luther King, Jr., Boulevard to the access ramps.

Bus service is available along Figueroa Street, approximately 1 block to the west. The nearest commuter rail station is the Expo Park/USC station located less than 0.5 of a mile to the northwest along Exposition Boulevard.

Multi-Family Market Overview

Since a high-density residential use would be allowed under the C2 zoning, a Multi-Family Market Overview has been presented.

The multi-family market overview is based on a physical inspection of the surrounding area as well as interviews of active real estate agents and property managers.

In addition to the primary data sources listed above, reference has also been made to several secondary data sources including: the Apartment Research Market Report, published by Marcus & Millichap Real Estate Investment Brokerage Company and the Real Estate and Construction Report, published by the Real Estate Research Council of Southern California.



According to our research, apartments currently are a desirable real estate investment opportunity in Los Angeles County. The attraction of apartments as an investment opportunity relates to the strong demand created by a large population with a large percentage of the residents not being able to afford the down payment and monthly payments to purchase a home.

According to the Real Estate Research Council, construction of multi-family units in Los Angeles County was on an upward trend during 2011. During 2012, the number of units permitted dropped, followed by an increasing number of units permitted during 2013 through 2015. During 2016, there was a decrease in the number of multi-family units for which permits issued, which was followed by increases during 2017 and 2018. A summary of the number of multi-family units in Los Angeles County for which building permits were issued over the time period from 2011 through 2018 is set forth following.

<u>Year</u>	<u>No. of Multi-Family Units Permitted</u>	<u>% Increase</u>
2011	8,033	+59.73%
2012	7,950	(- 1.03%)
2013	12,631	+58.88%
2014	14,595	+15.55%
2015	18,638	+27.70%
2016	15,272	(-18.06%)
2017	16,451	+ 7.72%
2018	16,764	+ 1.90%

The number of units for which permits were issued in 2015 was higher than the level in 2006 at the peak of the last expansion period.

During the first 2 quarters of 2019, permits were issued for 7,334 multi-family units in Los Angeles County. This figure reflects a decrease of 33% compared to the number of multi-family units permitted in Los Angeles County during the first 2 quarters of 2018.

Over the past 8 years, the supply of apartment units in Los Angeles County has been up and down as indicated by the new construction data set forth below, based on data from the Apartment Research Market Report.

<u>Year</u>	<u>No. of Apartments Completed</u>	<u>% Increase</u>
2010	3,750	+127.27%
2011	1,650	(- 56.00%)
2012	5,400	+227.27%)
2013	6,100	+ 12.96%
2014	9,000	+ 47.54%
2015	5,700	(- 36.67%)
2016	9,480	+ 66.32%
2017	5,300	(- 44.09%)
2018	6,000	+ 13.21%



During 2019, the forecast by Marcus and Millichap is for the addition of 10,600 new apartment units. The submarkets with the largest amounts of new construction include the Greater Downtown and Hollywood submarkets.

As can be observed by a comparison of the number of multi-family units for which building permits are issued each year and the number of new apartment units completed each year, there are a substantial number of multi-family units being built as condominiums for sale to individual buyers.

According to Metrostudy, as of the end of the 1st quarter 2019, there were seven projects selling new condominium units within Los Angeles County. There was an inventory of approximately 537 condominium units as of the 1st quarter 2019.

The median price for an attached home in the local zip code area (90037) of the City of Los Angeles was \$256,000 as of the end of 2018, with only 9 sales during the year. This figure reflected an increase of 9% in the median price during 2018. The median price for attached homes in the local zip code area was \$235,000 as of the end of 2017, with only 10 sales. This figure reflected an increase of 77% in the median price during 2017. The wide variance in the median price is due to the limited number of sales and the limited inventory of attached homes for sale in the local area. Most of the area is rental housing.

Our research within the immediately surrounding area indicated new apartment projects have been completed recently, as well as several planned projects. The planned projects include 250 apartment units on Jefferson Boulevard at Figueroa Street on the USC Campus, 80 apartment units at 3671 S. Vermont Avenue, 140 apartment units at 1077 W. 38th Street, 73 apartments units at 505-517 W. 31st Street, and 79 apartment units at the SEC of 38th and Figueroa Streets.

The increases in home prices and high qualification standards for mortgage loans, along with increasing mortgage rates, has resulted in less qualified home buyers, for attached homes.

According to data from Marcus & Millichap, the vacancy rate for apartments in Los Angeles County as of the 2nd quarter of 2019 was 3.8%, which was unchanged from the same time period during 2018.

The 3.5% vacancy level as of the end of 2016 appears to represent the low point in the current cycle for vacancy rates. Vacancy rates were decreasing between 2013 and 2016, with increases beginning during 2017.

The forecast for 2020 by Marcus & Millichap is for a vacancy rate of approximately 4.2%.

The vacancy level in the local area of 4.6% as of the 2nd quarter 2019 is higher than the vacancy level reported for the entire Los Angeles County. The local area average rental rate is 6.6% higher than for the entire City of Los Angeles.

According to Marcus and Millichap, the average effective rental rate reported for Los Angeles County apartments as of the end of the 2nd quarter 2019 was approximately \$2,290 per month. This is an increase of 0.97% over the average effective rental rate as of the same time period during 2018, or approximately \$2,268 per month. During 2017, the average effective rental rate increased by approximately 7.4%.



The average effective rental rate is forecast to increase during 2020 by 3.8% according to Marcus Millichap.

According to data published by Marcus & Millichap, the median price per unit for apartment units in Los Angeles County was approximately \$284,000 as of the 2nd quarter 2019. This reflects an increase of approximately 7.4% compared to the median price per unit reported during the same time period of 2018. The volume of apartment sale transactions reportedly increased by approximately 2% during the period from the 2nd quarter 2018 to the 2nd quarter 2019.

During the 2nd quarter 2017-2018 time period, the median price per unit for apartment units in Los Angeles County increased by approximately 6.2% compared to the median price per unit reported during the prior year. The volume of apartment sale transactions reportedly increased by approximately 7% during the 2nd quarter 2017-18 time period compared with the prior year.

The forecast increase in prices during 2020 is similar to the rate of increase experienced during the prior 2 years, or approximately 6%.

In conclusion, the multi-family market overview indicates that the apartment market is a reasonable real estate investment due to the continued upward pressure forecast for rental rates in apartments over the next 18 months. The pressure for rental rates to increase, but at a slower rate, is a result of the large addition to supply forecast for completion over the next 18 months on a County wide basis being less than the demand for new apartment units.

Adding to the forecast demand is the current trend of job gains. There was an increase in total employment of approximately 1.3% reported during 2018, with a 1.4% increase forecast for 2019. This has resulted in young adults that moved-in with their parents during the prior recession returning to the rental market as they acquire jobs.

The current range of Overall Capitalization Rates (OAR's) for apartment properties is from 3.65% to 6.00% according to the PWC Real Estate Investor Survey. According to Marcus and Millichap, the average OAR for apartment transactions in Los Angeles County as of the 2nd quarter of 2019 was 4.3%.

With the currently increasing prices, low incomes in the immediate area, and fairly low inventory of new condominiums, the demand in the local area for new housing to purchase is weaker than the demand for rental units.

Office Market Overview

The Los Angeles County Office Market is currently in an expansion phase even with a very high vacancy rate. The vacancy level as of the end of 3rd quarter 2019 was 12.6%, which is up slightly from the 12.5% vacancy rate reported as of the end of 2018, according to Daum Commercial Real Estate Services. Comparatively, the vacancy level as of the end of 2017 was 13.2%. The vacancy rate decreased during 2016 (13.7%) from a level of 14.7% during 2015.

During 2018, the net absorption level was indicated to be a positive 1.7 million sq.ft. The average asking rental rate was indicated to be \$3.10 per sq.ft. on a full service gross basis as of the end of 2018, which reflected a 4.3% decrease compared to the average asking rental rate as of the end of 2017.



During the first 3 quarters of 2019, 1.2 million sq.ft. of new office space was completed in Los Angeles County and the net absorption level was indicated to be a negative 300,000 sq.ft.±. The average asking rental rate was indicated to be \$3.29 per sq.ft. on a full service gross basis as of the end of the 3rd quarter 2019, which reflected a 6.1% increase over the average asking rental rate as of the end of 2018.

There was approximately 6.5 million sq.ft. of new office space under construction in Los Angeles County as of the end of the 3rd quarter of 2019.

The vacancy level in the Central/Southeast Los Angeles office submarket, in which the subject property is located, as of the end of 2018 was 14.3%, which is down from the 15.2% vacancy rate reported as of the end of 2017, according to Daum Commercial Real Estate Services.

As of the end of the 3rd quarter of 2019, the vacancy level in the Central/Southeast Los Angeles office submarket was 15.4%, which is an increase from the end of 2018.

During 2018, the net absorption level in the submarket was indicated to be a positive 800,000 sq.ft.±. The average asking rental rate was indicated to be \$3.12 per sq.ft. on a full service gross basis as of the end of 2018, which reflects a 4.0% decrease over the average asking rental rate as of the end of 2017.

Over the first 3 quarters of 2019, the net absorption level in the submarket was indicated to be a negative 600,000 sq.ft.±. year. The average asking rental rate was indicated to be \$3.11 per sq.ft. on a full service gross basis as of the end of the 3rd quarter of 2019, which reflects a 0.3% decrease from the average asking rental rate as of the end of 2018.

There were approximately 2.4 million sq.ft. of new office space under construction in the Central/Southeast Los Angeles office submarket as of the end of the 3rd quarter of 2019.

Overall, the local office market is indicated to have a high vacancy level, which is beginning to increase, along with new construction and negative absorption. Asking rental rates are currently flat to slightly decreasing and may be impacted negatively by the large amount of new construction underway.

The medical office market is a sub-sector of the overall office market. Our research regarding the medical office market indicate that the vacancy level for medical office space is slightly lower than the overall office market level. Rental rates are typically higher for medical office space as well as operating expenses. Due to increasing demand for medical office space, as a result of increasing population, investors are currently attracted to well located properties that are fully leased.

Due to the high vacancy rates for office space, there does not appear to be demand in the local area for additional general office space. Although vacancy rates for medical office space are lower than for general office space, it appears that the high vacancy levels do not support new construction, unless there is a specific tenant with a specific need.



Retail Market Overview

The Los Angeles County Retail Market is in an expansion phase that has extended for 5 years. The vacancy level as of the end of the 2nd quarter 2019 was 4.8%, which is up 0.4% from the same time period during 2018, according to the Marcus & Millichap Retail Market Report 3rd Quarter 2019.

During 2018, approximately 1.1 million sq.ft. of new retail space was completed in Los Angeles County increasing the inventory level. During 2017, approximately 1.4 million sq.ft. of new retail space was completed following the addition of approximately 1.3 million sq.ft. of new retail space during 2016.

Based on the amount of new space completed in 2018 and through the first half of 2019 in Los Angeles County and the increase in the vacancy rate, the net absorption levels during 2018 and the first half of 2019 have been negative.

The average asking rental rate, as of the end of the 2nd quarter 2019, was indicated to be \$2.66 per sq.ft. per month on a net rental basis. This reflects a 3.1% increase over the average asking rental rate as of the same time period during 2018. The average asking rental rate increase between the end of the 2nd quarter 2018 and 2019 followed an increase of approximately 1.9% during the prior year (2nd quarter 2017-2018).

There are approximately 1.8 million sq.ft. of new retail space under construction in Los Angeles County as of the middle of 2019.

Local area retail and commercial buildings were indicated to range in value from approximately \$180 per sq.ft. for high vacancy shell buildings in fair condition to \$490 per sq.ft. for properties in good condition based on a review of sales during 2019 that range in size from approximately 1,000 sq.ft. to 12,000 sq.ft.

The local area vacancy rate is also indicated to be in the range from 4% to 5%, or similar to slightly higher than for the County as a whole.

The retail sales forecast by ESRI covering the area within a 1 mile radius of the subject property indicates a 2019 median disposable income of \$26,432 per household. This figure is 47% lower than the median household disposable income reported for the City of Los Angeles and 52% lower than for the County of Los Angeles.

Even with the low local area household disposable income, actual local area retail sales are approximately 48% higher than supported by the local population.

The retail market is characterized by increasing vacancy rates, negative net absorption, new construction, and increasing asking rental rates. The rate of consumer spending in the immediate area from outside the primary trade area appears to support additional retail development in the local area.



Market Analysis Conclusions

Based on the preceding data and trends in the political, social, economic, and physical environments, it appears that demand for apartments and land on which to build apartments in Los Angeles County and the Community of Exposition Park is increasing. The demand for attached residential “for-sale” housing in the local area appears to be low.

The residential market overview supports the level of apartment demand in the local area over the long term. The fundamental demand characteristics include a high percentage of renters in the area, the low income levels, and the demand from students attending the University of Southern California, approximately 0.3 of mile to the northwest.

Based on the market analysis performed, it appears that the demand for apartment units is currently stronger than for condominium units.

The high vacancy rate in the office market indicates that demand is not strong enough in the local area to support new office development, unless a specific tenant has been secured in order to obtain financing for construction. A limited amount of office space in conjunction with a mixed-use development appears to have limited demand in the local area.

Due to the limited amount of existing retail and restaurant space in the local area, it appears that strong enough demand exists for additional retail space.

The subject parcel has indirect access along a narrow portion of Flower Street. The indirect access results in limited visibility. The location adjacent to the Harbor Freeway also casts a shadow on the subject property as well as generating noise and dirt. Access to the freeway is good.

Due to the limited visibility and indirect access, a retail use or a hospitality use on the subject parcel do not appear to be supported. Due to the oversupply of office supply in the area, an office use does not appear to be supported. Even with the location close to the freeway, it appears that the strongest demand for the use of the subject parcel is for construction of apartments.



HIGHEST AND BEST USE

The "Highest and Best Use" is that use which is most likely to produce the greatest return over a given period of time. Net return refers to the residual left over from gross yield after all costs have been deducted. Only those uses which are natural, probable, and legally permissible may be considered tenable. Thus, Highest and Best Use may be defined as the available use and program of future utilization that produces the highest present land value.

We have investigated and analyzed the Highest and Best Use of the subject property in its "vacant" condition in regard to the following four considerations.

Legally Permitted

The subject property is located in a commercial and residential district within the Community of Exposition Park, adjacent to a parking lot and the Banc of California soccer stadium.

The subject property is zoned C2, Commercial. The General Plan designation for the subject site is Community Commercial.

Allowed uses include a variety of commercial, office, and retail uses as well as hotels plus multi-family residential and student housing uses consistent with the R4 zoning.

The subject site is a vacant paved site.

Physically Possible

The physical characteristics of the subject property, include its fairly small size, limited street visibility, limited accessibility, fairly level topography, and availability of utilities. These characteristics appear to be adequate for student housing or multi-family residential development.

The limited street visibility and the limited accessibility result in the site not being physically suitable for retail, office, or hotel uses.

Economically Feasible

Based on the market analysis performed, it appears that the demand for apartment units is currently stronger than for condominium units.

The high vacancy rate in the office market indicates that demand is not strong enough in the local area to support new construction of an office development, unless a specific tenant has been secured in order to obtain financing for construction. A limited amount of office space in conjunction with a mixed-use development appears to have limited demand in the local area.



Due to the limited amount of existing retail and restaurant space in the local area, it appears that strong enough demand exists for additional retail space.

Due to the limited visibility and indirect access, a retail use and a hotel use on the subject parcel do not appear to be economically feasible. Due to the oversupply of office supply in the area, an office use does not appear to be economically feasible on the subject parcel.

From the market analysis, it appears that the strongest demand for the use of the subject parcel is for construction of apartments.

Most Profitable

The most profitable use conclusion is reached by taking the economic feasibility analysis one step further in which a recommendation for the most profitable use is reached from the various uses that were considered in the economic feasibility analyses.

Based on the analysis of the economically feasible land uses, it appears that the construction of apartments would result in the highest underlying land value for the subject parcel.

Conclusion of Highest and Best Use

After having applied the tests of availability, adaptability, and demand, we have concluded that the highest and best use of the subject parcel of land “as vacant” is for development with an apartment project including a density bonus for affordable units.



VALUATION METHODOLOGY

Basis of Valuation

Valuation is based upon general and specific background experience, opinions of qualified informed persons, consideration of all data gathered during the investigative phase of the appraisal, and analysis of all market data available to the appraiser.

Valuation Approaches

Three basic approaches to value are available to the appraiser: the Cost Approach, the Income Approach, and the Sales Comparison Approach.

Cost Approach

This approach entails the preparation of a replacement or reproduction cost estimate of the subject property improvements as if they were new and then deducting for losses in value sustained through age, wear and tear, functionally obsolescent features, and external factors affecting the property.

The land value is then added to the depreciated cost and entrepreneurial incentive to arrive at a value opinion.

Income Approach

This approach is based upon the theory that the value of property tends to be set by the expected net income to the owner. It is in effect the capitalization of the expected future income into present worth. This approach requires an estimate of net income, an analysis of all expense items, the selection of a capitalization technique, and the processing of the net income stream into a value indication.

Sales Comparison Approach

This approach is based upon the principle that the value of a property tends to be set by the price at which comparable properties have recently been sold or for which they can be acquired.

This approach requires a detailed comparison of sales of comparable properties with the subject property. One of the main requisites, therefore, is that sufficient transactions of comparable properties be available to provide an accurate indicator of value and that accurate information regarding price, terms, property description, and use be obtained through interview and observation.

The valuation methodology used in this appraisal includes analysis by the Sales Comparison Approach to reach an opinion of the value of the fee simple interest in the subject site.

A Cost Approach it is not applicable for this assignment since there are no existing building improvements.

No Income Approach was utilized, since buyer's and seller's of vacant land do not typically rely on an opinion of the capitalized land rental in making buy/sell decisions, when land sales are available.



SALES COMPARISON APPROACH

The Sales Comparison Approach to Value consists of a comparison of the entire property being appraised or various portions thereof with other similar properties which have sold or which are offered for sale. The indication of market value is the price at which an equally desirable property has recently sold, or can be purchased in the open market. The value found by the study of comparable sales yields market value directly in accordance with its legal definition. This approach is based on the principle of substitution which asserts that, when a property is replaceable, its value tends to be set by the cost of acquisition of an equally desirable substitute property, assuming no costly delay is encountered in making the substitutions.

Market Data Investigation

A search was undertaken to uncover sales of comparable commercial zoned land parcels in the City of Los Angeles in the Community of Exposition Park as well as surrounding areas within the City of Los Angeles.

Our search uncovered five relevant sales of commercial and multi-family land parcels located within the Communities of Exposition Park and North University Park that have occurred since October 2017 that have been utilized in the valuation analysis.

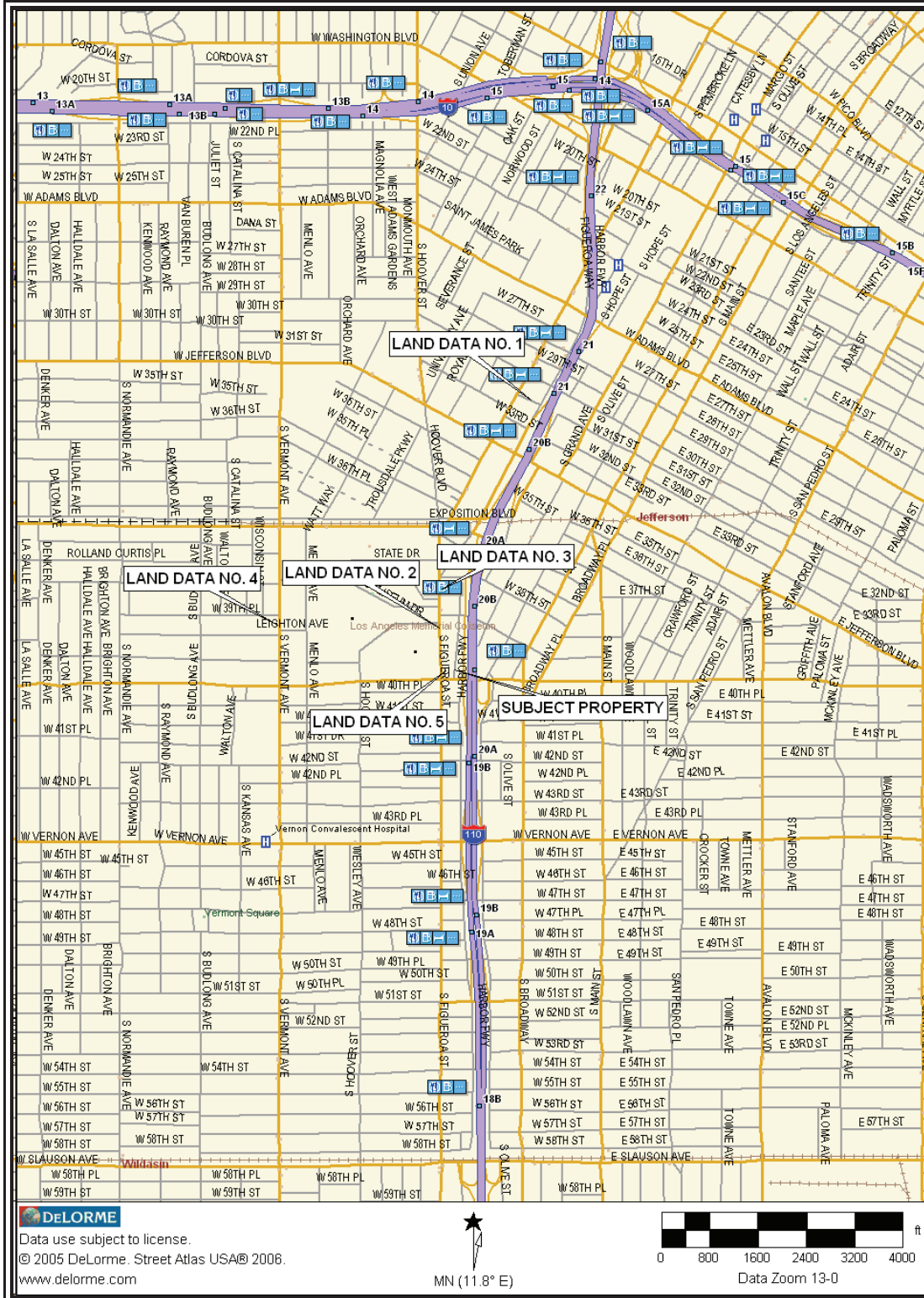
On the following page is a summary of the sale data that are used in the valuation analysis. On the page after the sale summary is a map indicating the location of the sale data in relation to the subject property. A photo and a plat map of each of the land sale comparables are included on the pages following the map.



COMPARABLE COMMERCIAL & MULTI-FAMILY RESIDENTIAL LAND SALE DATA SUMMARY

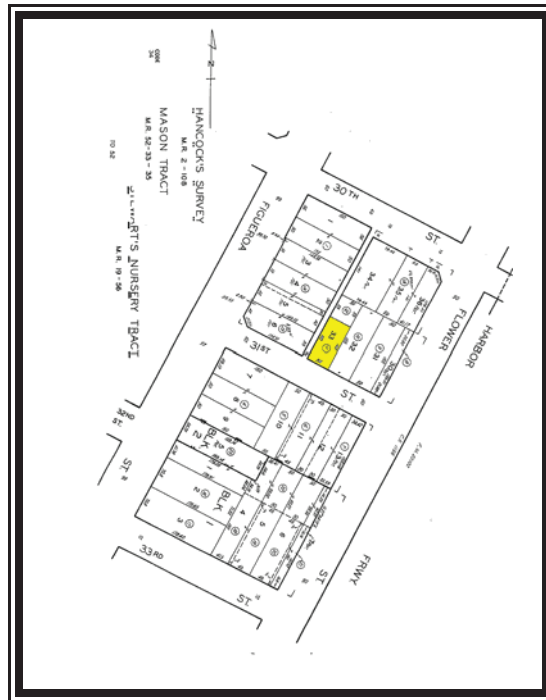
Data No./ Location APN/Doc. No.	Recorded Date of Sale	Zoning/Shape/ Access/Utl. Avail.	Land Area (Sq.Ft./Acres)	Condition/Topo/ Intended Use/Exp. Time	Density (Du/Ac)	Status of Development Approvals	Sale Price		Grantor/Grantee Financing/Confirmation
							Total	\$/Unit \$/Sq.Ft.	
No. 1 515 W. 31st Street North University Park, City of Los Angeles 5123-020-011 #76393	1/24/18	C2 Rectangular Paved Road Access All available	5,100 0.12	Older apt. bldg. demolished Fairly Level To construct 73 apts. & retail on 0.47 acres N/A	154	Had approvals	\$1,255,000	\$69,722 Based on 18 units (Allocated)	Paul V. Sanchez 31st & Figueroa Holdings LLC 50% CTNL Public records & secondary sources
No. 2 3916 S. Figueroa Street Exposition Park, City of Los Angeles 5037-032-022 #781676	8/30/18	C2 Rectangular Paved Road Access All available	7,000 0.16	Vacant Fairly Level Part of "The Fig" project N/A	106	No approvals	\$2,000,000	\$117,647 Based on 17 units	Larkin B. Reeves Family Trust Sgre Fig & Flower Investors I LLC All cash to seller Scott Gale, buyer's representative
No. 3 E/S of Figueroa Street & 250' S/O 38th Street Exposition Park, City of Los Angeles 5037-031-016 #47913	1/17/18	C2 Rectangular Paved Road Access All available	7,000 0.16	Parking Lot Fairly Level Cont. use as a parking lot N/A	106	No approvals	\$1,690,500	\$99,441 Based on 17 units	Reeves 2007 Trust Sgre Fig & Flower Investors I LLC All cash to seller Scott Gale, buyer's representative
No. 4 3933 S. Vermont Avenue Exposition Park, City of Los Angeles 5037-022-025 #1148983	10/06/17	C2 Rectangular Paved Road Access All available	35,100 0.81	Existing buildings demolished Fairly Level To construct a 35,000 sf school N/A	1.00 FAR	Had approvals	\$7,925,000	N/A	PCSD 3927-3947 Vermont Ave LLC PMC Vermont LLC All cash to seller Kaite Hart, buyer's representative
No. 5 NEC of Martin Luther King, Jr. Blvd. & Figueroa Street Exposition Park, City of Los Angeles 5073-032-030 through 033, 040, 042, 043, & 044 #394474	5/01/19	C2 Irregular Paved Road Access All available	106,951 2.46	Vacant & Existing Retail Center Fairly Level Part of "The Fig" project N/A	92+ & 0.67 FAR	Had approvals	\$17,850,000	\$79,333 Based on 225 units (Allocated)	Cast Real Property Holdings LP Sgre Fig & Flower Investors I LLC All cash to seller Scott Gale, buyer's representative

COMPARABLE LAND SALE DATA MAP



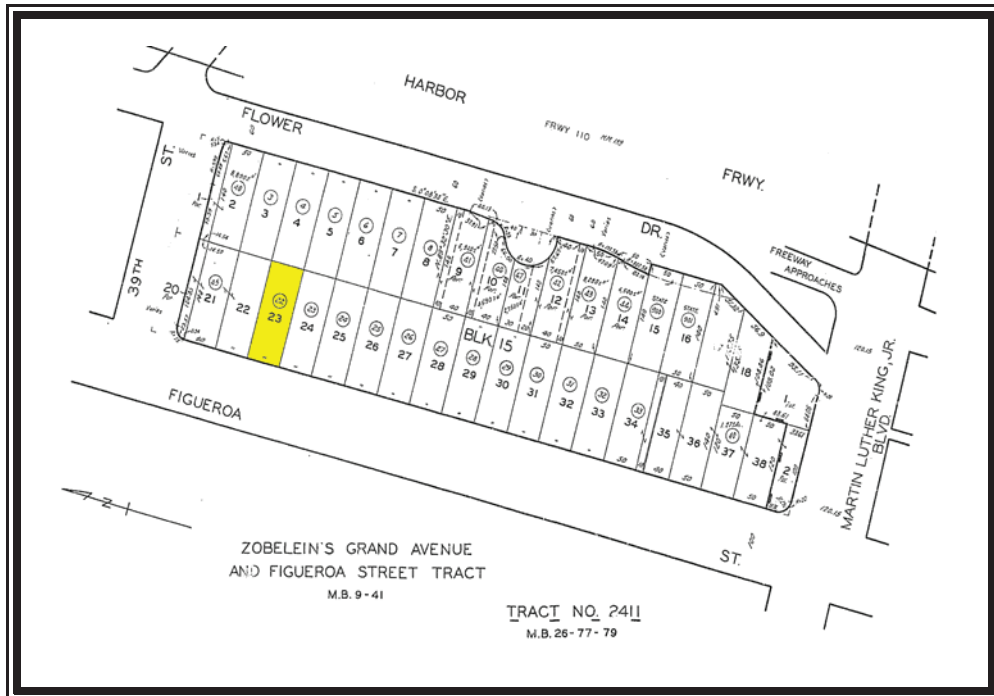


LAND DATA NO. 1



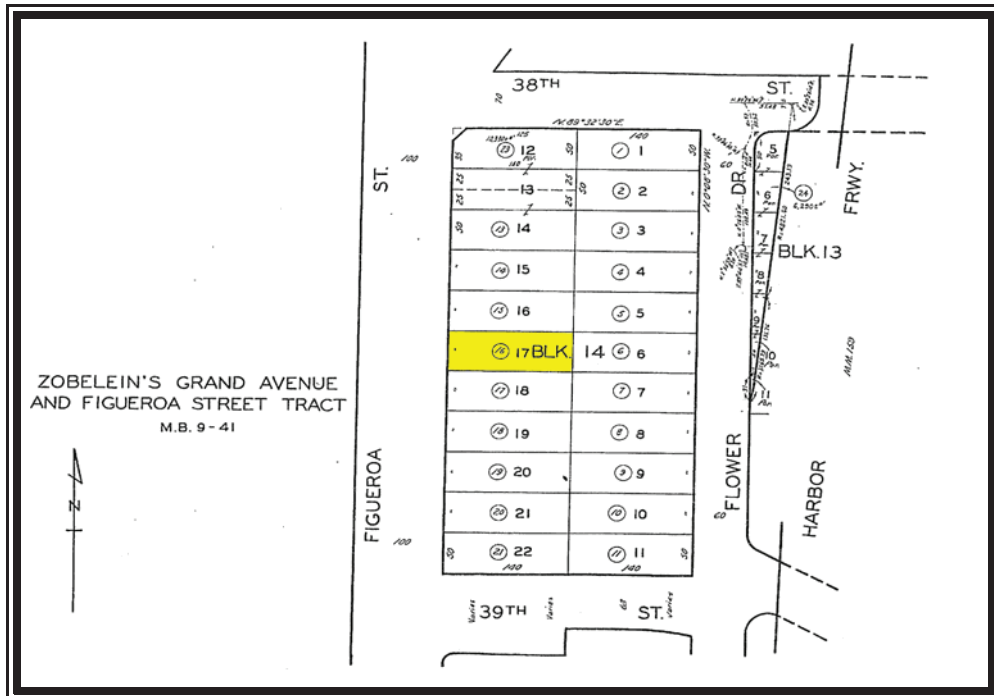


LAND DATA NO. 2



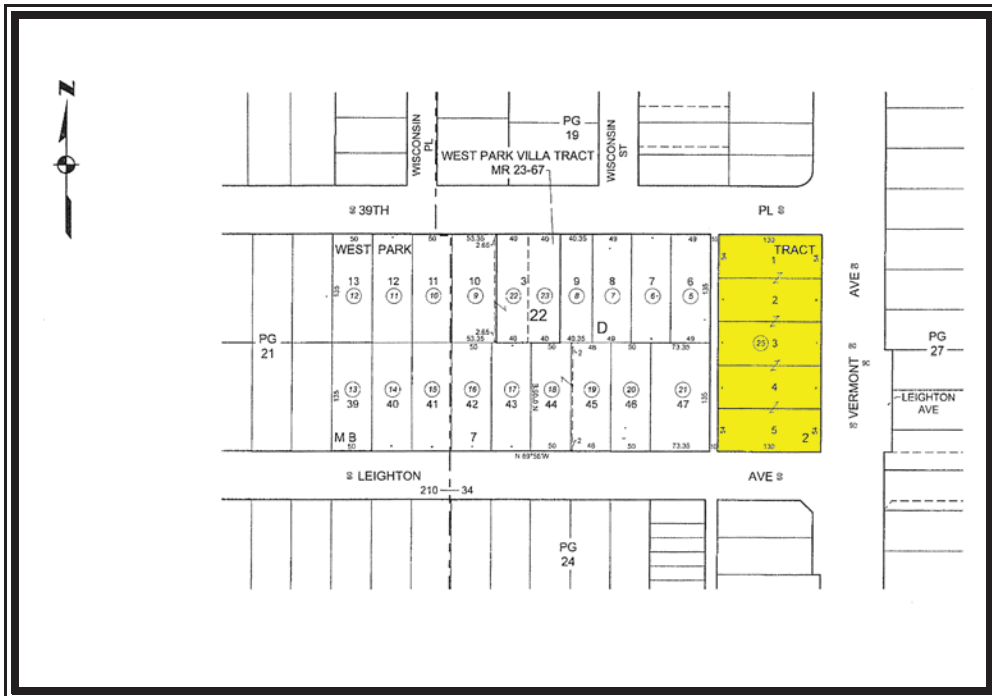


LAND DATA NO. 3



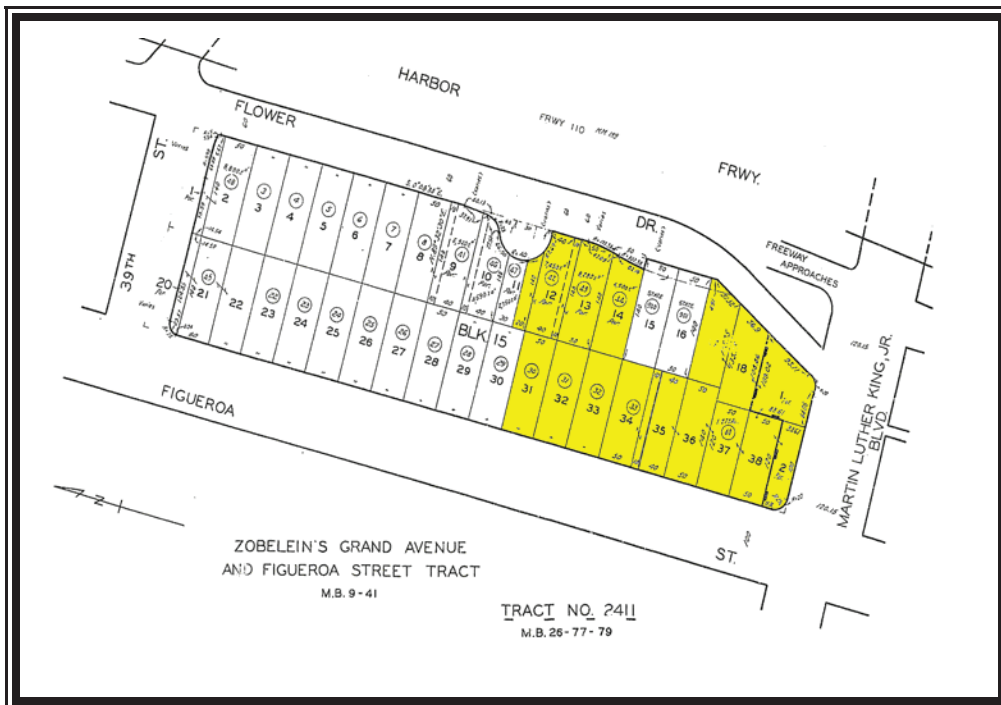


LAND DATA NO. 4





LAND DATA NO. 5





Analysis of the Land Sale Data

Five comparable closed land sales were utilized in the analysis to reach an opinion of the market value of the subject land parcel. Based on discussions with buyers and sellers of similar properties as well as active real estate agents in the commercial and multi-family residential land market, the units of comparison used in the local market for commercial zoned land is the price per square foot of site area and the unit of comparison for high-density multi-family land is the price per unit.

The price per sq.ft. of land area analysis will be presented first and be followed by the price per unit analysis.

Adjustments to all of the comparables were considered for property rights transferred, condition of sale, financing terms, demolition costs or contributory value of existing improvements, date of sale or market conditions, status of development approvals, location, physical condition of the land, topography, density of development, access, size of the site, and zoning differences.

Adjustments to the land sale data were based on interviews with buyers, sellers, and agents active in the local market, general economic trends, analysis of the land sale data to extract matched-pair adjustments, where possible, and from our appraisal experience from analyzing similar data sets to extract similar adjustments. Included below are a discussion of the adjustments considered for each of the comparable land data.

It is virtually impossible to quantify every necessary adjustment to equate the comparables to the subject property. Our analysis of the land sale data utilizes quantifiable adjustments where they can be extracted and qualitative adjustments when quantitative adjustments cannot be extracted.

Price Per Square Foot Analysis

Individual qualitative comparisons of the sale data to the subject property are set forth in a summary grid which is included on the following page. The adjustment grid summarizes the adjustments considered for each of the comparable land data to equate them to the subject property.

Property Rights:

The property rights appraised are the fee simple estate. All of the land sale data are transfers of the fee simple estate and no adjustments are warranted for property rights.

Conditions of Sale

All of the sale data were arm's length transactions at market prices, therefore, no adjustments are necessary for the conditions of sale.



LAND DATA ADJUSTMENT ANALYSIS - MULTIFAMILY RESIDENTIAL & COMMERCIAL LAND VALUATION - W/S OF FLOWER STREET & 184' N/O MARTIN LUTHER KING JR., BLVD., LOS ANGELES, CA

Subject Property	Sale Data No. 1	Sale Data No. 2	Sale Data No. 3	Sale Data No. 4	Sale Data No. 5
Address:	E/S of Flower Dr. & 184' N/O MLK, Jr. Blvd. Exposition Park, City of Los Angeles	3916 S. Figueroa Street Exposition Park, City of Los Angeles	E/S of Figueroa Street & 250' S/O 38th Street Exposition Park, City of Los Angeles	3933 S. Vermont Avenue Exposition Park, City of Los Angeles	NEC of Martin Luther King, Jr. Blvd. & Figueroa Street Exposition Park, City of Los Angeles
Total Sale Price:		\$2,000,000	\$1,690,500	\$7,925,000	\$17,850,000
Price/Unit:	N/A	\$117,647	\$99,441	N/A	\$79,333
Price/Sq.Ft.:		\$246.08	\$241.50	\$225.78	\$166.90
Property Rights:	Fee Simple	Similar	Similar	Similar	Similar
Conditions of Sale:	Arm's Length	Similar	Similar	Similar	Similar
Financing:	All Cash to Seller	Similar	Similar	Similar	Similar
Demolition:	None	Inferior	Similar	Inferior	Superior
\$/Unit Adjustment		\$0	\$0	N/A	(\$6,667)
\$/Sq.Ft. Adjustment		\$3.53	\$0.00	\$3.42	(\$14.03)
Date of Sale:	11/25/19	1/24/18	1/17/18	10/06/17	5/01/19
\$/Unit Adjustment		\$5,134	\$7,219	N/A	\$1,439
\$/Sq.Ft. Adjustment		\$18.12	\$17.53	\$19.69	\$3.03
Adjusted \$/Unit Indicator:		\$75,857	\$106,661	N/A	\$74,105
Adjusted \$/Sq.Ft. Indicator:		\$267.73	\$259.02	\$248.89	\$155.90
Location:	E/S of Flower Dr. & 184' N/O MLK, Jr. Blvd.				
Approvals:	No approvals	Superior	Superior	Similar	Superior
Topography & Shape:	Fairly level & Rectangular	Similar	Similar	Similar	Superior
Access:	Paved Road	Similar	Similar	Similar	Similar
Physical Condition:	Vacant improved site	Similar	Similar	Similar	Similar
Zoning & Density:	C2 / 109 DuS/Ac	Higher	Similar	Similar	Similar
Site Area (Acres):	14,000	7,000	7,000	35,100	106,951
Overall Comparison:	Price per Unit Analysis:	Inferior	Superior	N/A	Inferior
	Price per Sq.Ft. Analysis:	Superior	Superior	Superior	Inferior



Financing

All of the land sales were all cash to the seller transactions and no adjustments are warranted for financing.

Demolition Costs

Land Data Nos. 2 and 3 were vacant parcels and no adjustments are warranted. Land Data Nos. 1, 4, and 5 had improvements on the site at the time of sale.

The estimated demolition costs represent an upward adjustment necessary to have a vacant site for Land Data Nos. 1 and 4. The estimated costs of demolition are based on data from the Marshall Valuation Service. The estimated demolition costs are \$18,000 for Land Data No. 1 and \$120,000 for Land Data No. 4.

The improvements on Land Data No. 5 still contribute to value according to the verification source. A downward adjustment is necessary for Land Data No. 5 for the contributory value of the improvements. The contributory value of the building improvements is estimated to be \$1,500,000 based on an analysis of the depreciated replacement value of the improvements.

Market Conditions

Based on our investigations and analysis, upward adjustments for market conditions for commercial land were supported at a rate of 6% per year (0.50% per month) during 2017 and decreasing to 4% per year (0.33% per month) from the beginning of 2018 through the current time.

Based on the rates of change supported, the indicated adjustments are upward by 7.26%, 4.62%, 7.26%, 8.59%, and 1.98% for Land Data Nos. 1 through 5, respectively.

Note that all of the following adjustments are applied to and extracted from the arm's length, all cash, vacant site, and current time adjusted indicators from each sale comparable.

Location

Land Data Nos. 2, 3, and 5 are in locations that are considered to be superior to the location of the subject property. Downward adjustments were made to these land sales due to being in superior locations.

Land Data No. 1 is in a location that is considered to be inferior to the subject property and an upward adjustment was made to this comparable.

Land Data No. 4 is in a location that is considered to be similar to the subject property and no adjustment was warranted for this comparable.



Topography & Shape

Land Data Nos. 1 through 5 are considered to be similar to the subject property in topography and shape, with no adjustments supported.

Physical Characteristics

The adjustment for physical characteristics includes comparisons of availability of utilities, existing street improvements, and street access.

All of the land sale data have all utilities available and paved road access, which is similar to the subject parcel and no adjustments are necessary.

Zoning

Land Data Nos. 1 through 5 all have zoning that is similar to the subject property and no adjustments are necessary.

Status of Approvals

The subject property has no approvals for development as of the date of value. Land Data Nos. 2 and 3 are similar to the subject property in not having approvals for development and no adjustments are warranted.

Land Data Nos. 1, 4, and 5 have approvals for development, which is superior to the subject property. Downward adjustments were supported for each of the land sales due to their superior status of development approvals compared to the subject property.

Density

The subject property has an allowed maximum density of development of approximately 109 Du's/Ac according to the C2 zoning.

Land Data Nos. 2 through 5 have a similar allowed density of development and no adjustments are necessary.

Land Data No. 1 has a higher approved density of development, which is superior in the price per square foot analysis. While the allowed density of development according to the zoning is similar between Land Data No. 1 and the subject parcel, the density of development was increased during the process of receiving approvals for development. Since a downward adjustment was previously made to Land Data No. 1, due to the superior status of approvals compared to the subject property, no additional downward adjustment is supported for the higher approved density of development.



Site Size

The site size adjustment was based on a comparative analysis of the adjusted indicators for all of the sale data, after making all of the previously discussed adjustments.

Land Data Nos. 1, 2 and 3 are smaller in size compared to the subject parcel, while Land Data Nos. 4 and 5 are larger in size.

Downward adjustments were considered due to the smaller site sizes of Land Data Nos. 1, 2, and 3, while upward adjustments were considered due to the larger site sizes of Land Data Nos. 4 and 5.

The price per sq.ft. indicators from the comparable land data range from \$166.90 to \$285.71, before making any adjustments. After adjustments were considered for property rights transferred, condition of sale, financing, demolition costs/contributory value, and time of sale or market conditions, the indicated price range per sq.ft. for the subject parcel from the comparables is from \$155.90 to \$298.91.

Qualitative adjustments were considered for the elements of comparison including location, status of development approvals, density of development, zoning, access, physical condition of the land, topography, and site size.

On an overall basis after considering all of the elements of comparison discussed, Land Data Nos. 1 through 4 are considered to be superior to the subject property, while Land Data Nos. 5 is considered to be inferior overall compared to the subject parcel.

A summary of the adjusted indicators of value for the subject parcel from the analysis of the land sale data is included in the following table.

Sale Data No.	Comparison	Adjusted \$/Sq.Ft.
2	Superior	\$298.91
1	Superior	\$267.73
3	Superior	\$259.02
4	Superior	\$248.89
5	Inferior	\$155.90
Subject Property		\$200.00

Land Data No. 2 is superior in location and being smaller in site size. This comparable is similar in topography and shape, as well as physical condition. This comparable is considered to be superior to the subject parcel and the value indication for the subject property should be lower than the adjusted value indicator from this comparable.

Land Data No. 1 is superior in status of approvals, approved density of development, and being smaller in site size. The location is inferior, while the zoning, topography, shape, and access are similar to the subject property. Overall, this comparable is considered to be superior to the subject property. The value indication for the subject property should be lower than the adjusted value indicator from this comparable.



Land Data No. 3 is superior in location and being smaller in site size. This comparable is similar in topography and shape, as well as physical condition. This comparable is considered to be superior to the subject parcel and the value indication for the subject property should be lower than the adjusted value indicator from this comparable.

Land Data No. 4 is superior in status of approvals and is inferior in having a larger site size. This comparable is similar in zoning, topography and shape, as well as physical condition. The superior aspect of the approvals for development outweighs the impact from the large site size. Overall, this comparable is considered to be superior to the subject parcel and the value indication for the subject property should be lower than the adjusted value indicator from this comparable.

Land Data No. 5 is superior in location/visibility and the status of approvals, while being much larger in site size. This comparable is similar in topography and shape, as well as physical condition. The inferior aspect of the much larger site size outweighs the superior aspects of visibility and the status of approvals. Overall, this comparable is considered to be inferior to the subject parcel and the value indication for the subject property should be significantly higher than the adjusted value indicator from this comparable.

Based on the comparative analysis performed, the upper end of the reasonable range of value is substantially below the adjusted indicator from Land Data No. 4 (\$248.89/sq.ft.). The lower end of the reasonable range of value is substantially above the adjusted indicator from Land Data No. 5 (\$155.90/sq.ft.).

After considering the location of the subject parcel, the fairly level topography, the parcel size, the rectangular shape, and the allowed land uses, the indicated opinion of the market value for the subject parcel from the Sales Comparison Approach is \$200.00 per sq.ft. The calculation of the value indication from the price per sq.ft. analysis, is set forth as follows:

$$14,000 \text{ Sq.Ft.} \times \$200.00/\text{Sq.Ft.} = \$2,800,000$$

Say \$2,800,000

Price per Unit Analysis

The price per unit analysis was performed in the same manner as the price per unit analysis, except that Land Data No. 4 was not included in the analysis, since this site is not improved with nor approved for any residential units.

All of the elements of comparison utilized in the price per sq.ft. analysis have also been utilized in the price per unit analysis.

Note that the price per unit adjustment under the density analysis is the opposite as under the price per sq.ft. analysis. Under the price per unit analysis, typically the higher the density of development, the lower the price per unit indicator. Therefore an adjustment to reflect a lower level of density compared to a higher level of density would be an upward adjustment to the comparable with the higher density of development.



On an overall basis after considering all of the elements of comparison discussed, Land Data Nos. 2 and 3 are considered to be superior to the subject property, while Land Data Nos. 1 and 5 are considered to be inferior overall compared to the subject parcel.

A summary of the adjusted price per unit indicators of value for the subject site from the analysis of the land sale data is included in the following table.

Sale Data No.	Comparison	Adjusted \$/Unit
2	Superior	\$123,082
3	Superior	\$106,661
1	Inferior	\$75,857
5	Inferior	\$74,105
Subject Property		\$85,000

Land Data No. 2 is superior in location and being smaller in site size. This comparable is similar in topography and shape, as well as physical condition. This comparable is considered to be superior to the subject parcel and the value indication for the subject property should be lower than the adjusted value indicator from this comparable.

Land Data No. 3 is superior in location and being smaller in site size. This comparable is similar in topography and shape, as well as physical condition. This comparable is considered to be superior to the subject parcel and the value indication for the subject property should be lower than the adjusted value indicator from this comparable.

Land Data No. 1 is superior in status of approvals and being smaller in site size. The location is inferior, while the zoning, topography, shape, and access are similar to the subject property. Land Data No. 1 has a higher approved density of development. In the price per unit analysis, the relationship is typically the higher the density of development, the lower the price per unit. Therefore, in the price per unit analysis, the higher density of development is considered to be inferior and an upward adjustment is necessary. The higher density of development, with the associated upward adjustment, and the inferior location outweigh the superior aspect of the superior status of approvals. Overall, this comparable is considered to be inferior to the subject property in the price per unit analysis. The value indication for the subject property should be higher than the adjusted value indicator from this comparable.

Land Data No. 5 is superior in location/visibility and the status of approvals, while being much larger in site size. This comparable is similar in topography and shape, as well as physical condition. The inferior aspect of the much larger site size outweighs the superior aspects of visibility and the status of approvals. Overall, this comparable is considered to be inferior to the subject parcel and the value indication for the subject property should be higher than the adjusted value indicator from this comparable.

The lower end of the reasonable value range from the analysis of the sale data appears to be above the adjusted value indicator from Land Data No. 1 (\$75,857/unit).

The upper end of the reasonable value range from the analysis of the sale data appears to be below the adjusted value indicator from Land Data No. 3 (\$106,671/unit).



Based on the comparative analysis performed, the indicated opinion of the market value for the subject land parcel is \$85,000 per unit. The calculation of the value from the price per unit analysis is set forth as follows:

$$35 \text{ Potential Units} \times \$85,000/\text{Unit} = \$2,975,000$$

Say \$2,975,000

Sales Comparison Approach Reconciliation

The price per unit analysis resulted in a land value indication of \$2,975,000. The price per sq.ft. analysis resulted in a value indication of \$2,800,000.

The greatest weight was given to the price per sq.ft. analysis since commercial land sales from the local area with intended commercial and residential uses, separately, were included in the land valuation analysis.

The price per unit analysis was given secondary weight since fewer sales were included in this analysis and due to the varying levels of density of the land sale data.

In this appraisal both valuation analyses provide good support for each other.

Based on the reasons set forth previously, the opinion of the market value for the subject parcel is \$2,850,000.

The value opinion of \$2,850,000 for the 14,000 sq.ft. site equates to a value per sq.ft. of \$203.57 or a value per unit of \$81,429.



VALUATION

Based on the investigations and analyses undertaken and upon our experience as real estate analysts and appraisers, we have formed the opinion of the market value of the fee simple estate in the subject property as of November 25, 2019, and subject to the Assumptions and Limiting Conditions set forth in this report, as follows:

TWO MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS

\$2,850,000



CERTIFICATION

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional, analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have performed appraisal services involving the subject property for this client within the 3 year period preceding the date of this report.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Peter B. Finnerty has completed the continuing education program of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I am competent to appraise the property that is the subject of this report based on my previous experience appraising similar types of properties.

Respectfully submitted,

A handwritten signature in blue ink that reads "Peter B. Finnerty".

Peter B. Finnerty, MAI
Certified General Real Estate Appraiser
California Certificate No. AG001937

ADDENDA

QUALIFICATIONS

QUALIFICATIONS

OF

PETER B. FINNERTY, MAI

PROFESSIONAL BACKGROUND

Actively engaged in the real estate profession since 1977. President and Principal of Pacific Real Estate Consultants, Inc., with offices at:

**668 N. Coast Highway, Suite 1409
Laguna Beach, California 92651**

Before starting Pacific Real Estate Consultants, was employed as Vice-President at Real Estate Analysts of Newport, Inc. (REAN), in Costa Mesa, California. Prior to that, was a Senior Appraiser, Bank of America, in Anaheim, California.

PROFESSIONAL ORGANIZATIONS

**Member of Appraisal Institute, with the MAI designation
LEED AP, Green Building Certification Institute
Member of National Association of Realtors
Member of California Association of Realtors
Member of Orange Coast Association of Realtors**

INSTRUCTOR

**AIREA Basic Valuation Procedures Course
AIREA Capitalization Theory & Techniques, Part A
AIREA Capitalization Theory & Techniques, Part B**

**How to Value your Corporate Real Estate Assets,
Seminar for International Association of Corporate Real Estate Executives, Inc.**

**Real Estate Appraisal 342, Coastline Community College
Finance 448, Income Property Appraisals, California State University at Long Beach**

**Appraisal Institute Appraisal Procedures Course
Appraisal Institute Capitalization Theory & Techniques, Part B
Appraisal Institute Advanced Applications Course
Appraisal Institute Non-Residential Demonstration Appraisal Report Writing Seminar
Appraisal Institute Small Hotel/Motel Valuation**

EXPERT WITNESS

**Superior Court of Orange County
Superior Court of Los Angeles County
Superior Court of Riverside County**

**Superior Court of San Diego County
Federal District Court
Federal Bankruptcy Court
Arbitration Proceedings**

LICENSES

**Licensed California Real Estate Broker
Certified General Real Estate Appraiser, State of California**

EDUCATIONAL ACTIVITIES

B.S., Real Estate Administration, Indiana University, 1976.

Special courses in Real Estate:

**Principles of Real Estate
Real Estate Appraisals
Case Studies in Real Estate
Real Estate Law
Residential Construction and Design
Survey of Real Estate and Land Economics**

Courses sponsored by American Institute of Real Estate Appraisers:

**Course I-A Principles, Methods, and Techniques of
Real Estate Appraising
Course I-B Capitalization Theory and Techniques
Course II Urban Properties
Course VI Introduction to Investment Analysis**

SCOPE OF EXPERIENCE

Vacant Land

Single-family residential sites, multi-family residential sites, commercial and industrial sites, acreage, planned communities.

Residential

Single-family residences, duplexes, apartments, condominiums, planned unit developments, mobile homes.

Commercial

Shopping centers (regional, neighborhood and community), retail stores, general office buildings, medical office buildings, car dealerships, banks.

Industrial

Single- and multi-tenant warehouses and manufacturing buildings, truck terminals, business parks, R & D buildings, garages, mini-warehouses.

Special Purpose

Churches, veterinary hospitals, hotels and resorts, restaurants, theaters, mobile home parks, submerged tidelands, mixed-use developments, landfill properties, contaminated properties.

PARTIAL LIST OF CLIENTS

Lending Institutions

American Savings & Loan Assn.	Great Western S & L Assn.
Bank of America	Home Federal S & L of San Diego
Bank of British Columbia	Imperial S & L Assn.
Beverly Hills S & L	Merit Savings Bank
Butterfield Savings	Mitsui Manufacturers Bank
California Canadian Bank	Morgan Guarantee Trust Co.
California Federal S & L Assn.	Mortgage Guaranty Ins. Corp.
Canadian Commercial Bank	Pacific Mutual Life Insurance
Chemical Bank	Rainier Mortgage
Citibank	San Diego Federal S & L Assn.
Columbia Savings & Loan	Security Pacific Nat'l. Bank
Coast Savings & Loan	Valencia Bank
Gibraltar Savings	Western Empire Savings & Loan
Glendale Federal S & L Assn.	Wells Fargo Bank
Goldman Sachs	

Public Agencies

Burbank Unified School Dist.	Orange County Dept. of Real Property Services
Calif. Dept. of Real Estate Services	Orange County Counsel's Office
City of Irvine	United States Postal Service
Federal Deposit Insurance Corp.	United States Army Corps of Engineers
Resolution Trust Corporation	United States Justice Department
Garden Grove Unified School	King County, Washington

Developers and Landowners

Birtcher-Pacific	Norland Properties
Butler Housing Corporation	Nu-West Development Company
Cadillac Fairview Homes West	Pipefitters Welfare Education and Pension
Carlton-Browne and Co., Inc.	Regis Homes
Carma Developers (Canada)	Santa Anita Development Company
Carma-Sandling Group	Daon Development
Save-Most Development, Inc.	Genstar
T & S Development Company	The Irvine Company
Trammel-Crow Company	The Koll Company
Valencia Corporation	Lincoln Property
Warmington Group	Meister Company
Robert P. Warmington Company	Mola Development Company
William Lyon Company	Newhall Land & Farming Company

Law Firms

Davis & Digrazia	McDermott, Will & Emery
Gibson, Dunn & Crutcher	Morrison & Foerster
Latham & Watkins	Paul, Hastings, Janofsky & Walker
Lewis, D'Amato, Brisbois, & Bisgaard	Rhodes & Bidna
McCutchen, Black, Verlager and Shey	Rosenfeld, Meyer & Susman
Rutan & Tucker	Urland, Morello, Dunn & Maynard

Corporations and Institutions

AMF Voit, Incorporated	W. R. Grace Company
ATO Corporation	E. F. Hutton Development, Inc.
Baldwin United Corporation	Kenneth Leventhal & Assoc.
University of California at L.A.	Ottawa Silicon Corporation
Campeau Corporation	Fluor Corporation

Integra Realty Resources
Los Angeles

Appraisal Review and Related Comments

Appraisal of west side of Flower Drive, north of Martin Luther King, Jr. Boulevard
Community of Exposition Park, City of Los Angeles
Report Prepared by Peter B. Finnerty, MAI of Pacific Real Estate Consultants

Prepared For:

David L. Roberts, SR/WA
Assistant Director
City of Los Angeles, General Services Department
111 East 1st Street, City Hall South
Los Angeles, California 90012

Effective Date of the Reviewed Appraisal:

November 25, 2019

IRR – Los Angeles

File Number: 121-2019-0352





December 5, 2019

David L. Roberts, SR/WA
Assistant Director
City of Los Angeles, General
Services Department
111 East 1st Street, City Hall South
Los Angeles, California 90012

Re: Appraisal Review and Related Comments:

Appraisal of west side of Flower Drive, north of
Martin Luther King, Jr. Boulevard
Community of Exposition Park, City of Los
Angeles
Report Prepared Peter B. Finnerty, MAI of Pacific
Real Estate Consultants

Sent via E-mail

IRR File No. 121-2019-0352

Dear Mr. Roberts:

This appraisal review addresses specific issues concerning the appraisal report identified above. It is the intent of this review to address the applicability of the report, its analysis, and conclusions for its stated objective.

Overview and Scope of Work

Some of the relevant information for this assignment, presented in part to address the requirements of Standards Rule 3-5 of the *Uniform Standards of Professional Appraisal Practice* (USPAP) are identified below.

- *Client and intended users of the appraisal review:* David L. Roberts, SR/WA, of the City of Los Angeles General Services Department is the client for this review; he and other members of the City of Los Angeles General Services Department are the intended users of this review.
- *Intended use of the appraisal review:* To assist the client in decision making regarding a potential disposition of the property.
- *Purpose of the appraisal review:* To determine if the results of the appraisal under review are credible for the intended user's intended use and to evaluate compliance with relevant USPAP requirements. The appraisal review includes the development of the reviewer's opinion of a range of market value of the subject property.

- *Work under review:* The work under review is the appraisal report completed Peter B. Finnerty, MAI of Pacific Real Estate Consultants (hereinafter “the Pacific Real Estate Consultants appraisal report”). The subject of the Pacific Real Estate Consultants appraisal report is a 14,000-square foot vacant site. The property is located along the west side of Flower Drive, north of Martin Luther King, Jr. Boulevard, in the Community of Exposition Park of the city of Los Angeles. The property is identified as Assessor’s Parcel Numbers 5037-032-900 and 901 and is zoned C2-1L, Commercial. The date of the Pacific Real Estate Consultants appraisal report is November 26, 2019 and the effective date of value of the report is November 25, 2019. The Pacific Real Estate Consultants appraisal report provided the following value conclusion:
 - Market value: \$2,850,000
- *The real estate which is the subject of the appraisal review:* The subject of the Pacific Real Estate Consultants appraisal report is the fee simple interest in and to the property located along the west side of Flower Drive, north of Martin Luther King, Jr. Boulevard, in the Community of Exposition Park of the city of Los Angeles.
- *Effective date of the appraisal review:* The effective date of value of the appraisal review is November 25, 2019. The date of the appraisal review is December 5, 2019.
- *Type and definition of value:* The appraisal under review uses market value as defined by the Office of the Comptroller of the Currency, 12CFR, Part 34, Subpart C-Appraisals, 34.42 Definition (f).
- *Summary of the scope of work:* I read the Pacific Real Estate Consultants appraisal report and performed sufficient analysis to understand the neighborhood location of the subject property and the sale comparable data used in the Pacific Real Estate Consultants appraisal report. I reviewed published appraisal standards including the Uniform Standards of Professional Appraisal Practice and considered the application of generally accepted appraisal procedures to the report. I reviewed the appraisal for arithmetical accuracy and internal consistency. I independently gathered comparable data relevant to the subject as of the date of value identified in the Pacific Real Estate Consultants appraisal report. I developed an opinion of the range of market value of the subject property, and prepared this report.
- *Use of the real estate as of the date of value:* As of the date of value the subject site was vacant.
- *Extraordinary assumptions of the Pacific Real Estate Consultants appraisal report:* Use of extraordinary assumption may affect the assignment results. The report is subject to no extraordinary assumptions.
- *Special Limiting Conditions of the Pacific Real Estate Consultants appraisal report:* The report is subject to no special limiting conditions.



- *Hypothetical conditions of the Pacific Real Estate Consultants appraisal report:* The report is subject to the no hypothetical conditions.
- *Extraordinary assumptions of the review:* Use of the extraordinary assumptions listed below may affect the assignment results.
 - The review appraiser made no investigations of whether hazardous or toxic substances affect the subject property. Therefore, unless otherwise noted, the analyses, opinions, and conclusions set forth in this review appraisal are predicated on the assumption that there are no hazardous or toxic materials in or on the subject property.
 - The review appraiser made no independent investigations regarding matters of title. Therefore, unless otherwise noted, the analyses, opinions, and conclusions set forth in this review appraisal are predicated on the assumption that title to the property is good and marketable and that the property is free and clear of any liens, easements or encumbrances.
- *Hypothetical condition(s) of the review:* The review is subject to no hypothetical condition.

Compliance with USPAP

The appraisal report was found to be compliant with the Uniform Standards of Professional Appraisal Practice. Specifically, the appraiser adequately addressed the following issues in the report:

- Clearly and accurately set forth the appraisal in a manner that is not misleading.
- Contained sufficient information to enable the intended users to understand the report properly.
- Identified the client and any intended users, identified the intended use of the appraisal and identified the purpose of the assignment.
- Identified the location and physical, legal and economic attributes of the subject property.
- Identified the real property interest appraised.
- Identified the definition of value and its source.
- Identified the date of valuation and the date of the report.
- Described sufficient information to disclose the scope of work used to develop the appraisal.



- Described the information analyzed, the appraisal procedures followed, and the reasoning that supported the analyses, opinions and conclusions.
- Identified the use of the real estate as of the date of value and the use of the real estate reflected in the appraisal. Described and supported the appraiser's opinion of the highest and best use of the real estate.
- Identified any known easements, restrictions, or encumbrances.
- Identified and analyzed any available current Agreement of Sale, option or listing of the property.
- Identified and analyzed any prior sales of the property that occurred within three years of the date of value, if any. There were none.
- Adequately analyzed sale comparable data as are available to estimate value conclusions. The data and analyses in the report support the market value conclusions.
- Reconciled the applicability of the valuation approaches used, and reconciled the quality and quantity of data presented and analyzed.
- Completed a report that does not contain numerous and/or significant arithmetic errors that materially affect the analysis or conclusions.
- Included a signed certification that stated that the appraiser had no present or prospective interest in the property and completed the report in compliance with USPAP.

Reviewer's Conclusion

Based on my review of the Pacific Real Estate Consultants appraisal report and independently-sourced comparable data, the Pacific Real Estate Consultants appraisal report market value conclusion of \$2,850,000 lies within the range of market values I concluded, and is supported.

The reader is referred to the attached Certification as well as the other attachments that are part of this report. I appreciate the opportunity to be of service to you in this review assignment. If you have any questions or comments concerning the attached report, or the work file, please do not hesitate to call.



David L. Roberts, SR/WA
December 5, 2019
Page 5

Respectfully submitted,

Integra Realty Resources – Los Angeles



William Larsen, SR/WA
Director

Enclosures: Certification
General Assumptions and Limiting Conditions
Professional Qualifications of William Larsen, SR/WA



CERTIFICATION

I certify to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
4. I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
8. My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
9. My analyses, opinions, and conclusions were developed and this review report was prepared in the conformity with the USPAP.
10. I have experience in appraising properties similar to the subject of the review and am in compliance with the Competency Rule of USPAP.
11. I have not conducted a personal inspection of the subject property.
12. No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
13. I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
14. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Certification

15. As of the date of this report, I have completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.



William Larsen, SR/WA

December 5, 2019

Date

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. This review appraisal has been prepared in accordance with USPAP as promulgated by the Appraisal Foundation.
2. The individual signing this review appraisal shall not be required by reason of this report to give further consultation, provide testimony, or appear in court or other legal proceedings unless specific arrangements therefor have been made.
3. The review appraiser made no independent investigations regarding required licenses, certificates of occupancy, etc. Therefore, unless otherwise noted, the analyses, opinions, and conclusions set forth in this review appraisal are predicated on the assumption that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state, or national government or private entity or organization has been obtained for the use on which the estimates contained in this appraisal report reviewed are based.
4. The review appraiser made no independent investigations of zoning issues. Therefore, unless otherwise noted, the analyses, opinions, and conclusions set forth in this review appraisal assume that there is full compliance with all applicable federal, state and local zoning, use, occupancy, and environmental regulations.
5. The review appraiser made no independent investigations of soil or geologic conditions affecting the subject property. Therefore, unless otherwise noted, the analyses, opinions, and conclusions set forth in this review appraisal assume that there are no hidden or unapparent conditions of the property, subsoil, or structures that render the property more or less valuable.
6. The possession of this review appraisal, or copy thereof, does not carry with it the right of publication.
7. This review appraisal is intended solely for the internal use of the client and intended users. Neither all nor any part of the contents of this review appraisal shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the reviewer.

William Larsen, SR/WA

Experience

Mr. Larsen, Director, has been actively engaged in commercial real estate valuation since 1985 and has been with INTEGRAL REALTY RESOURCES – LOS ANGELES since 2001. He has substantial experience completing appraisals and related valuation studies for use in eminent domain, assessment appeal, litigation, audit, purchase price allocation, and investment decisions. He has appraised all major property types and has completed appraisal assignments in over 15 states. Special studies have addressed complex land valuation issues, leasehold/leased fee allocations, analysis of historic properties, value diminution from seismic and/or environmental conditions, the valuation of billboards and their underlying ground leases, and the analysis of possessory interests.

Major right-of-way assignments have included acquisition appraisals for freeway widening, grade separation, utility system upgrade and expansion, and transit station development. These assignments have included the analysis of full fee takings and partial acquisitions. Partial acquisitions have included temporary construction easements and various types of permanent surface, subsurface and aerial easements. Valuations of partial acquisitions included consideration of severance damages and project benefits.

Mr. Larsen has participated in the portfolio valuations for corporate acquisition and loan loss reserve purposes, including an analysis done for a \$5.2 billion acquisition of a Los Angeles-based insurance company.

Mr. Larsen was a Director of Irvine-based Institutional Property Valuation, providing condemnation appraisal and litigation support services to a public agency clientele from 1995 to 2001. Previously, Mr. Larsen was with Farmers Insurance Group as a Real Estate Investment Manager and commercial property appraiser from 1987 to 1995. He is a Senior Right of Way Professional (SR/WA) with the International Right of Way Association (IRWA).

Professional Activities

Licensed:	California Certified General Real Estate Appraiser No. AG014297
Registered:	Environmental Assessor, 1996–2001, State of California Environmental Protection Agency
Member:	IRWA Chapter 1 President 2010, Chapter 1 Professional of the Year 2015, IRWA International Director 2009–2011, Chapter 1 Board Member 2004–2019, Chair of IRWA Annual Valuation Committee 2017-2020 and 2008–2013, Co-Chair 2014-2016; Member of International Transportation Committee
Candidate:	Appraisal Institute
Speaker:	<i>Acquisition Appraisal of Large Multi-Property Projects</i> , IRWA Chapter 1 Valuation Seminar
Speaker:	<i>Historic Theaters</i> , Appraisal of Special Purpose Properties Seminar, Southern California Chapter of the Appraisal Institute
Speaker:	<i>Financial Criteria in Public Sector MSW Site Acquisition</i> , California State University, Fullerton, Department of Environmental Sciences
Speaker:	<i>Case Study: CERCLA Cost Recovery Action</i> , UCLA Department of Engineering, Environmental Sciences

Education

M.B.A., Finance, University of California, Los Angeles

B.A., Liberal Arts, State University of New York, Albany

Environmental Sciences Program, Department of Engineering, Environmental Sciences Division, University of California, Los Angeles Extension

Mr. Larsen has successfully completed the following Appraisal Institute and IRWA courses and/or exams:

- Right of Way Acquisition for Pipeline Projects (IRWA)
- Condemnation Appraising: Advanced Topics and Applications (Appraisal Institute)

wlarsen@irr.com – 818.290.5428

Integra Realty Resources
Los Angeles

16030 Ventura Boulevard
Suite 620
Encino, CA 91436-4473

T 818.290.5400
F 818.290.5401

www.irr.com/losangeles



William Larsen, SR/WA

- Uniform Standards of Federal Land Acquisition/Yellow Book (Appraisal Institute)
- The Appraisal of Partial Acquisitions (IRWA)
- Problems in the Valuation of Partial Acquisitions (IRWA)
- Easement Valuation (IRWA)
- Legal Aspects of Easements (IRWA)
- Reviewing Appraisals in Eminent Domain (IRWA)
- Eminent Domain Law Basics (IRWA)
- MAI Comprehensive Examination (Appraisal Institute)
- Highest and Best Use and Market Analysis (Appraisal Institute)
- Advanced Sales Comparison and Cost Approaches (Appraisal Institute)
- Appraising from Blueprints and Specifications (Appraisal Institute)
- Real Estate Appraisal Principles (Appraisal Institute)
- Basic Valuation Procedures (Appraisal Institute)
- Capitalization Theory and Techniques, Parts A & B (Appraisal Institute)
- Case Studies in Real Estate Valuation (Appraisal Institute)
- Report Writing and Valuation Analysis (Appraisal Institute)
- Standards of Professional Practice, Parts A, B & C (Appraisal Institute)
- Federal and State Laws and Regulations (Appraisal Institute)
- Principles of Land Acquisition (IRWA)
- Principles of Real Estate Engineering (IRWA)
- Engineering Plan Development and Application (IRWA)

He has attended the following seminars and workshops:

- Legislative and Judicial Update (Joint IRWA/Appraisal Institute)
- Surveying 101, Parts 1 and 2 (IRWA)
- Reviewing Surveys and Descriptions (IRWA)
- Wireless and Right of Way (IRWA)
- Annual Valuation Seminar (IRWA, 2003-2019)
- Valuation Issues in Eminent Domain in the Current Market (Appraisal Institute)
- ABC's of Direct and Inverse Condemnation (Appraisal Institute)
- Eminent Domain Year in Review (Appraisal Institute)
- Uniform Standards of Professional Appraisal Practice Update
- Litigation Seminar (Appraisal Institute)
- Contemporary Approaches to Land Valuation (Appraisal Institute)
- Appraisal of Entitled and Unentitled Land (Appraisal Institute)
- Environmental Issues in Land Valuation (Appraisal Institute)
- Appraising Special Purpose Properties (Appraisal Institute)
- Impact of Detrimental Conditions (Appraisal Institute)
- Transportation Innovations in Southern California (Appraisal Institute)

Expert Testimony

Testified extensively on real estate valuation issues in depositions associated with cases scheduled to be heard in Los Angeles County Superior Court, United States District Court, Central District; and United State Bankruptcy Court, Central District.

Integra Realty Resources Los Angeles

16030 Ventura Boulevard
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www.irr.com/losangeles



ORDINANCE NO. _____

An Ordinance authorizing and providing for the sale of certain real property owned by the City of Los Angeles to SGRE FIG & FLOWER INVESTORS 1, LLC for the sum of TWO MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$2,850,000).

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The Council of the City of Los Angeles hereby finds and determines that certain real property owned by the City of Los Angeles, and located at the address and/or location set forth hereinafter: (i) is exempt surplus land for purposes of Government Code Section 54221; (ii) is no longer required for the use of the City; (iii) the public interest, convenience and necessity require its sale; and (iv) the public interest requires the real property be sold without notice of sale or advertisement for bids. It is hereby ordered that such real property be sold, pursuant to certain conditions hereinafter set forth, to SGRE FIG & FLOWER INVESTORS 1, LLC (Purchaser) for the sum of TWO MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$2,850,000) in accordance with the provisions of Section 385 of the City Charter and Division 7, Chapter 1, Article 4 of the Los Angeles Administrative code.

Location:

- 3971/3973 S. Flower Street, Los Angeles, CA 90037, APN 5037-032-900
- 3977/3979 S. Flower Street, Los Angeles, CA 90037 APN 5037-032-901

Legal Description:

That certain property described and depicted in *Exhibit "A"* hereto;

EXCEPTING AND RESERVING unto the City of Los Angeles all oil, gas, water, and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

SUBJECT TO covenants, conditions, restrictions, reservations, easements, encroachments, rights, and rights of way of record or which are apparent from a visual inspection of the real property(ies), and excepting and reserving to the City of Los Angeles any interest in the fee to the adjacent street(s) which would otherwise pass with the conveyance of the above described parcel(s) of land.

ALSO SUBJECT to sale, in "As Is with all faults" condition, the purchasers purchasing the City owned property, by such act, expressly agreeing to purchase the property in an "As Is and with all faults" condition and without any warranty as to fitness for use, fitness for a particular use or development, or condition of the property, and that the City has no obligation to improve or correct any condition of the property, whether known or

unknown before or after the date of the sale, including without limitations the condition of the property as its potential use or future development.

Sec. 2. The Mayor of the City of Los Angeles in the name of and on behalf of said City is hereby authorized to execute a Grant Deed conveying said City parcel described in Section 1 of this Ordinance to SGRE FIG & FLOWER INVESTORS 1, LLC; The City Clerk of said City is hereby authorized and directed to attest thereto and to affix the City Seal.

Sec 3. The Department of General Services, Real Estate Services Division, is authorized to accept a ONE HUNDRED THOUSAND DOLLAR (\$100,000) non-refundable deposit, open title and escrows, issue title transfer instructions/escrow, and/or deliver the grant deed, process and execute all necessary documents to effectuate this sale, and otherwise complete the transactions, and the Chief Accounting Employee of the Department of General Services is authorized to deposit the proceeds, over and above the expenses of sale, into the proper accounts as provided by law. Purchaser shall pay 1/2 (one half) escrow fees and pay all incidental costs associated with this property purchase transaction including, but not limited to recording fees, documentary transfer fees, title insurance fees, escrow fees, personal property taxes where applicable, and any other real estate transaction taxes. Purchaser at its own expense may obtain any desired survey of the property.

EXHIBIT A

Legal Description

THAT PORTION OF SEGMENT 1, OF RELINQUISHMENT NO. 1268, LYING IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON RESOLUTION NUMBER R-4014 RECORDED DECEMBER 20, 2018 AS INSTRUMENT NUMBER 20181294777, OFFICIAL RECORDS, OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF SAID SEGMENT 1, BOUND TO THE NORTH BY THE SOUTHERLY LINE OF LOT 14, OF BLOCK 15, OF THE MAP OF ZOBELINS GRAND AVENUE AND FIGUEROA STREET TRACT, AS PER MAP RECORDED IN BOOK 9, PAGE 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND ITS EASTERLY PROLONGATION THEREOF; BOUND TO THE WEST BY THE EASTERLY LINES OF LOT 34 AND LOT 35, OF BLOCK 15, OF SAID TRACT; BOUND TO THE SOUTH BY THE NORTHERLY LINE OF LOT 17 OF BLOCK 15, OF SAID TRACT AND ITS EASTERLY PROLONGATION THEREOF.

RESERVING UNTO THE CITY OF LOS ANGELES AN EASEMENT FOR PUBLIC STREET PURPOSES, IN, OVER, ALONG, UPON AND ACROSS THE EASTERLY 45.00 FEET OF THE ABOVE DESCRIBED PARCEL OF LAND.


CONTAINING 9,881 SQUARE FEET, MORE OR LESS.



Sec. 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
for LAURA CADOGAN HURD
Deputy City Attorney

Date 3/30/2021

File No. 17-1002

m:\real prop_env_land use\real property_environment\laura cadogan\ordinances\caltrans
relinquishment flower and mlk\la21-02249 final.docx

The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____

13. EXHIBIT XI

Detail on Source of funds/Account used to purchase Property

Not Applicable. Property was relinquished to City at no cost.

14. EXHIBIT XII

Detail on Fund, Account to Deposit Sale Proceeds

Funds are to be deposited as follows: 50% to the general fund, 50% to Council Office. Acquisition was obtained from Caltrans at no cost.

To Council Office 9 : Real Property Trust Fund 691, Dept. 14 , Rev. Source 5141

To General Fund: General Fund 100, Dept. 40, Rev. Source 5141

07-LA-110-PM 0.7/21.0
In the City of Los Angeles
On Route 110 from Gaffey Street near
O'Farrell Street to 21st Street

FREEWAY AGREEMENT

THIS AGREEMENT, made and entered into on this 23rd day of AUGUST, 2016, by and between the STATE OF CALIFORNIA acting by and through the Department of Transportation (herein referred to as "STATE"), and the City of Los Angeles (herein referred to as "CITY"),

WITNESSETH:

WHEREAS, the highway described above has been declared to be a freeway by Resolution of the California Highway Commission on State Highway Route 110, June 22, 1950, and May 25, 1960; and

WHEREAS, STATE and CITY have entered into a Freeway Agreement dated May 10, 1960, relating to that portion of State Highway Route 165 (now Route 110) from Battery Street to 42nd Street; and

WHEREAS, STATE and CITY have entered into a Freeway Agreement dated January 2, 1963 relating to that portion of State Highway Route 15 (now Route 110), from 42nd Street to Route 2 (now Route 101) at the four-level structure; and

WHEREAS, STATE and CITY have entered into a Freeway Agreement dated May 18, 1964, relating to that portion of State Highway Route 165 (now Route 110) from Elberon Ave to 0.4 mile north of Battery Street and to that portion of State Highway Route 167 (now Route 47) from State Highway Route 165 (now Route 110) to Harbor Boulevard; and

WHEREAS, STATE and CITY have entered into a Freeway Agreement dated September 23, 1970, relating to that portion of State Highway 11 (now Route 110) from Adams Boulevard to 21st Street Pedestrian Overcrossing; and

WHEREAS, STATE and CITY have entered into a Freeway Agreement dated January 20, 1971, relating to that portion of State Highway Route 11 (now Route 110) from El Segundo Boulevard to 76th Street; and

WHEREAS, STATE and CITY have entered into a Freeway Agreement dated March 20, 1980, relating to that portion of State Highway Route 11 (now Route 110) from the City limit of 190th Street to the Southern Pacific Transportation Company (now Union Pacific Railroad) tracks near 149th Street; and to that portion of State Highway Route 91,

from the Gardena City limit at Vermont Avenue to the Carson City limit at Figueroa Street,
and

WHEREAS, STATE and CITY have entered into a Freeway Agreement dated June 1, 1984, relating to that portion of State Highway Route 110 from El Segundo Boulevard to 92nd St; and that portion of State Highway Route 105 from the Los Angeles City limit at Vermont Avenue to the Los Angeles City limit near Central Ave; and

WHEREAS, STATE and CITY have entered into a Freeway Agreement dated February 12, 2013, relating to that portion of State Highway Route 110 from 0.15 miles north of Battery Street to 0.20 miles north of Anaheim Street; and

WHEREAS, a revised plan map for such freeway has been prepared showing the proposed plan of the STATE as it affects roads of the CITY; and

WHEREAS, it is the mutual desire of the parties hereto to enter into a new Freeway Agreement in accordance with the revised plan of said freeway;

NOW, THEREFORE, IT IS AGREED:

1. This Agreement supersedes, in their entirety, said Freeway Agreements dated May 10, 1960, September 23, 1970, January 20, 1971, and February 12, 2013.
2. This Agreement supersedes, in their entirety, said Freeway Agreements dated May 18, 1964, March 20, 1980, and June 1, 1984 for Route 110 only.
3. This Agreement supersedes that portion of said Freeway Agreement dated January 2, 1963 from 42nd Street to Adams Boulevard.
4. CITY agrees and consents to the closing of CITY street, relocation of CITY street, construction of frontage roads and other local roads, and other construction affecting CITY roads, all as shown on the plan map attached hereto, marked Exhibit A, and made a part hereof by reference.
5. The obligations of STATE and CITY with respect to the funding and construction of the freeway project will always be dealt with in separate Cooperative Agreement(s) between the parties, and any amendments thereto, or Encroachment Permits issued to CITY. The parties responsible for the construction of the freeway shall make any changes affecting CITY street only in accordance with the plan map attached hereto, marked Exhibit A.

6. The obligations of STATE and CITY with respect to the acquisition of the rights of way required for the construction, reconstruction, or alteration of the freeway and CITY street, frontage roads, and other local roads will always be dealt with in separate Cooperative Agreement(s) between the parties, and any amendments thereto or Encroachment Permits issued to CITY.

7. It is understood between the parties that the rights of way may be acquired in sections or units, and that both as to the acquisition of right of way and the construction of the freeway project, the obligations of STATE and CITY hereunder shall be carried out at such time and for such unit or units of the project as funds are budgeted and made lawfully available for such expenditures.

8. CITY will accept control and maintenance over each of the relocated or reconstructed CITY streets, any frontage roads, and other local roads constructed as part of the project, on receipt of written confirmation that the work thereon has been completed, except for any portion which is adopted by STATE as a part of the freeway proper. If acquired by STATE, CITY will accept title to the portions of such roads lying outside the freeway limits upon relinquishment by STATE.

9. This Agreement may be modified at any time by the mutual consent of the parties hereto, as needed to best accomplish, through STATE and CITY cooperation, the completion of the whole freeway project for the benefit of the people of the STATE and of the CITY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers.

STATE OF CALIFORNIA
Department of Transportation

Malcolm Dougherty
Director of Transportation

By:

Shirley Croate

For

Carrie Bowen
District Director

APPROVED AS TO FORM:

Jana Georgallis
Attorney (State)

CITY OF LOS ANGELES
Department of Transportation

By:

Seleta J. Reynolds

SELETA J. REYNOLDS
General Manager

APPROVED AS TO FORM:

[Signature]
Attorney (City)

HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPE
EXECUTIVE OFFICER

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Council and Public Services Division

200 N. SPRING STREET, ROOM 395
LOS ANGELES, CA 90012
GENERAL INFORMATION - (213) 978-1133
FAX: (213) 978-1040

BRIAN E. WALTERS
DIVISION CHIEF

CLERK.LACITY.ORG

When making inquiries relative to
this matter, please refer to the
Council File No.: 16-0834

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

August 24, 2016

Council File No.: 16-0834
Council Meeting Date: August 23, 2016
Agenda Item No.: 17
Agenda Description: TRANSPORTATION COMMITTEE REPORT relative to proposed Freeway Agreement with the California Department of Transportation (Caltrans) for improvements for the SR-110, SR-105, SR-91, and ST-47 and adjacent local streets.

Council Action: TRANSPORTATION COMMITTEE REPORT - ADOPTED

Council Vote:

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
ABSENT	GILBERT A. CEDILLO
YES	MITCHELL ENGLANDER
ABSENT	FELIPE FUENTES
YES	MARQUEECE HARRIS-DAWSON
YES	JOSE HUIZAR
YES	PAUL KORETZ
YES	PAUL KREKORIAN
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
ABSENT	CURREN D. PRICE
YES	DAVID RYU
YES	HERB WESSON

HOLLY L. WOLCOTT
CITY CLERK

TRANSPORTATION COMMITTEE REPORT relative to proposed Freeway Agreement with the California Department of Transportation (Caltrans) for improvements for the SR-110, SR-105, SR-91, and ST-47 and adjacent local streets.

Recommendation for Council action:

AUTHORIZE the Los Angeles Department of Transportation (LADOT), in compliance with Section 100.22 of the Streets and Highways Code, to execute the superseding Freeway Agreement with Caltrans, as attached to the July 29, 2016 LADOT report and the Council file, subject to review by the City Attorney as to form and legality, to reflect improvements along the SR-110 Freeway and adjacent local streets, which occurred during and subsequent to the construction of the Harbor Transitway.

Fiscal Impact Statement: The LADOT reports there is no General Fund impact.

Community Impact Statement: None submitted.

Summary:

On August 10, 2016, your Committee considered a July 29, 2016 LADOT report relative to proposed Freeway Agreement with Caltrans for improvements for the SR-110, SR-105, SR-91, and ST-47 and adjacent local streets. According to the LADOT, a freeway agreement documents the understanding between Caltrans and a local agency relating to the planned traffic circulation features of the proposed freeway or controlled access highway. In the event that a facility is fully constructed, the Agreement shows which streets may be closed or connected to the facility; which streets and roads may be separated from the facility; the location of frontage roads; and how streets may be relocated, extended or otherwise modified to maintain traffic circulation in relation to the facility. Locations of railroad and pedestrian structures, as well as those for other non-motorized facilities, such as bike paths, are also shown. Freeway or controlled access highway agreements form the basis for future planning, not only by Caltrans but by public and private interests in the community.

The Harbor Transitway is an 11-mile shared-use bus corridor and high-occupancy toll roadway that runs in the median of SR-110 from the Harbor Gateway Transit Center to Downtown Los Angeles. The main bus service operating on the Transitway is the Metro Silver Line, which was introduced in December 2009. In addition to the Metro Silver Line, other Metro bus and municipal bus routes operate on the Transitway, including LADOT's Commuter Express lines 438 and 448. In November 2012, as part of the Metro Express Lanes project, the existing high-occupancy vehicle lanes within the Transitway were converted to high-occupancy toll lanes.

Subsequent to implementing all required improvements related to construction of the Harbor Transitway, Caltrans is requesting that the City execute a superseding Freeway Agreement which covers the following segments of the State Highway system:

- a. In the City of Los Angeles on SR-110, between 0.1 mile south of SR-47 at O'Farrell Street and 0.2 south of SR-10 at 21st Street Pedestrian Overcrossing (except portion in Los Angeles County and City of Carson).

- b. On SR-105, between Los Angeles County limit at Vermont Avenue and Main Street.
- c. On SR-91, between the Gardena City limit at Vermont Avenue and the Carson City limit at Figueroa Street.
- d. On SR-47, between SR-110 at Gaffey Street and Harbor Boulevard Interchange.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Freeway Agreement. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

TRANSPORTATION COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BONIN:	YES
KORETZ:	YES
HUIZAR:	ABSENT
MARTINEZ:	YES
RYU:	YES

ARL
8/10/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-

**LIMIT OF AGREEMENT
ROUTE 110 P.M. 0.7**



STATE OF CALIFORNIA
 DEPARTMENT OF TRANSPORTATION
 AND HIGHWAYS
 714.110 P.M. 0.7(2)B
FREEWAY
 OF ROUTE 110 (SR 110) TO THE STREET
 FROM 6545th STREET, IN LOS ANGELES COUNTY AND CITY OF CARSON,
 EXCEPT PORTIONS IN LOS ANGELES COUNTY AND CITY OF CARSON.



SHARPE &
 ENGINEERS
 1000 WEST 10TH STREET
 LOS ANGELES, CALIF.

STATE OF CALIFORNIA
 DEPARTMENT OF TRANSPORTATION
 SAN FRANCISCO
 JANUARY 19, 1960

IN THE CITY OF LOS ANGELES
 ON ROUTE 110, FROM THE INTERSECTION OF ROUTE 110 AND ROUTE 101 TO THE INTERSECTION OF ROUTE 110 AND ROUTE 101.

DRAWN BY: J. W. BROWN
 CHECKED BY: J. W. BROWN
 DATE: JANUARY 19, 1960



EXHIBIT A
Sheet 7 of 7

CITY OF LOS ANGELES

HARBOR FREEWAY

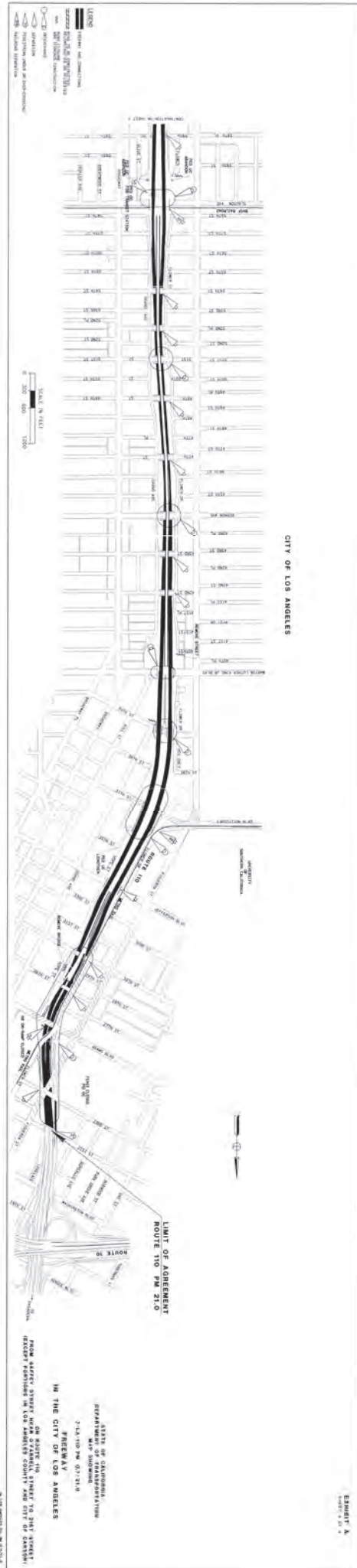
IN THE CITY OF LOS ANGELES

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
PLANNING DIVISION
LOS ANGELES OFFICE

FROM STATE STREET AND 10TH STREET TO 20TH STREET
EXCEPT PORTIONS IN LOS ANGELES COUNTY AND CITY OF GARDEN

APRIL 1958

CITY OF LOS ANGELES



LIMIT OF AGREEMENT
ROUTE 10 PM 210

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
7-1-10 PM 0211A
IN THE CITY OF LOS ANGELES
ON ROUTE 10
FROM SUPER STREET AND STANFORD STREET TO THE PROPOSED
LIMIT OF AGREEMENT IN LOS ANGELES COUNTY AND CITY OF LOS ANGELES

EXHIBIT A
SHEET 1 OF 1

DATE: 10/10/10

Memorandum

*Making Conservation
a California Way of Life.*

To: DESIGN A
MANINTENANCE OFFICE
RIGHT OF WAY UTILITIES
CONSTRUCTION
TRAFFIC OPERATIONS
PERMITS
SURVEYS
PLANNING
EXTERNAL AFFAIRS
STRUCTURE MAINTENANCE
RIGHT OF WAY UTILITIES
TRANSPORTATION PERMITS
MANTENANCE - FREEWAY AGREEMENTS

Date: December 21, 2018
File: 07-LA-110-PM 19.5/19.7
Rel. No. 1268
E.A. 0R0002
Project ID 0700000063

From: D Diane Wells
Senior Transportation Surveyor
Office of R/W Engineering


Subject: **RELINQUISHMENT NO. 1268**

This is to advise you that on 12/05/2018 the California Transportation Commission adopted a resolution relinquishing to the City of Los Angeles a portion of collateral facilities, along Route 110 Freeway, between Martin Luther King Junior Boulevard, and 39th Street designated 07-LA-110-PM 19.5/19.7.

This resolution was recorded on 12/20/2018 as Document No. 20181294777 in the office of the Registrar-Recorder/County Clerk of Los Angeles County and the effective date of said relinquishment is 12/20/2018.

City of Los Angeles was notified of the action, which transfers all responsibilities for that portion of collateral facilities. All Caltrans activities/files on the noted section of the collateral facilities should cease and/or be transferred to the agency.

If there are any questions regarding this matter,
Please call me at extension 7-1766.


D. Diane Wells, PLS
Senior Transportation Surveyor

DEPARTMENT OF TRANSPORTATION

DISTRICT 7-DIVISION OF DESIGN
OFFICE OF R/W ENGINEERING
100 SOUTH MAIN STREET, MS-13
LOS ANGELES, CA 90012-3606
PHONE (213) 897-1766
E-MAIL diane.wells@dot.ca.gov



*Making Conservation
a California Way of Life*

December 21, 2018

R/W ENGINEERING
Relinquishment
7-LA-110-PM 19.5/19.7
Rel. Req. No. 1268
Collateral Facilities
CTC Res.: R-4014
CTC Date: December 5, 2018

City of Los Angeles
City Council
200 N Springs Street
Los Angeles, CA 90012

Gentlemen:

This is to advise you that on 12/05/2018 the California Transportation Commission adopted a resolution relinquishing to the City of Los Angeles a portion of collateral facilities, along Route 110 Freeway, between Martin Luther King Junior Boulevard, and 39th Street designated 07-LA-110-PM 19.5/19.7.

This resolution was recorded on 12/20/2018 as Document No. 20181294777 in the office of the Registrar-Recorder/County Clerk of Los Angeles County and the effective date of said relinquishment is 12/20/2018.

We are transmitting herewith the recorded resolution and the map attached showing that portion of State Highway so relinquished.

Sincerely,

D. Diane Wells, PLS

D. Diane Wells, PLS
Senior Transportation Surveyor
Office of R/W Engineering
Division of Right of Way

This page is part of your document - DO NOT DISCARD



20181294777



Pages:
0005

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

12/20/18 AT 03:35PM

FEES:	0.00
TAXES:	0.00
OTHER:	0.00
<hr/>	
PAID:	0.00



LEADSHEET



201812203240037

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SEQ:
01

DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED

RECORDED AT REQUEST OF

DEPARTMENT OF TRANSPORTATION

WHEN RECORDED MAIL TO

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

100 South Main St, MS-13

Los Angeles, California

90012

ATTN: Stella Tsao, 6-145

R/W Engineering



20181294777

(FOR RECORDER'S USE ONLY)

NO FEE GOVT CODE 27383

TITLE

RESOLUTION NO. R-4014

RELINQUISHMENT NO. REL-1268

07-LA-110-PM 19.5/19.7

RELINQUISHMENT OF HIGHWAY RIGHT OF WAY IN THE
CITY OF LOS ANGELES, ROAD 7-LA-110-PM 19.5/19.7
Request No. 1268

WHEREAS, by Freeway Agreement dated August 23, 2016, between the City of Los Angeles and the State of California, the City agreed to accept title to relocated or reconstructed city streets, any frontage roads, and other local roads constructed as part of the project, upon relinquishment thereof to said City by the State of California; and

WHEREAS, the State of California has acquired right of way for and has constructed the above-mentioned collateral facilities in the City of Los Angeles, adjacent to Route 110, from Martin Luther King Jr. Boulevard to 39th Street, in accordance with said agreement; and

WHEREAS, in accordance with Section 73 of the Streets and Highways Code, a 90-day notice in writing dated August 28, 2017, of intention to relinquish the above-mentioned collateral

**TRANSPORTATION COMMISSION
RESOLUTION No. R-4014**

PASSED BY

CTC

DEC 05 2018

CALIFORNIA
TRANSPORTATION COMMISSION

facilities was delivered to the City by certified mail return receipt on August 30, 2017; and

WHEREAS, by City Council action, Council File No. 17-1002, adopted on September 18, 2018, the City of Los Angeles agreed to accept the relinquishment; and

WHEREAS, this Commission has found and determined, and does hereby find and determine, that it is desirable and in the public interest that said collateral facilities be relinquished to the City of Los Angeles for use as city streets.

NOW, THEREFORE, IT IS VOTED by the California Transportation Commission that it relinquish, and it does hereby relinquish, to the City of Los Angeles, effective upon the recordation of a certified copy hereof with the Recorder of Los Angeles County, all of the State of California's right, title and interest in and to said collateral facilities in said City, together with the right of way and appurtenances thereof, described as follows:

All those portions of State Highway right of way shown as SEGMENT 1 and SEGMENT 2, delineated and shaded or stippled on a map recorded on October 18, 2018, in State Highway Map Book No. 21, page 6, records of Los Angeles County.

RESERVING to the State of California easements for footing, and ingress and egress purposes as shown on said State Highway Map.

EXCEPTING AND RESERVING to the State of California any and all rights of ingress to and egress from the State Highway hereby relinquished, in and to the adjoining freeway, except at such points as now are or may be established by resolution of this Commission.

THIS IS TO CERTIFY that the foregoing resolution was duly passed by the California Transportation Commission at its meeting regularly called and held on the 5th and 6th days of December 2018 in the city of Riverside and that the foregoing is a full and correct copy of the original resolution. Dated this 11 day of December 2018.


SUSAN BRANSEN, Executive Director
CALIFORNIA TRANSPORTATION COMMISSION

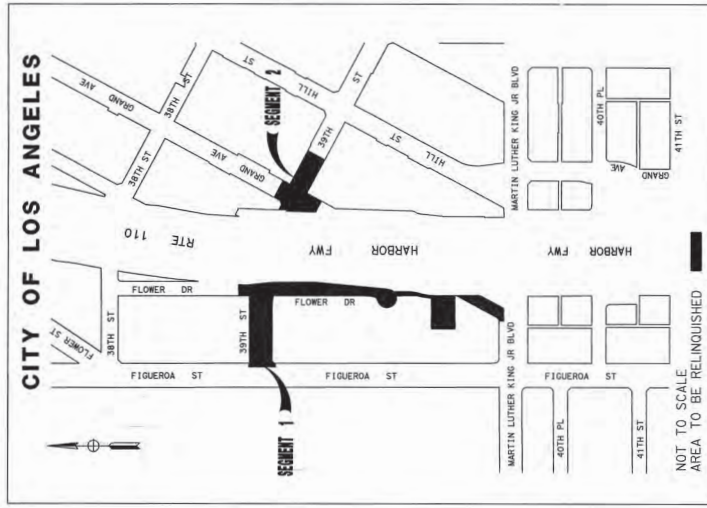
STATE OF CALIFORNIA

DEPARTMENT OF TRANSPORTATION

IN THE CITY OF LOS ANGELES, ALONG ROUTE 110 FREEWAY BETWEEN MARTIN LUTHER KING JUNIOR BOULEVARD AND 39TH STREET

STATE	FEDERAL PROJECT NO.	DIST	COUNTY	ROUTE	POST MILES	SHEET NO.	TOTAL SHEETS
CALIF.		07	LA	110	19.5/19.7	1	1

D. Diane Wells, PLS
 PROFESSIONAL LAND SURVEYOR
 No. 17651
 Exp. 12-30-18
 APPROVAL DATE
October 18, 2018



CITY OF LOS ANGELES

NOT TO SCALE
AREA TO BE RELINQUISHED

CALIFORNIA STATE TRANSPORTATION AGENCY
DEPARTMENT OF TRANSPORTATION

PROPOSED RELINQUISHMENT

0 80 160 240 320 FEET

AREA TO BE RELINQUISHED

ACCESS TO BE RELINQUISHED

ACCESS PROHIBITED

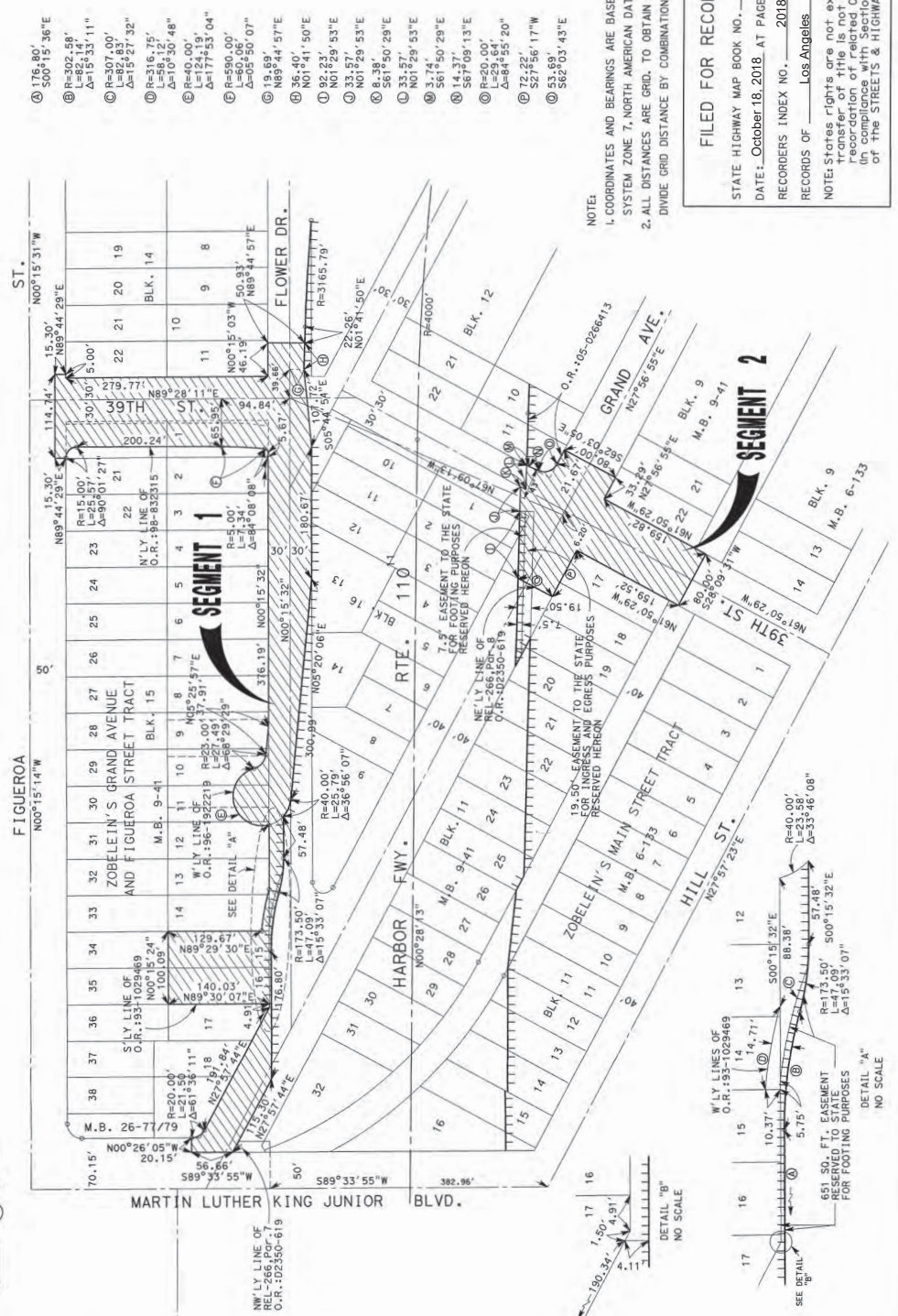
DR'N BY ST R/W MAP NO. F1956-1, -2, -7

C/LC BY ST CONTRACT NO.

C/K'D BY JV

REVISED

REL-1268



NOTE:
 1. COORDINATES AND BEARINGS ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM ZONE 7, NORTH AMERICAN DATUM (NAD) OF 1927
 2. ALL DISTANCES ARE GRID. TO OBTAIN GROUND DISTANCE DIVIDE GRID DISTANCE BY COMBINATION FACTOR 0.99998228

FILED FOR RECORD IN

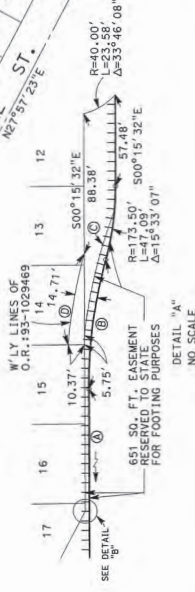
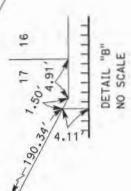
STATE HIGHWAY MAP BOOK NO. 21

DATE, October 18, 2018, AT PAGE 6

RECORDERS INDEX NO. 20181062323

RECORDS OF Los Angeles COUNTY

NOTE: Statute rights are not extinguished or transferred by this recording. This is a recordation of related CTC resolution, in compliance with Sections 128 & 129 of the STREETS & HIGHWAYS Code)



MOTION

On August 28, 2017, the California Department of Transportation (Caltrans) issued a notice of intent to relinquish to the City highway right of way from Flower Drive between Martin Luther King (MLK) Boulevard and 39th Street and 39th Street between Figueroa Street and mid-block between Hill Street and Grand Avenue. On September 21, 2018, the City adopted the Bureau of Engineering's recommendations in a report dated August 21, 2018 to find that the no-fee relinquishment is in the best interest of the City and to adopt the accompanying resolution and related actions to effectuate the relinquishment (C.F. 17-1002).

The highway right of way relinquished to the City does not meet City standards and additional funding will be required to complete the improvements. These improvements include: new curb ramps; curbs and gutters; driveways; and repaving and signage. The Fig Project is a mixed-use development project that is currently under construction at 3900 – 3972 S. Figueroa Street and is adjacent to and surrounds two of the parcels located on Flower Drive that were relinquished to the City (APNs: 5037-032-900 and 5037-032-901). The developer, SGRE Fig & Flower Investors 1 LLC, is interested in purchasing the two parcels and will complete the necessary improvements.

I THEREFORE MOVE that City Council direct the Department of General Services (GSD) to take the following actions relative to the two parcels located on Flower Drive that Caltrans relinquished to the City (APNs: 5037-032-900 and 5037-032-901):

1. Declare the two parcels located on Flower Drive (APNs: 5037-032-900 and 5037-032-901) surplus assets;
2. Initiate the Surplus Property Process and conduct a Class "A" appraisal of the parcels;
3. Instruct the City Administrative Officer (CAO) to evaluate the feasibility of a direct sale to SGRE Fig & Flower Investors 1 LLC at fair market value; and
4. Direct GSD, with the assistance of the CAO, the City Attorney, and any other relevant departments, to take all necessary steps and prepare all required documents to effectuate the potential sale of the parcels.

PRESENTED BY:

Curren D. Price, Jr.

CURREN D. PRICE, JR.
Councilmember, 9th District

SECONDED BY:

Monica Rodriguez

cbs

ORIGINAL

FEB 27 2019