

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 17, 2022

CAO File No. 0220-05844-0001

Council File No. 18-0185

Council District: 9

To: The Municipal Facilities Committee

From: *for* Matthew W. Szabo, City Administrative Officer 

Reference: Transmittal from the Department of General Services dated November 15, 2021

Subject: **PROPOSED DIRECT SALE OF SURPLUS PROPERTY LOCATED AT 4366 SOUTH MAIN STREET, LOS ANGELES, CA 90037 (APN 5113-036-900)**

RECOMMENDATIONS

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

1. ADOPT the accompanying Ordinance (*Attachment A*) from the City Attorney authorizing the “As Is and with all faults” sale of the real property located at 4366 S. Main St., Los Angeles, CA 90037 (APN 5113-036-900), including all stated Exceptions and Reservations, without notice of sale or advertisement of bids, to CALIFORNIA CONSERVATION CORP (Buyer) for the negotiated sale price of \$2,190,000;
2. REQUEST the City Attorney to prepare the purchase and sale agreement based on the terms specified in the Ordinance (*Attachment A*), for the sale of the real property located at 4366 S. Main St., Los Angeles, CA 90037 (APN 5113-036-900);
3. INSTRUCT the Department of General Services (GSD) to complete the transactions outlined in the Ordinance, 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, assign payment responsibility for one-half or 50 percent of escrow fees and all incidental costs associated with this property to Buyer, and deposit one-half or 50 percent of the sale proceeds into Council District 9 Real Property Trust Fund No. 691 and the remaining one-half into General Fund No. 100, Department No. 40, Revenue Source No. 5141; and
4. AUTHORIZE the City Administrative Officer to make any necessary technical corrections to implement the intent of the Council and Mayor, and authorize the Controller to implement these instructions.

SUMMARY

The Department of General Services (GSD) submitted a report package that requests authority for the direct sale of City-owned surplus property at 4366 South Main Street (Property) in Council District 9 to CALIFORNIA CONSERVATION CORP (Buyer) for \$2,190,000 (*Attachment B*).

The Property, approximately 14,000 square feet, was developed as a fire station in 1912. The building is former Los Angeles City Fire Station No. 22, but is not currently being utilized by the City. The site is located within the Southeast Los Angeles Community Plan Area. Determining that the City had no immediate or future plans for this site, the Council approved a Price-Ryu motion in March 2018 (*Attachment C*), which declared the property surplus and instructed the appropriate City departments to initiate the surplus process and take all necessary steps to effectuate the potential sale of the parcel. We have completed our review and now recommend the Council, subject to the approval of the Mayor, approve the direct sale of 4366 S. Main Street to the Buyer.

BACKGROUND

The GSD requests authority for the direct sale of City-owned property located at 4366 S. Main St., Los Angeles, CA 90037 (APN 5113-036-900) (Property) in Council District 9 to the Buyer for the negotiated sale price of \$2,190,000 "As Is and with All Faults." The Buyer, California Conservation Corp, is the current tenant.

The Property is the former Los Angeles City Fire Station No. 22 and is approximately 14,000 square feet. The station was closed on January 22, 1980. The Buyer has leased the property since approximately 1985-1986. The Buyer works on environmental projects and responds to natural and man-made disasters. Their accomplishments include planting more than 24.6 million trees, fish habitat improvements, maintenance of and improving backcountry trails, and improving rural and urban parks and recreation areas.

On March 7, 2018, Council District 9 introduced Motion (Price-Ryu) which declared the parcel located at 4366 S. Main St. Los Angeles, CA 90037 (APN 5113-036-900), as surplus property and directed GSD to initiate the Surplus Property Process and to prepare the parcels for a direct sale to the Buyer (C.F. 18-0185) (*Attachment C*).

On June 16, 2021, and after following the appropriate notification processes in accordance with current guidelines of AB 1486, the Surplus Land Act, (C.F. 18-0185), the City Council declared the property, "exempt surplus land" due to the proposed transfer and use of this property to another local, state, or federal agency.

Appraisal

In 2021, GSD hired Curtis-Rosenthal, Inc. to determine the value of the Property. The completed appraisal report, dated January 6, 2021, stated the fair market value of the Property to be

\$2,190,000. The final negotiated sale price is \$2,190,000. While the appraisal is one year old, GSD reports the appraisal is still valid.

Planning and Zoning Determinations

In a letter dated May 14, 2018, the Planning Department advised that sale of the property would be in conformance with the purposes, intent and provisions of the General Plan. The property is located within the Southeast Los Angeles Community Plan area, where it is given a Commercial Manufacturing land use designation. The Property is zoned CM-1, which is an industrial zone that allows Wholesale, Storage, Clinics, Limited Manufacturing, Limited C2 Uses, and R3 Uses, and lies within Council District 9 and the Southeast Los Angeles Community Plan.

BOE Determinations/Dedications

In a letter dated May 4, 2018, the BOE reported it has no objection to the proposed sale of the Property, subject to the following:

- Dedication: A 3-foot dedication to complete the required 43-foot half right-of-way on Main Street. A 2.5-foot dedication to complete the required 10-foot half right-of-way in the alley.

BOE CEQA and Hazardous Substance Disclosure

In a letter dated April 17, 2018, BOE reported it had reviewed the City's records and determined that the sale of the Property is 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 B, Exhibit IV to the report.

In an additional correspondence also dated April 17, 2018, 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 have reasonable cause to believe that any release of hazardous substance will occur 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 4366 S Main St., Los Angeles, CA 90037 (APN 5113-036-900) in Council District 9 to California Conservation Corp (Buyer) for the negotiated sale price of \$2,190,000, 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. The receipt of these funds are anticipated in the FY 2021-22 Adopted Budget.

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 the community will be better served and there will be a one-time deposit of \$2,190,000 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 \$2,190,000, which is the agreed upon price between the City and the Buyer;
- The Buyer is California Conservation Corp;
- The Property will be sold in “As Is and with all faults” 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, 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 its 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 the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extension 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 4366 S. Main Street, Los Angeles, CA 90037, (APN 5113-036-900). The Property is zoned CM-1, which is an industrial zone that allows Wholesale, Storage, Clinics, Limited Manufacturing, Limited C2 Uses, and R3 Uses, and lies within Council District 9 and the Southeast Los Angeles Community Plan. The legal description is contained in Attachment B, Exhibit III to this report.

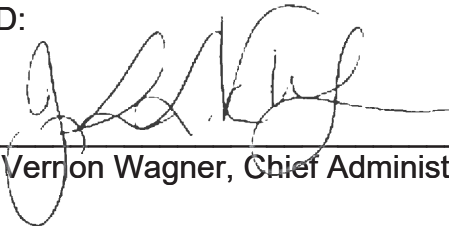
4. Exempt Surplus Land Declaration

On June 16, 2021, the City Council approved a declaration of the Property as Exempt Surplus Land pursuant to the guidelines of Assembly Bill 1486, which permits the transfer of City property to another local, state, or federal agency for the agency's use (*Attachment D*). The adoption of the report determined that the Property is no longer of use to the City and that the public interest is best served by its disposal.



Kelly O'Malley, Senior Management Analyst I

APPROVED:



Jacqueline Verron Wagner, Chief Administrative Analyst

MWS:YC/JLVW/KHO
DocId 15220019

Attachments

- Attachment A: Ordinance from City Attorney
- Attachment B: November 15, 2021 Report Package from GSD to CAO
- Legal Description (Exhibit III)
- Attachment C: Price-Ryu Motion – March 7, 2018 (C.F. 18-0185)
- Attachment D: Exempt Surplus Land Report – June 16, 2021

ORDINANCE NO. _____

An Ordinance authorizing and providing for the sale of certain real property owned by the City of Los Angeles (City) to the California Conservation Corps (CCC) for the sum of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000).

**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 of bids. It is hereby ordered that such real property be sold, pursuant to certain conditions hereinafter set forth to CCC, for the sum of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000) in accordance with the provisions of Section 385 of the City Charter and Division 7, Chapter, Article 4 of the Los Angeles Administrative code.

Location:

4366 South Main Street, Los Angeles, CA 90037
APN: 5113-036-900

Legal Description:

That certain property described and depicted in Exhibit "A" hereto:

EXCEPTING AND RESERVING unto the City all oil, gas, water and mineral rights now vested in the City 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 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.

FURTHER SUBJECT to the condition that the said property will be used by the CCC for programs that provide needed services to the community.

Sec. 2. The Mayor of the City of Los Angeles in the name of and on behalf of the City is hereby authorized to execute a Grant Deed conveying said City parcel described in Section 1 of this Ordinance to the CCC; 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 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 Council District 9's Real Property Trust Fund Number 691, Department 14, Revenue Source 5141 and into General Fund Number 100, Department 40, Revenue Source 5141 in equal amounts. The purchaser, CCC, shall pay ½ (one-half) of 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. The purchaser, at its own expense, may obtain any desired survey of the property.

Sec. 4. This ordinance shall be operative upon publication pursuant to Charter Section 252(j).

Sec. 5. 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 10/19/2021

File No. _____

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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 _____

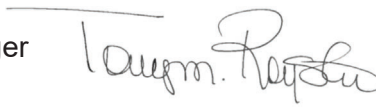
Approved _____

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: November 15, 2021

TO: Matthew W. Szabo
City Administrative Officer

Attention: Maria Gutierrez, Chief Administrative Analyst

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

SUBJECT: **REVIEW OF PROPOSED DIRECT SALE OF THE PROPERTY – CD 9
LOCATED AT 4366 S. MAIN STREET, LOS ANGELES, 90037
APN: 5113-036-900**

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 the California Conservation Corp (CCC), at the request of Council District 9. The City Administrative Officer's review and recommendation to the City Council for direct sale to the CCC is requested in order to complete this transaction.

The proposed sale is in compliance with the State Law AB 1486 which became effective on January 1, 2021 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 CCC.

The market value of the subject property as of January 2021 is \$2,190,000 and will be sold to the CCC for the same amount. The appraisal report is attached. 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: Real Property Trust Account Dept. 14 Fund 691
- 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 Procedure and is hereby submitting the Property's surplus package for your review and recommendation to the City Council for direct sale to the CCC. Attached for your information are the property documents and 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, contact Enid Gomez, Senior Management Analyst, at (213) 926-5018, or email enid.gomez@lacity.org.

Attachments

SURPLUS PROPERTY (DIRECT SALE) CHECKLIST
DOCUMENTS TO BE SUBMITTED TO CAO'S OFFICE
WITH OUR REQUEST FOR REVIEW

APN: **5113-036-900**

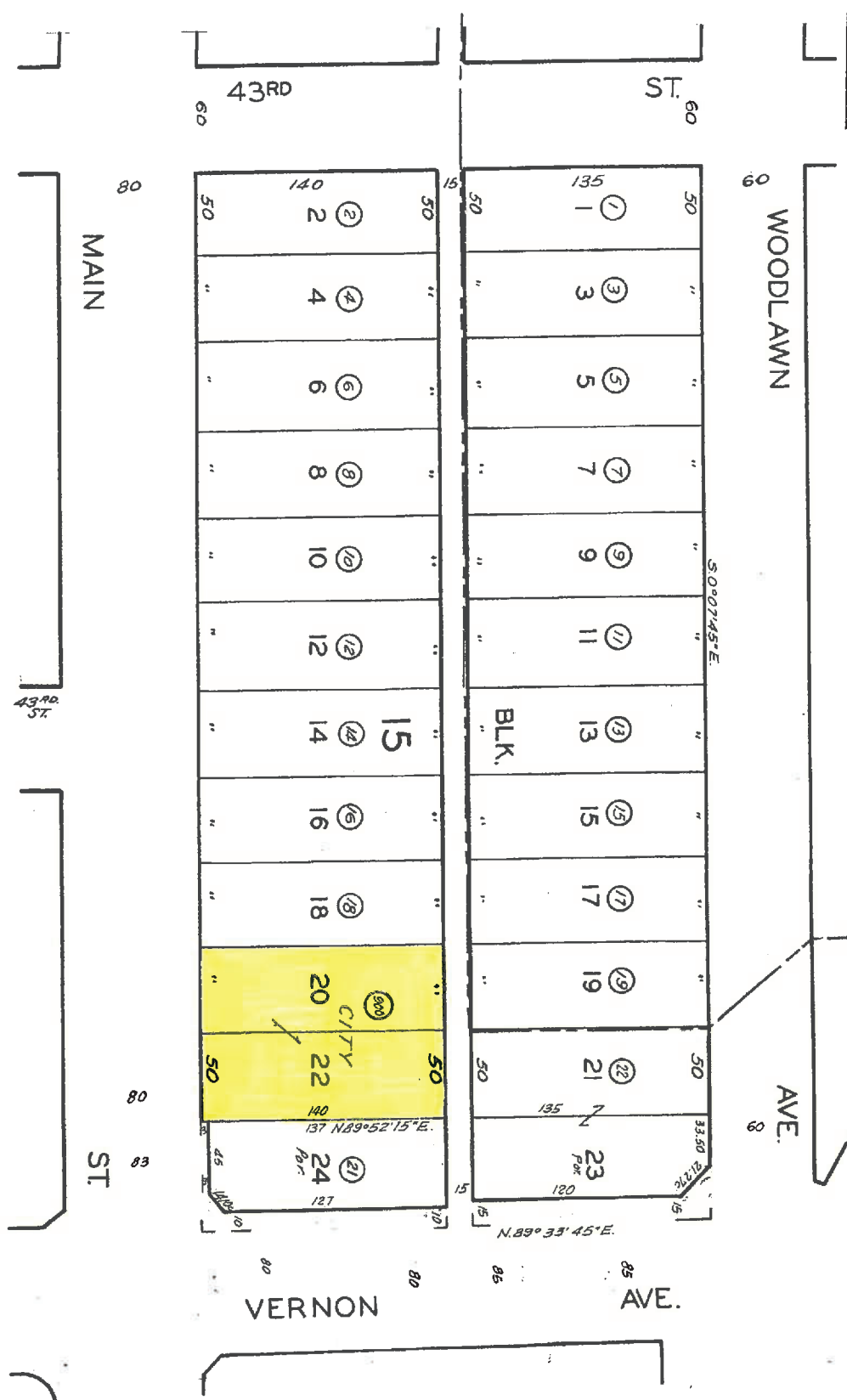
ADDRESS: **4366 S. Main Street**
Los Angeles, CA 90037

1	Assessor Parcel Map Navigate LA Map	Exhibit I
2	Exempt Surplus Land Declaration	Exhibit II
3	Legal Description	Exhibit III
4	BOE District Engineer Report BOE Environment Report	Exhibit IV
5	Planning Approval	Exhibit V
6	Mayor's Office Notification	Exhibit VI
7	Appraisal Report	Exhibit VII
8	Ordinance	Exhibit VIII

EXHIBIT I

1996

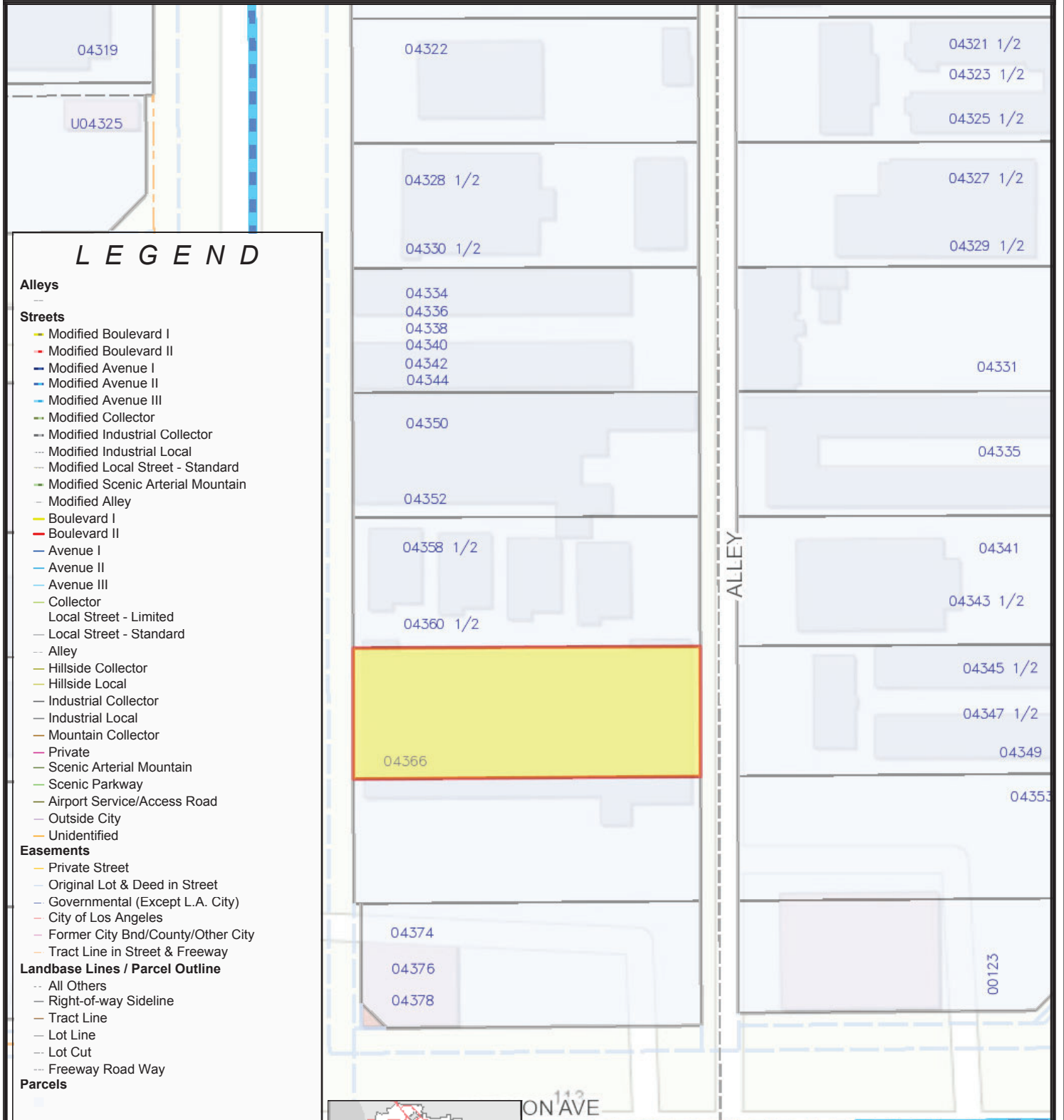
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1-5-62
9-23-63 E
680916003
690806509
700891501
800193307-85
90020



CODE 7
6659

FOR PREV. ASSMNT. SEE: 1797 - 36

4366 S. Main Street



LEGEND

Alleys

Streets

- Modified Boulevard I
- Modified Boulevard II
- Modified Avenue I
- Modified Avenue II
- Modified Avenue III
- Modified Collector
- Modified Industrial Collector
- Modified Industrial Local
- Modified Local Street - Standard
- Modified Scenic Arterial Mountain
- Modified Alley
- Boulevard I
- Boulevard II
- Avenue I
- Avenue II
- Avenue III
- Collector
- Local Street - Limited
- Local Street - Standard
- Alley
- Hillside Collector
- Hillside Local
- Industrial Collector
- Industrial Local
- Mountain Collector
- Private
- Scenic Arterial Mountain
- Scenic Parkway
- Airport Service/Access Road
- Outside City
- Unidentified

Easements

- Private Street
- Original Lot & Deed in Street
- Governmental (Except L.A. City)
- City of Los Angeles
- Former City Bnd/County/Other City
- Tract Line in Street & Freeway

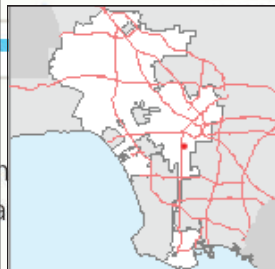
Landbase Lines / Parcel Outline

- All Others
- Right-of-way Sideline
- Tract Line
- Lot Line
- Lot Cut
- Freeway Road Way

Parcels



This map is a user generated static output from an Intranet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

EXHIBIT II



Enid Gomez <enid.gomez@lacity.org>

Request Review - Sale of 4366 S. Main St.

PublicLands@HCD <publiclands@hcd.ca.gov>

Tue, Aug 24, 2021 at 3:02 PM

To: Enid Gomez <enid.gomez@lacity.org>

Cc: Armando Parra <armando.parra@lacity.org>, "PublicLands@HCD" <publiclands@hcd.ca.gov>

Thank you for notifying HCD of the City of Los Angeles's finding of exempt surplus at [4366 S Main St, Los Angeles \(the Property\)](#). The City notes in the Municipal Facilities Committee (MFC) report that the Property is being transferred to the California Conservation Corps (CCC), a government agency, for its continued use. The MFC report states that CCC will use the Property for environmental projects or responding to natural and man-made disasters.

HCD agrees that this transfer to another agency for agency's use meets the criteria for exemption from the Surplus Land Act under Government Code section 54221(f)(1)(D).



The HCD Public Lands Team

Housing Policy Division

Housing and Community Development

2020 W. El Camino Avenue, Suite 500 | Sacramento, CA 95833



From: Enid Gomez <enid.gomez@lacity.org>

Sent: Thursday, August 12, 2021 10:19 AM

To: Sun, Edwin@HCD <Edwin.Sun@hcd.ca.gov>

Cc: Armando Parra <armando.parra@lacity.org>; PublicLands@HCD <publiclands@hcd.ca.gov>

Subject: Re: Request Review - Sale of 4366 S. Main St.

Eddie,

Thanks for the update.

Regards,

Enid

Enid Gomez

Senior Management Analyst

Real Estate Services Division

Department of General Services

Main: (213) 922-8500

Cell: (213) 926-5018

On Thu, Aug 12, 2021 at 9:41 AM Sun, Edwin@HCD <Edwin.Sun@hcd.ca.gov> wrote:

Good morning,

HCD is still reviewing your declaration of exempt surplus. Our volume for exemptions reviews is very high but we will reach out after completing yours.

Best,

Eddie



The HCD Public Lands Team

Housing Policy Division

Housing and Community Development

2020 W. El Camino Avenue, Suite 500 | Sacramento, CA 95833



[twitter.com]



[facebook.com]

[Quoted text hidden]

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring the City-owned property located at 4366 South Main Street as exempt surplus land.

Recommendation for Council action:

ADOPT the recommendations of the Municipal Facilities Committee (MFC) report dated April 16, 2021, attached to the Council file, to declare the City-owned property located at 4366 South Main Street, Los Angeles, CA 90037 (Assessor's Parcel Number 5113-036-900), in Council District 9, as "exempt surplus land" under AB 1486 due to the transfer of this property to another local, state or federal agency (California Conservation Corps).

Fiscal Impact Statement: The MFC reports that Council approval of the "exempt surplus land" status of the property is not anticipated to have an immediate impact on the General Fund. However, the eventual sale of the property may have a positive impact on the General Fund once the price is determined and the property sold.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on June 3, 2021, your Information, Technology, and General Services Committee considered a MFC report relative to declaring the City-owned property located at 4366 South Main Street as exempt surplus land. After an opportunity for public comment was held, the Committee moved to approve the MFC's recommendation, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
BLUMENFIELD:	YES
PRICE:	YES

ME 6/3/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-

HOLLY L. WOLCOTT
CITY CLERK

PETTY F. SANTOS
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

PATRICE Y. LATTIMORE
DIVISION MANAGER

June 16, 2021

CLERK.LACITY.ORG

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

Council File No.: 18-0185

Council Meeting Date: June 16, 2021

Agenda Item No.: 9

Agenda Description: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring the City-owned property located at 4366 South Main Street as exempt surplus land.

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

Council Vote:

YES	Blumenfield	YES	Bonin	YES	Buscaino
YES	Cedillo	YES	de León	YES	Harris-Dawson
YES	Koretz	YES	Krekorian	YES	Lee
YES	Martinez	YES	O'Farrell	ABSENT	Price
YES	Raman	YES	Ridley-Thomas	YES	Rodriguez

HOLLY L. WOLCOTT
CITY CLERK

Adopted Report(s) Title
Report from Information, Technology, and General Services Committee_6-3-21

EXHIBIT III

EXHIBIT "A"

APN: 5113-036-900

ADDRESS: 4366 S Main Street, Los Angeles, CA 90037

LEGAL DESCRIPTION

Lots 20 and 22 in Block 15 of South Woodlawn, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 4 Page 5 of Maps in the office of the County Recorder of said county.

RESERVING unto the City of Los Angeles for public street easement purposes the westerly 3.00 feet of said lots.

ALSO RESERVING unto the City of Los Angeles for public alley easement purposes the easterly 2.50 feet of said lots.

SUBJECT TO all covenants, conditions, restrictions, exceptions, reservations, easements, rights and right of way of record.




EXHIBIT IV

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 4, 2018

To: David Roberts, Property Manager
Department of General Services
Real Estate Services Division, Ste 700 (Mail Stop 706)

From: 
Wesley Tanijiri, P.E.
Assistant Central District Engineer
Department of Public Works, Bureau of Engineering

Subject: **PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY (CD9)**
4366 S. MAIN STREET, LOS ANGELES, CA 90037

This office recommends the following:

Dedication

Main St (Avenue II)

Existing half right-of-way = 40 feet; Existing full right-of-way = 80-85 feet.

Required half right-of-way = 43 feet; Required full right-of-way = 86 feet.

- **3 foot dedication is required to complete a 43 foot half right-of-way.**

Alley

Existing half right-of-way = 7.5 feet; Existing full right-of-way = 15 feet.

Required half right-of-way = 10 feet; Required full right-of-way = 20 feet.

- **2.5 foot dedication is required to complete the required half right-of-way of 10 feet.**

Utilities, Substructures, & other Obstructions:

- There are no utilities or substructures located within the subject property

Any questions regarding this report may be directed to me at wesley.tanijiri@lacity.org

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: April 17, 2018

To: Melody McCormick, Director
Real Estate Services Division
Department of General Services
Attn: Enid Gomez, Senior Management Analyst

From: Maria Martin, Manager
Environmental Management Group
Bureau of Engineering
Department of Public Works

**SUBJECT: SALE OF PROPERTY – PROPERTY AT 4366 SOUTH MAIN STREET
(APN 5113-360-900), LOS ANGELES, CA (W.O. E1903843)
CEQA NOTICE OF EXEMPTION**

Following your request for environmental documentation, we have determined that this project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to *City of Los Angeles CEQA Guidelines* (Art III, Sec 1, Class 12) and State Guidelines (Sec 15312). The attached Notice of Exemption serves as your record that CEQA review has been completed and it should be retained in the official project file.

This determination is based on the information submitted to us by your office and on our subsequent investigation. Please review the enclosed notice carefully. If the notice incompletely or inaccurately describes the project, the City could be vulnerable to legal challenges. If you think there may be inconsistencies, or if the project description changes, please contact this office for a re-evaluation of the project's exempt status.

The Notice of Exemption may be filed with the Los Angeles County Clerk after the project is approved or a determination is made to carry out the project. Filing with the County Clerk is not usually required but has the advantage of limiting legal challenges to a 35-day period. Without the filing, legal challenges can be filed up to 180 days following commencement of the project. The filing is subject to a \$75 filing fee, which your office will be expected to provide. If you want EMG to file the notice with the County Clerk, please let us know immediately after the project is approved or a determination is made to carry out the project. Project approval can occur in any of several actions, such as authorization to: going into escrow, proceed beyond the pre-design stage, acquire rights of way, expend funds for construction, or advertise for construction bids.

Should you have questions or concerns regarding this notice, please contact James R. Tebbetts of my staff at (213) 485-5732 or james.tebbetts@lacity.org

MM/jrt:CEQA NOE Transmittal Memo
Enclosure: Notice of Exemption

COUNTY CLERK'S USE

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)

CITY CLERK'S USE

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:	Los Angeles City Engineer Bureau of Engineering 1149 S. Broadway, MS 939 Los Angeles, CA 90015	COUNCIL DISTRICT 9
--------------------------------------	---	------------------------------

PROJECT TITLE: Sale of Property – 4366 South Main Street, Los Angeles, CA. (W.O. E1903843)	LOG REFERENCE
--	----------------------

PROJECT LOCATION: The occupied property is located at 4366 South Main Street, between 43rd Place and Vernon Avenue (Figure 1 – *Project Location*). The property is located in the Southeast Los Angeles Community Plan Area.
T.G. Pg. 674 Grids C3.

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT: An approximately 14,000 square foot lot is in the process of being declared surplus by the City of Los Angeles. Sale of the property would be to the current tenant of the property, the California Conservation Corps. The existing zoning on the property CM-1 (*Commercial Manufacturing*) and the General Plan designation is Commercial Manufacturing. Currently on the property is a building of 9,975 square feet, with a parking lot of seven (7) spaces. The City will benefit by the sale of surplus property.

CONTACT PERSON: James R Tebbetts, ES II	TELEPHONE NUMBER: (213) 487-5732
--	---


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)(3)	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: State *CEQA Guidelines* (Sec 15312) exempts the of sale of surplus government property except for parcels of land located in an area of statewide, regional, or area wide concern, as identified in Section 15206(b)(4). The subject property is not located in an area of statewide, regional, or area wide concern. Additionally, the property does not have significant values for wildlife habitat or other environmental purposes (15312(a)) and the property to be sold would qualify for an exemption under any other class of categorical exemption in these Guidelines (15312(b)(2)). The *City of Los Angeles CEQA Guidelines* (Art III, Sec 1, Class 12) exempts the sales of surplus government property except for parcels of land located in an area of statewide interest or potential area of critical concern as identified in the Governor's *Environmental Goals and Policy Report*, prepared pursuant to Government Code Section 65041, et. seq.

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING

SIGNATURE:  Maria Martin	TITLE: Environmental Affairs Officer Environmental Management Group	DATE: 4/18/18
FEE: \$75.00	RECEIPT NO.	REC'D BY
		DATE

DISTRIBUTION: (1) County Clerk (2) City Clerk (3) Agency Record

CATEGORICAL EXEMPTION NARRATIVE

I. HISTORY - The City of Los Angeles has implemented a program to sell unneeded City owned properties. The subject property is one of these unneeded properties. The property will be sold to the current tenant of the property, the California Conservation Corps.

The existing building was originally built in 1912. It was renovated in 1947, opening on October 26, 1948 as Los Angeles Fire Department Fire Station 22. FS 22 operated here until January 22, 1980, at which time it closed.

The current occupant of the building is the California Conservation Corps (CCC) which is a department within the California Natural Resources Agency. The Corps is the oldest and largest conservation corps in the nation. This facility operates a satellite campus for the Pomona Center of the CCC. The Los Angeles Satellite Campus has 45 non-residential Corps members who commute to the Pomona facility each morning and then depart to areas in western Los Angeles County to perform natural resources work.

This exemption applies only to the sale of this property. No other project or development has been identified for this property. Any changes in the zoning or general plan designations and any proposed development activities would require processing and evaluation through the City Planning Department prior to approval of the approval of the zone or general plan designation change or development. These activities would trigger an environmental review of the proposed activities to ensure compliance with the California Environmental Quality Act (CEQA).

II. ENVIRONMENTAL REVIEW - 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.

This project is exempt under Class 12. 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.

This project is the sale of surplus City-owned property at this location. The sale of the property would not involve cumulatively significant impacts in the general area. 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.

Flood Zone - While the project site is not in a Special Flood Hazard Area (100-year flood), it is located within Flood Zone B. (Source: FEMA Panel Number – 060137-0081 C, Effective Date – 12/2/1980). This is an area between the limits of the base flood and the 0.2-percent-annual-chance (or 500-year) flood. (Source - <https://www.fema.gov/flood-zones>). Sale of the occupied property would not be affected by this designation. If at some time in the future the existing building were to be remodeled or demolished and a new building constructed, design of the building would need to take this into account.

General Plan – Mobility Element – Main Street at this location currently has a road right-of-way of 80-feet. Per the General Plan Mobility Element, Main Street is designated as an Avenue II street, with a road right-of-way of 86-feet. Dedication of three-feet adjoining this property should be included within the sale of the property to bring Main Street to the design standards called for in the General Plan Mobility Element.

Inundation Zone – According to the *Inundation & Tsunami Hazard Areas* map in the *City of Los Angeles General Plan Safety Element (Exhibit G)* the project site is located within an inundation zone. The “inundation zone” is the area downstream of a dam that would be flooded in the event of a failure (breach) or uncontrolled release of water, and is generally much larger than the area for the normal river or stream flood event. Sale of the occupied property would not be affected by this designation. If at some time in the future the existing building were to be remodeled or demolished and a new building constructed, design of the building would need to take this into account.

Methane Buffer Zone – The north lot (Lot 20 M.B. 4-5) of the property to be sold is located within a Methane Buffer Zone. Sale of the occupied property would not be affected by this designation at this time. If at some time in the future the existing building were to be remodeled or demolished and a new building constructed, design of the building would need to take this into account.

This project is the sale of an occupied surplus City-owned property at this location. There are no unusual circumstances known to this office on this project site. 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.

This project is the sale of vacant surplus City property at this location. The proposed project is not within sight of any state designated scenic highway resource. 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 April 13, 2018, the State Department of Toxic Substances Control has not listed any sites within 1,000-feet of the project area (Envirostor at www.envirostor.dtsc.ca.gov). Therefore, this exception has no application here.

As of April 13, 2018, the State Water Quality Control Board has not listed any sites within 1,000-feet the project area (Geotracker at <http://geotracker.waterboards.ca.gov/gama/>).

Otherwise there are no unusual circumstances known to this office on this project site. Therefore, this exception has no application here.

6. Historical Resources. This exception applies when a project may cause a substantial adverse change in the significance of a historical resource.

This project is for the sale of an occupied surplus City property at this location. According to ZIMAS the project site is not located within a City Historic Preservation Overlay Zone. The project site is not found on the listing of City Historical Cultural Monuments.

The project site is found in *SurveyLA* (2015). The survey has identified the building as a post-World War II municipal fire station, reflecting municipal fire station planning and design concepts of the postwar period. However, the survey states that building apparently does not retain sufficient integrity to be eligible for listing in national, state, or local landmark registers due to alterations. This finding was discussed with the Office of Historic Resources and they agree/disagree with this determination. As such no archaeological/cultural/historic survey will be completed for this project.

Otherwise there are no unusual circumstances known to this office on this project site. Therefore, this exception has no application here.

FIGURE 1 – PROJECT SITE



Source: City of Los Angeles, NavigateLA



Primary Address: 4366 S MAIN ST
 Name: Fire Station #22
 Year built: 1949
 Architectural style: International

Context 1:

Context:	Public and Private Institutional Development, 1850-1980
Sub context:	Government Infrastructure and Services, 1850-1980
Theme:	Municipal Fire Stations, 1900-1980
Sub theme:	Post WWII Fire Stations, 1947-1960
Property type:	Institutional - Government
Property sub type:	Fire Station
Criteria:	A/1/1
Status code:	75Q
Reason:	A post-World War II municipal fire station, reflecting municipal fire station planning and design concepts of the postwar period. However, does not retain sufficient integrity to be eligible for listing in national, state, or local landmark registers due to alterations.



Primary Address: 4378 S MAIN ST
 Other Address: 4374 S MAIN ST
 4376 S MAIN ST
 Name: Luzy's Fast Food
 Year built: 1962
 Architectural style: Commercial, Vernacular; Googie

Context 1:

Context:	Commercial Development, 1850-1980
Sub context:	No Sub-context
Theme:	Restaurants, 1880-1980
Sub theme:	No SubTheme
Property type:	Commercial - Food
Property sub type:	Walk-up/Stand
Criteria:	A/1/1&C/3/3
Status code:	3S;3CS;5S3
Reason:	An excellent intact example of a walk-up food stand in the area. Retains Googie style signage. One of the few in the area remaining with integrity.

Context: Public and Private Institutional Development, 1850-1980

Sub-Context: Government Infrastructure and Services, 1850-1980

Theme: Municipal Fire Stations, 1900-1980

Sub-Theme: Post WWII Fire Stations, 1947-1960

Fire stations from the period immediately following World War II were evaluated under this Context/Theme for their association with Los Angeles's post-World War II growth and expansion. Two examples were recorded on S. Main Street; both fire stations have been decommissioned.



Address: 2824 S. Main Street

Date: 1949



Address: 4366 S. Main Street

Date: 1949

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April 17, 2018

To: Melody McCormick, Director
Real Estate Services Division
Department of General Services
Attn: Enid Gomez, Senior Management Analyst

From: Maria Martin, Manager
Environmental Management Group
Bureau of Engineering
Department of Public Works

Subject: HAZARDOUS SUBSTANCE DISCLOSURE FOR PROPERTY LOCATED AT 4366 SOUTH MAIN STREET, LOS ANGELES, CA (APN 5113-360-900) (SUBJECT PROPERTY) - COUNCIL DISTRICT 9 - W.O. E1903843

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. Findings of a visual inspection indicate that the property is used as an access route to serve adjoining buildings.

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 subject 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 California Health and Safety Code Section §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."

A review of the *Active Hazardous Materials Inventory* (AHMI) list found at: issuu.com/lafd/docs/cupa_-_active_hm_inventory_772b7b164b2faa?e=17034503/52908708, (9/1/17) indicated that there are no hazardous sites found in or on the subject property

A review of the *Underground Storage Tank (UST) Inventory List* found at: issuu.com/lafd/docs/cupa_-_active_ust_inventory_3ffa524b2e76b8?e=17034503/52908678, (9/1/2017) indicated that there are no UST's found in or on the subject property.

4366 South Main Street - Sale of Surplus City-Owned Property
W.O. E1903843

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, other than as described above.

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?

Yes _____ No X

This information provided by the Bureau of Engineering, Geotechnical Engineering Group through a memo entitled: Request for Natural Hazards Disclosure Statement Information Proposed Sale of City-Owned Parcel Located at 4366 S. Main Street, Los Angeles, CA 90037 (APN: 5113-036-900) CD 9 W.O. EXX11161 GED File No. NO. 18-060, April 11, 2018

2. A SEISMIC HAZARD ZONE pursuant to §2696 of the Public Resources Code?

Landslide Zone			Liquefaction Zone				
Yes	_____	No	<u> X </u>	Yes	_____	No	<u> X </u>

This information provided by the Bureau of Engineering, Geotechnical Engineering Group through a memo entitled: Request for Natural Hazards Disclosure Statement Information Proposed Sale of City-Owned Parcel Located at 4366 S. Main Street, Los Angeles, CA 90037 (APN: 5113-036-900) CD 9 W.O. EXX11161 GED File No. NO. 18-060, April 11, 2018

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

Yes _____ No X

Source: FEMA Panel Number – 060137-0081 C, Effective Date – 12/2/1980.

Note: While the project site is not in a Special Flood Hazard Area, it is located within Flood Zone B. This is an area between the limits of the base flood and the 0.2-percent-annual-chance (or 500-year) flood. Source - <https://www.fema.gov/flood-zones>

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

Yes X No

Source: Exhibit G *Inundation & Tsunami Hazard Areas in the City of Los Angeles* (City of Los Angeles General Plan, Safety Element) 11/26/1996.

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

Yes No X

Source: NavigateLA, 4/13/18

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 do not hesitate to telephone James R. Tebbetts at (213) 485-5732 or email at james.tebbetts@lacity.org .

FIGURE 1 – PROJECT SITE




Source: City of Los Angeles, NavigateLA

EXHIBIT V

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

May 14, 2018

TO: Melody McCormick, 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 – CD 9
4366 SOUTH MAIN STREET, LOS ANGELES, CA 90037 (APN: 5113-
036-900)**

We have received your request for comment regarding the pending sale of a single property, a surplus City-owned property located at 4266 South Main Street, Los Angeles CA 90037, alternately identified as APN: 5113-036-900. The subject property consists of two tied lots with a decommissioned fire station located on the property. The subject property is abutted on one side by multifamily dwellings and on the other side with a fast food restaurant. The rear of the property is abutted by an alley.

The property is located within the Southeast Los Angeles Community Plan area, where it is given a Commercial Manufacturing land use designation. Corresponding to that land use designation, the property is zoned CM-1, which is an industrial zone that allows Wholesale, Storage, Clinics, Limited Manufacturing, Limited C2 Uses, and R3 Uses.

Given the subject property is meant to sold to the current tenant, a governmental entity dedicated to job training and the environmental well-being of the State, it is advised that the property be sold to the California Conservation Corp. Our understanding is that the subject property would be utilized for its current use, and is therefore consistent with the City's General Plan.

Please contact me directly if you need any additional information.

EXHIBIT VI

CITY OF LOS ANGELES
CALIFORNIA

COPY

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

April 3, 2018

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall

Attention: Miguel Sangalang, Deputy Mayor

**PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY – CD 9
4366 SOUTH MAIN STREET, LOS ANGELES, CA 90037
APN: 5113-036-900**

The Real Estate Services Division (RES) is processing the City-owned property referenced above and identified on the attached assessor map, to be declared surplus for sale to the the California Conservation Corps (CCC), to continue using the facility as they have for the past 30 years via a lease with the City. The Property, a decommissioned fire station, is located at 4366 S. Main Street, Los Angeles, CA 90037; Assessor Parcel Number (APN) 5113-036-900.

Your comments are invited, on the attached form, relative to the proposed sale. Also, 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: Melody McCormick, Director. 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, contact Enid Gomez, Senior Management Analyst, at 213-922-8547 or via email at enid.gomez@lacity.org.

Tony M. Royster
General Manager

Attachments



SUBJECT: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY

Property: 4366 S. Main Street, Los Angeles, CA 90037 (APN: 5113-036-904)

Please check one:

1. _____ I have no objections to the proposed sale.

Comments:

2. _____ I object to the proposed sale.

Comments:

Print Name and Title

Signature

Date

EXHIBIT VII



CURTIS-ROSENTHAL, INC.
REAL ESTATE APPRAISAL & CONSULTING

APPRAISAL REPORT

California Conservation Corps, 4366 S. Main
Street, Los Angeles, CA 90037

CR File Number: 14747-20

California Conservation Corps, 4366 S. Main Street, Los Angeles, CA 90037





January 6, 2021

Armando Para, Senior Real Estate Officer
City of Los Angeles, Department of General Services
Real Estate Services Division
111 E. First Street, Room 201
City Hall South (CHS)
Los Angeles, CA 90012

RE: California Conservation Corp.
4366 S. Main Street,
Los Angeles, CA 90037
Assessor's Parcel No.: 5113-036-900

Dear Mr. Para:

Per your request, we have appraised the above-referenced property. Our appraisal is intended to conform to:

- The Uniform Standards of Professional Appraisal Practice (USPAP 2020-2021) for an Appraisal Report.

Our analyses and conclusions are contained in this Appraisal report which is intended to comply with the reporting requirements set forth in USPAP Standards Rule 2-2.

In conformance with the Scope of Work rule of USPAP, the sections below describe the Scope of Work for this assignment.

Client – The client for this assignment is the City of Los Angeles Department of General Services, Real Estate Services Division, Attention: Armando Para, Senior Real Estate Officer.

Intended User – The Intended User is the Client stated above, and duly appointed advisors and representatives. There are no other authorized users of this report.

Intended Use -The intended use is to assist the client, the City of Los Angeles, Department of General Services, Real Estate Services Division establish market value for possible disposition of the subject property containing approximately 14,300+/- sq. ft. or 0.328 acre as of our inspection date of December 7, 2020.

Purpose of this Assignment - The purpose of this appraisal is to estimate the “As-Is” Market Value of the fee simple interest in the subject property based on current zoning and underlying zoning/general plan specifications as of the date of value.

Market Value Definition

Market Value is defined as:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.¹

“As-Is” Market Value is defined as:

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.²

Effective Date of Value - The effective date of value for this assignment is December 7, 2020, the date of the appraisers’ inspection.

Relevant Characteristics of the Subject Property –The subject property (identified herein as the California Conservation Corps) was originally built as a Los Angeles Fire Station. The age is unknown, the appraisers contacted the County of Los Angeles Assessor’s Office and informed there are no records on the property. Therefore, the appraisers used Marshal Valuation Service data to arrive at an effective age of 20 years and an economic age of 40 years as a Class “C” fire station in Marshal Valuation Service to arrive at the physical depreciation. The property sits slightly above street grade on the east side of Main Street, north of Vernon Avenue. The Community Plan Area is Southeast Los Angeles, and the Area Planning Commission is South Los Angeles. The LADBS District Office is Los Angeles Metro. The two-story building is a Class “C” of concrete construction with lath and plaster interior walls. The building has been leased by the California Conservation Corps since approximately 1985 or 1986. The original lease document has not been located by the Sacramento California Conservation Corps Office. Prior to the leasing by the California Conservation Corps, it is believed the improvements were utilized by the City of Los Angeles Fire Department as a Fire Station. Joe J. Villegas, MAI physically measured the building at 12,132 gross building area.

The building is considered to be in good condition, there is no deferred maintenance, the exterior of the building has been newly painted, and a large portion of the interior has recently been painted, no other current upgrades were noted to the building.

¹ Dictionary of Real Estate Appraisal, 6th Ed, Appraisal Institute (2015)

² Inter-Agency Appraisal and Evaluation Guidelines

The site is 100' in width x 140' in depth or 14,000+/-square feet or 0.32+/- acre. The subject has 100 feet of frontage on S. Main Street. There is an alleyway at the east rear of the property. The site is an interior lot on the east side of S. Main Street, one parcel north of the northeast corner of Vernon Avenue and S. Main Street. The corner of S. Main Street and Vernon Avenue is a traffic signalized corner. South Main Street and Vernon Avenue have street amenities such as paved streets, concrete curbs, gutters, public sidewalks, and street lighting.

Scope of the Appraisal Assignment – The scope of our appraisal assignment included an on-site inspection of the subject property, research of general data relating to the subject locale, research of improved sales and redevelopment land sales in the subject district, as well as research of other market-related influences impacting the subject property. These influences include acquisition and current development trends in the Historic South Los Angeles market where applicable. In our analysis, we gave consideration to the applicability of each of the traditional approaches to value, the *Cost, Sales Comparison, and Income* approaches.

The Methodology and Data utilized in of our valuation of the subject property is detailed in the Valuation Section of this appraisal report. Based on the highest and best use analysis, as well as the Extraordinary Assumption of this assignment, the applicable approach to value would be the Sales Comparison Approach and the Cost Approach. The scope of our appraisal assignment included an on-site inspection of the subject property, research of general data relating to the subject locale as of the valuation date, research of land sales and improved sales and research of other market-related influences impacting the subject property. These influences include acquisition and development trends in Los Angeles and similar market areas where applicable. In our analysis, we gave consideration to the applicability of each of the traditional approaches to value, the Cost, Sales Comparison, and Income approaches. The Methodology and Data utilized in our valuation of the subject property is detailed in the Valuation Section of this appraisal report.

Extraordinary Assumptions:

1. The subject property is leased to the California Conservation Corps as of the date of value. The City of Los Angeles will be terminating the month-to-month tenancy of the property; therefore, a fee simple valuation is warranted.

Hypothetical Condition

None

Special Limiting Conditions, which are assignment-specific conditions that limit the use of the report.

1. Market concerns regarding the COVID-19 coronavirus have resulted in substantial volatility in the capital markets, increasing uncertainty in the real property marketplace. It is difficult to predict what may happen in the capital markets going forward. As a result, it is difficult to predict what may happen to real property values over time. Our valuation of the subject property considered the best information that was available at the time of our analysis. Due to on-going volatility in the marketplace, users of this appraisal should consider the current market uncertainty when determining the level of confidence, they choose to place on these analyses and conclusions. Users are reminded that the appraisal conclusions in this report are effective as of the state date(s) of valuation.

Significant Valuation Issues- The following are assignment-specific issues which we found to be significant in this valuation assignment.

As discussed previously, the current/ongoing Covid-19 global pandemic is having reported impact on financing rates/lender spreads, lowered loan-to-value (LTV) ratios, landlord and tenant cash flows, etc. Given the rapidity of events related to the pandemic that have affected real estate sales, the present risks (as of the effective date of value) appear to be financing related and broad uncertainty in global/national/local economics in the near term. This being the case, price/value discounting for the subject is prudent.

Nondiscrimination Statement - This appraisal has been completed without regard to race, color, religion, national origin, sex, marital status, or any other prohibited basis, and does not contain references which could be regarded as discriminatory.

As a result of our investigation and analysis, the table below presents our valuation opinion(s) for the subject property as of the stated effective date(s) of valuation.

Valuation Premise	Interest Appraised	Effective Date of Value	FINAL Value Conclusion
Market Value As Is	Fee Simple	12/7/2020	\$2,190,000

TWO MILLION ONE HUNDRED NINETY THOUSAND DOLLARS

\$2,190,000

Armando Para, Senior Real Estate Officer
City of Los Angeles, Department of General Services
Page 5

Our analyses and conclusions are subject to certain Assumptions and Limiting Conditions that are made a part of the attached appraisal report.

Thank you for the opportunity to have been of service to your Agency. If you should require any further assistance or should you have any questions regarding the material discussed in this report, please do not hesitate to call.

CURTIS-ROSENTHAL, INC.



Joe J. Villegas, MAI
CA#AG004648



David M. Rosenthal, MAI, FRICS
CA #AG001641

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EXECUTIVE SUMMARY

PROPERTY IDENTIFICATION: 4366 S. Main St.
Los Angeles, CA 90011

FILE NUMBER: 14747-20

INTENDED USER: City of Los Angeles
Armando Parra, Senior Real Estate Officer

LEGAL DESCRIPTION: Refer to Legal Description

ASSESSOR PARCEL NUMBER & LAND AREA: 5113-036-900

TOTAL AREA: 14,000 SF/ 0.321 Acres

PROPERTY TYPE: Former Fire Station

GROSS BUILDING AREA: 12,132 SF

ZONING: C2-1VL-CPIO

HIGHEST AND BEST USE:
As If Vacant Retail/Residential Development
As Improved Interim use of existing improvements

CRITICAL DATES:
Date of Inspection December 7, 2020
Date of Value December 7, 2020

INTEREST APPRAISED: Fee Simple
Market Value

OPINION OF VALUE CONCLUSIONS - FEE SIMPLE

Cost Approach	\$	1,975,000
Income Approach		Not Applicable
Sales Comparison Approach	\$	2,190,000
Reconciled Market Value	\$	2,190,000

Our analyses and conclusions are based on the described Scope of Work and the General Assumptions and Limiting Conditions that are made a part of the attached appraisal report.

MARKET AREA ANALYSIS

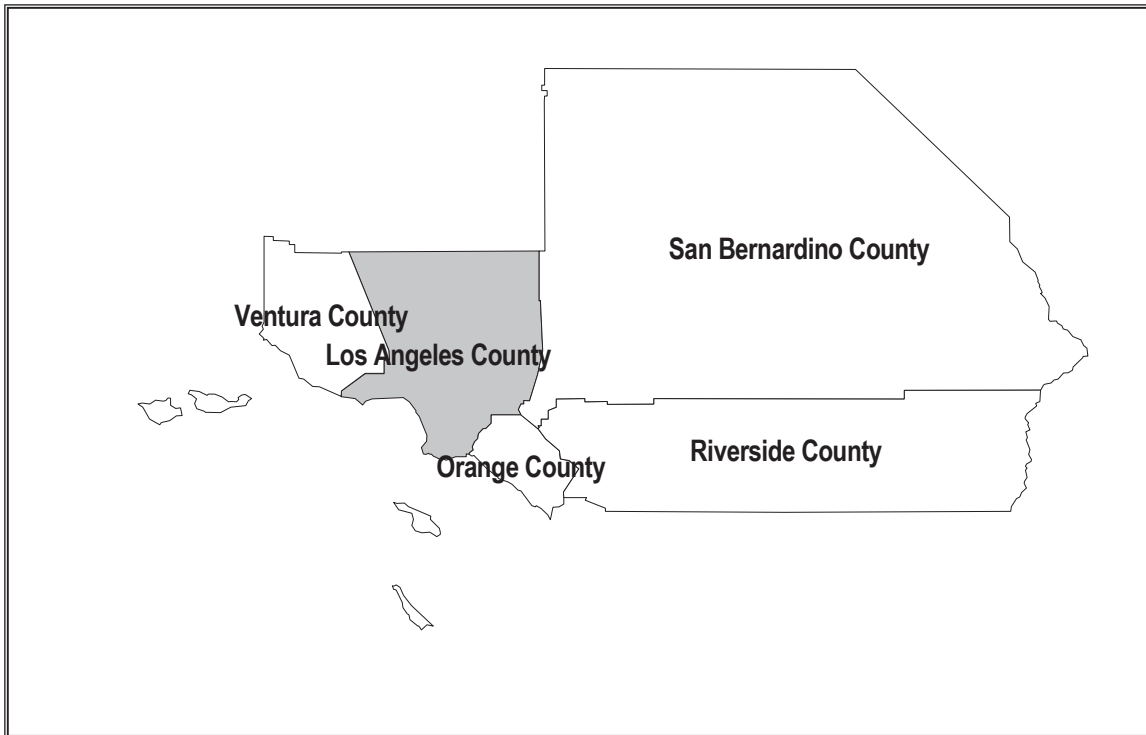
GREATER LOS ANGELES AREA

Components of Greater Los Angeles

The Los Angeles Metropolitan Area is widely considered to comprise of the five counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura. The map below shows the components of Greater Los Angeles, which form four-Metropolitan Statistical Areas (MSA). These are as follows: Los Angeles, Orange County, Oxnard-Ventura, and Riverside-San Bernardino.

A map of the region is located below.

Counties Comprising the Los Angeles Region



The region is well served by several international airports (including Los Angeles International), Amtrak (the national passenger rail service), and several east-west and north-south interstate highway systems. Intra-regional transportation service includes a network of freeways, a commuter rail system, several bus systems, and a small but growing system of “subway” and “light-rail” trains.

LOS ANGELES COUNTY

Los Angeles County is one of California's original 27 counties and was established February 18, 1850. Originally the County occupied a comparatively small area along the coast between Santa Barbara and San Diego, but within a year it expanded rapidly, as far east as the Colorado River. During subsequent years, Los Angeles County slowly reduced in size, with the last major detachment occurring in 1889 with the creation of Orange County. However, it remains one of the nation's largest counties with approximately 4,084 square miles, an area some 800 square miles larger than the combined area of the states of Delaware and Rhode Island; and marginally smaller than the state of Connecticut.

The County has a relatively central location within the region. Although it lies on the coast, it stretches inland approximately 100 miles. It includes the islands of San Clemente and Santa Catalina and is bordered on the east by Orange and San Bernardino Counties, on the north by Kern County, on the west by Ventura County, and on the south by the Pacific Ocean. Its coastline is 81 miles long.



Population

Los Angeles County is considered the capital of Greater Los Angeles. It contains 88 separate incorporated cities, more than twice as many as in any of the other Greater Los Angeles counties. It is the most populated county in the nation. According to Department of Finance estimates for January 2020, the county's population is more than 10.1 million. The most populated city within the county is the City of Los Angeles with more than 4.0 million residents, or 40 percent of the total county population.

The table below shows current population figures, forecasts, and trends for Los Angeles County.

Population	
2000 Population	9,519,135
2010 Population	9,818,605
2019 Population	10,255,222
2024 Population	10,464,764
2000-2010 Annual Rate	0.31%
2010-2019 Annual Rate	0.47%
2019-2024 Annual Rate	0.41%
2019 Male Population	49.4%
2019 Female Population	50.6%
Households	
2019 Wealth Index	104
2000 Households	3,133,720
2010 Households	3,241,204
2019 Total Households	3,362,815
2024 Total Households	3,424,453
2000-2010 Annual Rate	0.34%
2010-2019 Annual Rate	0.40%
2019-2024 Annual Rate	0.36%
2019 Average Household Size	3.00

The household count in this area has changed from 3,241,204 in 2010 to 3,362,815 in the current year, a change of 0.40% annually. The five-year projection of households is 3,424,453, a change of 0.36% annually from the current year total. Average household size is currently 3.00, compared to 2.98 in the year 2010. The number of families in the current year is 2,274,875 in the specified area.

Mortgage Income	
2019 Percent of Income for Mortgage	46.6%
Median Household Income	
2019 Median Household Income	\$66,297
2024 Median Household Income	\$78,998
2019-2024 Annual Rate	3.57%
Average Household Income	
2019 Average Household Income	\$97,857
2024 Average Household Income	\$114,624
2019-2024 Annual Rate	3.21%
Per Capita Income	
2019 Per Capita Income	\$32,163
2024 Per Capita Income	\$37,583
2019-2024 Annual Rate	3.16%
Households by Income	
Current median household income is \$66,297 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$78,998 in five years, compared to \$69,180 for all U.S. households	
Current average household income is \$97,857 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$114,624 in five years, compared to \$99,638 for all U.S. households	
Current per capita income is \$32,163 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$37,583 in five years, compared to \$36,530 for all U.S. households	
Housing	
2019 Housing Affordability Index	52
2000 Total Housing Units	3,270,886
2000 Owner Occupied Housing Units	1,499,680
2000 Renter Occupied Housing Units	1,634,040
2000 Vacant Housing Units	137,166
2010 Total Housing Units	3,445,076
2010 Owner Occupied Housing Units	1,544,749
2010 Renter Occupied Housing Units	1,696,455
2010 Vacant Housing Units	203,872
2019 Total Housing Units	3,573,045
2019 Owner Occupied Housing Units	1,540,345
2019 Renter Occupied Housing Units	1,822,470
2019 Vacant Housing Units	210,230
2024 Total Housing Units	3,636,618
2024 Owner Occupied Housing Units	1,576,744
2024 Renter Occupied Housing Units	1,847,709
2024 Vacant Housing Units	212,165

Currently, 43.1% of the 3,573,045 housing units in the area are owner occupied; 51.0%, renter occupied; and 5.9% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 3,445,076 housing units in the area - 44.8% owner occupied, 49.2% renter occupied, and 5.9% vacant. The annual rate of change in housing units since 2010 is 1.63%. Median home value in the area is \$630,824, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 1.26% annually to \$671,643.

Source: Site to do Business (2020)

E-1: City/County Population Estimates with Annual Percent Change							
January 1, 2019 and 2020							
City	1/1/2019	1/1/2020	Change	City	1/1/2019	1/1/2020	Change
County	10,184,378	10,172,951	-0.1	La Verne	33,289	33,300	0.0
Agoura Hills	20,622	20,566	-0.3	Lawndale	32,879	32,799	-0.2
Alhambra	86,793	86,792	0.0	Lomita	20,614	20,549	-0.3
Arcadia	57,262	57,212	-0.1	Long Beach	472,802	472,217	-0.1
Artesia	16,534	16,490	-0.3	Los Angeles	4,013,170	4,010,684	-0.1
Avalon	3,939	3,929	-0.3	Lynwood	71,549	71,269	-0.4
Azusa	49,537	49,658	0.2	Malibu	11,784	11,720	-0.5
Baldwin Park	76,311	76,252	-0.1	Manhattan Beach	35,419	35,250	-0.5
Bell	36,510	36,531	0.1	Maywood	27,988	27,904	-0.3
Bellflower	78,239	78,110	-0.2	Monrovia	37,956	37,935	-0.1
Bell Gardens	42,579	42,449	-0.3	Montebello	63,742	63,544	-0.3
Beverly Hills	33,926	33,775	-0.4	Monterey Park	60,943	60,734	-0.3
Bradbury	1,056	1,052	-0.4	Norwalk	105,881	105,717	-0.2
Burbank	105,496	105,861	0.3	Palmdale	157,117	156,737	-0.2
Calabasas	24,185	24,193	0.0	Palos Verdes Estates	13,230	13,190	-0.3
Carson	93,153	93,108	0.0	Paramount	55,569	55,461	-0.2
Cerritos	49,995	49,994	0.0	Pasadena	144,686	144,842	0.1
Claremont	35,872	35,807	-0.2	Pico Rivera	63,390	63,374	0.0
Commerce	12,929	12,868	-0.5	Pomona	154,675	154,817	0.1
Compton	98,206	98,032	-0.2	Rancho Palos Verdes	41,838	41,731	-0.3
Covina	48,683	48,846	0.3	Redondo Beach	67,154	66,994	-0.2
Cudahy	24,227	24,172	-0.2	Rolling Hills	1,880	1,874	-0.3
Culver City	39,493	39,705	0.5	Rolling Hills Estates	8,035	8,066	0.4
Diamond Bar	57,308	57,177	-0.2	Rosemead	54,198	54,363	0.3
Downey	113,863	113,529	-0.3	San Dimas	34,042	33,945	-0.3
Duarte	21,681	21,673	0.0	San Fernando	24,798	25,207	1.6
El Monte	116,563	116,675	0.1	San Gabriel	40,194	40,104	-0.2
El Segundo	16,812	16,777	-0.2	San Marino	13,106	13,087	-0.1
Gardena	60,892	60,937	0.1	Santa Clarita	221,703	221,932	0.1
Glendale	204,883	205,331	0.2	Santa Fe Springs	18,348	18,295	-0.3
Glendora	51,840	52,067	0.4	Santa Monica	92,480	92,357	-0.1
Hawaiian Gardens	14,685	14,649	-0.2	Sierra Madre	10,843	10,816	-0.2
Hawthorne	87,071	86,903	-0.2	Signal Hill	11,744	11,712	-0.3
Hermosa Beach	19,641	19,614	-0.1	South El Monte	20,792	21,204	2.0
Hidden Hills	1,862	1,868	0.3	South Gate	97,211	97,003	-0.2
Huntington Park	59,642	59,515	-0.2	South Pasadena	25,524	25,458	-0.3
Industry	427	427	0.0	Temple City	36,098	36,150	0.1
Inglewood	112,345	111,971	-0.3	Torrance	145,922	145,546	-0.3
Irwindale	1,443	1,434	-0.6	Vernon	298	297	-0.3
La Canada Flintridge	20,497	20,461	-0.2	Walnut	29,977	29,929	-0.2
La Habra Heights	5,470	5,461	-0.2	West Covina	106,313	105,999	-0.3
Lakewood	80,168	79,919	-0.3	West Hollywood	36,335	36,203	-0.4
La Mirada	49,007	48,877	-0.3	Westlake Village	8,227	8,212	-0.2
Lancaster	161,505	161,699	0.1	Whittier	87,073	86,801	-0.3
La Puente	40,532	40,568	0.1	Balance of County	1,039,878	1,034,689	-0.5

Source: California Dept of Finance (2020)

California Economy³

The California economy was on fairly solid footing heading into the COVID-19 pandemic. After adding 29,100 jobs in January, employers added 29,000 more in February. What's more, hiring was running at a 1.7% year-over-year rate, on par with the nation. The unemployment rate was unchanged at a record low of 3.9%. February predates the COVID-19 crisis and does not capture the coming tsunami of job losses since mid-March. In order to suppress the spread of COVID-19, nonessential businesses have been forced to shut down and residents have been ordered to shelter-in-place, which together have caused economic activity to ground to a halt in many industries.

A clearer indication of what is likely to unfold is provided by the most recent initial unemployment insurance claims, which are released every week. Nationally, jobless claims surged to a record 3.3 million for the week ending March 21, which is 12 times higher than the level registered just one week earlier. Claims in California more than tripled from about 57,600 to 186,800. Even with this record increase, these numbers are likely understated as many states had difficulty processing the extraordinary flood of new applications. More recent reports put the number of claims filed in California over the past two weeks at over one million. Unfortunately, this represents just the tip of the iceberg. Large parts of the California economy remain closed for business. Tourism, travel, and entertainment spending is down 80% or more across the state, resulting in massive layoffs in the state's large hospitality sector. Retailers have also largely shut down, necessitating massive job cuts. Manufacturing and construction are faring somewhat better but will struggle the longer virus-related shutdowns hold down overall economic activity.

The sheer size of the California (if it were a separate country, it would have the fifth largest economy in the world) makes the state particularly vulnerable to the adverse effects of the spread of COVID-19. The outbreak began relatively early in the state but has not been nearly as bad as in New York. The shutdowns have been fairly extensive, however. And with immigration tightening, the state's large agriculture sector may have even greater difficulty finding workers.

³ Wells Fargo Economics Group, Commentary: March 27, 2020 and April 17, 2020

Figure 1

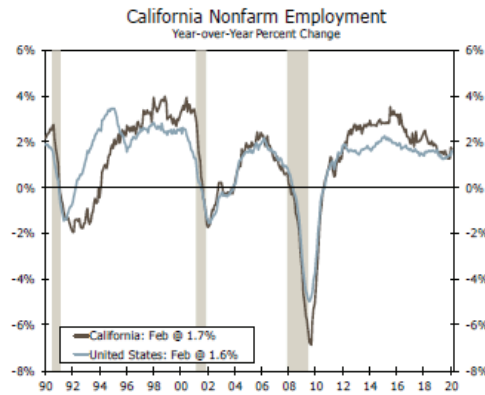
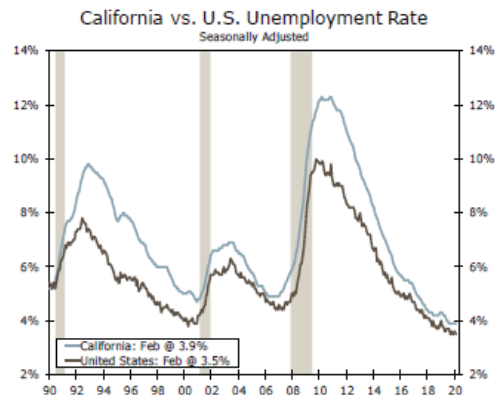


Figure 2



Source: U.S. Department of Labor and Wells Fargo Securities

California’s leisure & hospitality industry is likely to be most directly impacted by COVID-19. As residents either “stay at home” or “shelter in place,” many restaurants, hotels and bars have begun to lay off or furlough workers. In addition to domestic travel grinding to a standstill, all nonessential international travel has essentially been banned. Hotels have been particularly hard hit and occupancy rates in Los Angeles and San Francisco have collapsed. For the week ending March 21, occupancy rates averaged just 29% in Los Angeles and 16.6% in San Francisco. This time last year, occupancy rates were above 80% in both markets.

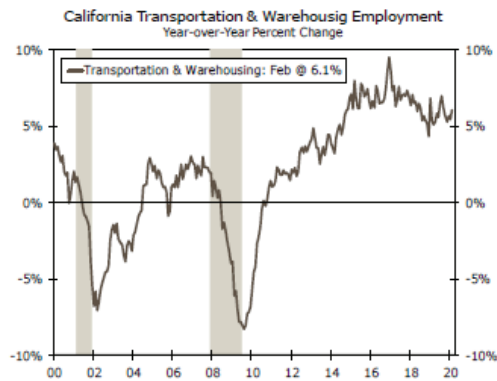
International trade is also likely to take a hit. Container traffic through the Port of Los Angeles and Port of Long Beach fell sharply in February, although those declines were tied to the timing of the Chinese Lunar New Year. Activity will also likely be off sharply on a year-over-year basis in March, reflecting dislocations tied to the COVID-19 outbreak in China, and remain soft through the first half of this year, reflecting sluggish demand in the United States and slower growth overseas. We currently expect global GDP to decline 2% this year and look for U.S. GDP to decline 2.4% on an annual basis, although we forecast output will fall at a 14.7% annual rate in the second quarter and a 6.3% pace in the third quarter. The slowdown in global trade will fall heaviest on Southern California’s transportation and logistics sector, much of which is located in the Inland Empire.

California’s tech sector should hold up reasonably well, although we would expect to see hiring slow at healthier firms and look for layoffs at some of the more thinly capitalized firms. The unusual nature of this recession, which has resulted in large portions of the workforce working remotely, has increased the demand for technology services. Social media and digital streaming have also seen a surge in demand. Advertising revenues for social media and search engines will likely take a hit, however, which may lead to some belt tightening. Capital may also become harder to lock down for some businesses.

We expect California’s economy to largely track the nation. The business cycle likely peaked in February, as the economy turned down sharply during the second half of March, likely

producing a net drop in output for that month as a whole. We expect the recession to be unusually sharp but fairly short. Overall job losses will likely be worse than during the Great Recession, but the composition will be different. Housing, which was at the center of the last recession, should be less impacted during the current downturn and will play a critical role in the recovery. Housing is severely underbuilt throughout California today, and home construction has been deemed an essential industry. Moreover, a great deal of construction work can be done while adhering to the CDC guidelines on social distancing. To be certain, home sales will weaken this spring and home price appreciation will slow, but neither should create a problem. Affordability was already stretched in California’s major metropolitan areas and some relief would be welcomed. Manufacturing should also hold up reasonably well, with demand for semiconductors and related equipment expected to remain strong, despite the slowdown in global economic growth.

Figure 3



Source: U.S. Department of Labor and Wells Fargo Securities

Figure 4



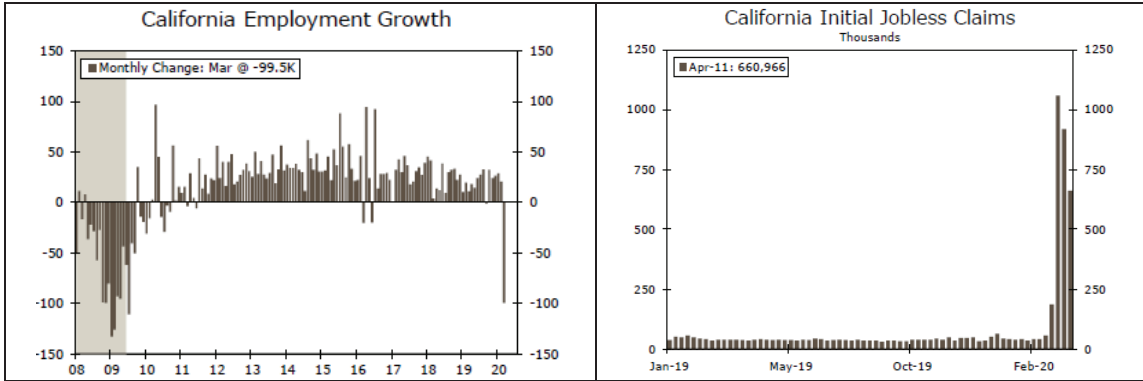
California's Economy Succumbs to COVID-19 Cutback (April 17, 2020)

California's longest uninterrupted run of employment gains came to an abrupt end in March, when businesses began to slash payrolls in response to new social distancing guidelines and stay-at-home orders. Restaurants, bars, and entertainment facilities, including movie theaters, theme parks and casinos, all took an immediate hit—losing 67,200 jobs in March. Business, household and personal services and construction also posted notable job losses during the month. On the plus side, government payrolls rose modestly in March and the state's important information sector posted modest gains. Information includes new media such as internet search, software, and digital streaming, as well as motion pictures and slower growing portions of traditional media, such as printed publications and landline telecommunications.

With more than two-thirds of the state's job losses occurring in the leisure & hospitality sector, mostly at restaurants & bars, job losses were heavily skewed toward California's largest metropolitan areas. Southern California was particularly hard hit. Los Angeles-Long Beach-Glendale lost 39,600 jobs and Orange County lost 16,500 jobs. Job losses were more modest in the Inland Empire (-4,100), and Ventura County (-500). In total, greater Los Angeles lost 60,700 jobs during the month, while San Diego also had a bad month, posting a net loss of 14,500 jobs.

The San Francisco Bay area saw widespread job losses as well. While the Bay area is full of tech companies whose services are in high demand, the region's important tourism sector appears to have been the weak spot. San Francisco lost 13,700 jobs and Marin County lost another 1,400. Job losses were slightly less prevalent in East Bay and South Bay, with Oakland losing 3,300 jobs and San Jose losing 8,400 jobs. As bad as March was, we know job losses are set to surge even further in coming weeks. Weekly initial unemployment claims have surged over the past four weeks, totaling 2.8 million since mid-March. While in a typical recession there would not be a one-for-one decrease in nonfarm employment for each new jobless claim, the relationship is likely to be tighter this go-round because there are so few jobs being created. Jobless claims are also being pushed higher by contract workers, however, which will not be reflected as much in the monthly payroll data.

California's economy began to deal with COVID-19 earlier than the rest of the country, and the state's mitigation efforts appear to have produced positive results ahead of many other areas. Restarting the economy will be difficult, however, particularly given that social distancing guidelines are likely to remain in place for quite some time. Tourism and entertainment spending will also take longer to get back on track, particularly from overseas visitors. International trade is also likely to be soft spot until growth rebounds in the U.S. and around the world.



County Economy⁴

- As the largest county in Southern California, Los Angeles County's growth is reflective of the rest of the 10-county region, that is, positive but slightly behind the state and nation.
- Employment and real per capita income growth are forecast to continue through 2021. However, housing costs and population loss, which started in 2018, must be addressed to ensure future economic vitality.
- Stronger productivity gains in manufacturing compared to services implies technology and automation as potential motivators for growth. Strong county-level emphasis on workforce preparedness will serve to mitigate labor force displacement.

	2015	2016	2017	2018	2019	2020f	2021f
Real GDP Growth	4.9%	1.7%	3.6%	3.7%	1.6%	1.8%	1.6%
Real Personal Income Growth	7.1%	2.1%	1.2%	2.8%	2.8%	1.8%	2.1%
Total Employment Growth	93,000	109,800	54,000	63,100	49,700	48,400	42,200
Unemployment Rate	6.6%	5.3%	4.8%	4.7%	4.5%	4.3%	4.1%
Real Per Capita Income (\$2012)	\$45,994	\$46,842	\$47,210	\$48,395	\$49,775	\$50,615	\$51,596
Employment Growth By Sector							
Construction, Natural Resources, and Mining	7,400	7,400	4,100	7,600	7,900	6,800	8,300
Manufacturing	-3,300	-7,300	-10,900	-6,100	-500	-900	-3,100
Transportation, Trade and Utilities	17,700	13,500	10,200	5,400	-600	3,500	2,600
Information	8,600	21,900	-14,500	2,500	-2,200	900	1,700
Financial Activities	4,400	4,300	1,800	1,500	-2,600	200	-1,600
Professional & Business Services	1,800	9,200	8,800	11,300	11,300	10,000	3,600
Education & Health	20,900	27,000	28,000	23,300	22,100	23,000	21,700
Leisure & Hospitality	22,500	23,500	14,600	9,900	9,300	5,200	4,500
Other Services	600	2,300	2,400	4,100	3,500	-300	2,600
Government	12,400	8,300	9,500	3,700	1,600	100	1,600
Housing Permits	23,300	20,600	21,600	22,000	21,000	21,400	21,200
Home Values	\$498,324	\$536,192	\$579,588	\$625,200	\$646,239	\$658,339	\$674,463

⁴ LAEDC Economic Forecast, 2020

Quick Facts

Population	10.3 million
% Prime Age	42.6%
Gross Domestic Product	861.5 billion
Median Household Income *	\$68,093
Median Home Price to Household Income Ratio*	9.2
Poverty Rate*	14.1%
Unemployment Rate	4.5%

Current County Economic Conditions⁵

The seasonally adjusted unemployment rate in Los Angeles County increased over the month to 6.3 percent in March 2020, from a revised 4.3 percent in February 2020, and was above the rate of 4.6 one year ago. Civilian employment decreased by 274,000 to 4,681,000 in March 2020, while unemployment increased by 91,000 to 315,000 over the month. The civilian labor force decreased by 183,000 over the month to 4,996,000 in March 2020. (All of the above figures are seasonally adjusted.) The unadjusted unemployment rate for the county was 6.4 percent in March 2020.

The California seasonally adjusted unemployment rate was 5.3 percent in March 2020, 3.9 percent in February 2020, and 4.2 percent a year ago in March 2019. The comparable estimates for the nation were 4.4 percent in March 2020, 3.5 percent in February 2020, and 3.8 percent a year ago.

Between February 2020 and March 2020, total nonfarm employment in Los Angeles County decreased by 35,200 to 4,597,200.

- Seven industry sectors lost jobs over the month. Leisure and hospitality declined the most, losing 20,000 jobs. This was the largest month-over drop going back to 1990. Over the last 10 years, leisure and hospitality has averaged an addition of 4,280 jobs between February and March. The 20,000-job loss was divided between accommodation and food services (down 12,900) and arts, entertainment, and recreation (down 7,100).
- Trade, transportation, and utilities shed 7,000 jobs with wholesale trade registering 3,300 job losses, transportation, warehousing, and utilities losing 2,600, and retail trade falling 1,100.
- Other services shrunk 6,200 jobs, mostly in personal and laundry services (down 3,900) and repairs and maintenance (down 2,500). The following sectors also trimmed jobs: construction (down 3,500), professional and business services (down 2,800), information (down 2,400), and manufacturing (down 1,400).
- Government led all gaining industry sectors, adding 4,000 jobs composed of local government (up 3,400) and state government (up 600). Local government educational services (up 3,000) dominated the gains.

Between March 2019 and March 2020, Los Angeles County nonfarm employment increased by 41,300, or 0.9 percent.

- Eight industry sectors made gains over the year. The largest gains were in educational and health services (up 28,600) with health care and social assistance adding 18,500 and educational service recording 10,100 additions.

⁵ California Labor Market Information Division, Los Angeles/Long Beach/Glendale (Los Angeles County), for April 2020

- Motion picture and sound recording (up 9,500) followed its historical pattern and drove most of the gains in the information sector (up 13,000). Additions in local government (up 9,600) drove government expansion (up 9,500).
- Leisure and hospitality set a record for March year-over job losses falling 14,100, exceeding the previous record loss in 2009. Accommodation and food services (down 9,700) declined mainly in food services and drinking places at 8,000 losses. Arts, entertainment, and recreation dropped 4,400 jobs.

- **Largest Employers**

Employer Name	Location	Industry
AHMC Healthcare Inc	Alhambra	Health Care Management
All Nations Church	Sylmar	Churches
California State Univ NRTHRDG	Northridge	Schools-Universities & Colleges Academic
Cedar-Sinai Medical Ctr	West Hollywood	Hospitals
Infineon Technologies Americas	El Segundo	Semiconductor Devices (mfrs)
JET Propulsion Laboratory	Pasadena	Research Service
Kaiser Permanente Los Angeles	Los Angeles	Hospitals
La County Office of Education	Downey	Educational Service-Business
LAC & USC Medical Ctr	Los Angeles	Hospitals
Long Beach City Hall	Long Beach	Government Offices-City/Village & Twp
Longshore Dispatch	Wilmington	Nonclassified Establishments
Los Angeles County Sheriff	Monterey Park	Government Offices-County
Los Angeles Intl Airport-Lax	Los Angeles	Airports
Los Angeles Medical Ctr	Los Angeles	Pathologists
Los Angeles Police Dept	Los Angeles	Police Departments
National Institutes of Health	Pasadena	Physicians & Surgeons
Northrop Grumman	Whittier	Engineers
Security Industry Specialist	Culver City	Security Systems Consultants
Six Flags Magic Mountain	Valencia	Amusement & Theme Parks
Sony Pictures Entertainment	Culver City	Motion Picture Producers & Studios
Space Exploration Tech Corp	Hawthorne	Aerospace Industries (mfrs)
University of Ca Los Angeles	Los Angeles	Schools-Universities & Colleges Academic
University of Ca Los Angeles	Los Angeles	University-College Dept/Facility/Office
Vxi Global Solutions	Los Angeles	Call Centers
Walt Disney Co	Burbank	Water Parks

Source: America's Labor Market Information System (ALMIS) Employer Database – 2020

County Transportation

Los Angeles County is served by a diversified transportation system, including highways, freeways, rail, airports, and seaports.

Freeways: The system serves the entire county, connecting it with surrounding counties in Southern California. Major north/south freeways include the San Diego (I-405), the Golden State (I-5), the Harbor (110), and the Long Beach (I-710). Major east/west freeways serving the county are the Ventura (I-101 and 134), the Hollywood (I-101), the Santa Monica/San Bernardino (I-10), and the Pomona (I-60).

Water: The ports of Los Angeles and Long Beach offer a combined 10,500 acres of land and some 40-miles of waterways. These modern facilities handle a variety of cargo classifications, including container, dry bulk, liquid bulk, auto and general cargo. On a combined basis, these two deep-water ports rank third in the world in container handling, after Hong Kong and Singapore.

Air: Los Angeles International Airport (LAX) is a major transportation hub both for passengers and cargo and has experienced substantial growth over the past 15 years. In fact, LAX ranks third in the world for the number of passengers and tonnage of air cargo handled.

Rail: Services include Southern Pacific Railway, which operates freight service and Amtrak trains. Major switching facilities are located near downtown and in the South Bay area. The Metro Blue, Red and Green Lines provide commuter rail services. In addition to the Metro Rail Lines, Los Angeles County is served by the Metro Link, a commuter train system that connects commuters living and working in six counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura.

CONCLUSION – Market Area Analysis

The size, centrality, and diversity of the Greater Los Angeles' economic base is expected to insulate it from the harshest effects of a national recessionary climate. The City of Los Angeles has held a premier position in the world for several years due to its leading role among the trading nations of the Pacific Rim, its extensive and still-developing transportation systems, its vast marketplace in terms of total purchasing power and diversity of consumers, and the establishment of various industrial and commercial headquarters in the city. The region is well positioned to continue economic leadership in the Pacific Rim and the rest of the state and country. Ultimately, the positive features of the Greater Los Angeles area including favorable climate, cultural appeal, and historic presence as a leading metropolitan area are considered to be beneficial traits and are expected to be sufficient to maintain the region as a leading commercial and economic center and should serve as a means of sustaining future economic growth.

Neighborhood Description

The subject property is 4366 S. Main Street, in Historic South Los Angeles market area.

The City of Los Angeles represents the cornerstone of the Southern California metropolitan area. It is the largest city in California regarding population and land area. It is the second largest city in the United States. The city encompasses approximately 470 square miles and operates under a council-mayor form of government. It was originally founded in 1781 and was incorporated in 1850.

The City of Los Angeles' population has increased steadily over the decades due largely to its favorable climate, industrial base, and job growth. The overall rate of population growth was greater prior to the 1990's, when a national recession coupled with a major downturn in the local aerospace industry had a significant impact of the region. Although not up to the growth rates seen prior to the recession, the rate of population growth is again on the rise.

Transportation systems servicing the city include shipping (Los Angeles & Long Beach Harbors), air transport (Los Angeles International Airport, Long Beach Airport, Burbank Airport, and other regional airports), an extensive interstate and intrastate highway system, and an established railway system. The burgeoning population of the greater Los Angeles area has in the past two decades given rise to an expanding light railway system, as well as additional freeways and traffic corridors to facilitate commuters.

The City of Los Angeles is unusual amongst American cities in that while it has a successful downtown commercial district, the city as a whole has a long history of annexing adjacent communities, which has resulted in an expansion reflective of a "Multiple Nuclei Model", whereby multiple cities/communities with their own central business districts and radiating growth patterns have merged over the years into what is now becoming a megalopolis, with multiple core business districts and residential areas that have their own unique dynamics.

The greater Los Angeles area has become the nation's number two business center, second only to New York. The area's economic expansion has created important challenges to the continuity of future growth, both in the greater Los Angeles area and the city itself. Among these challenges are affordable housing, transportation, air quality, water supply and the community infrastructure. Public policy, technology and competition will continue to reshape the manufacturing, commercial and industrial marketplaces of the city.

Surrounding neighborhood community areas include the following:

- To the North: University Park & Interstate 10 Freeway
- To the South: South Park and Central Alameda
- To the West: Vermont Harbor and Leimert Park
- To the East: Vernon, East Los Angeles

Esri data population summary for 4366 S. Main Street, Los Angeles in the year 2020 with population in a 1-mile radius at 78,420, within a 3-mile radius at 484,456 and within a 5-mile radius at 1,360,185. Esri traffic data shows 16,776 vehicles travel pass the subject property on Main above Vernon Avenue daily.

The subject property is an interior lot on the east side of the S. Main Street, the second parcel north of Vernon Avenue, west of the Los Angeles River, in what is known as the Historic South Los Angeles neighborhood of the City of Los Angeles. Historic South Los Angeles flanks Downtown Los Angeles on the northeast, Central-Alameda on the east, South Park on the north and Vermont Square, Exposition Park and University Park on the west. It is bounded by Washington Boulevard on the north, Central Avenue on the east, East Vernon Avenue on the south and the I-110 Harbor Freeway on the west.

Historic South Los Angeles is a 2.25+/- square-mile district within the City Los Angeles. Population density is high, and incomes are low according a neighborhood report prepared by the Los Angeles Times Newspaper. The percentage of residents 25 and older with less than a high school diploma is high and median household income is low compared to other areas of the City of Los Angeles. A Community Profile was provided by Esri which shows 2020 and estimated data for the year 2025 for the subject's location.

There currently is an Auto Zone Store at the northwest corner of S. Main Street and East Vernon Avenue. The northeast corner of this signalized intersection has a closed Louisiana Fried Chicken Restaurant due to fire damage with the subject property immediately to the north, and the southeast corner has Katherines Flower Shop. The southwest corner of the intersection is the location of the Vernon Main Plaza. In general, the neighborhood is mixed use with residential apartments, retail, insurance office, Trust South LA, a 2-story Electric Shop, and Meat Market. The neighborhood is experiencing some homeless encampments, noted at the fire damaged and closed fast food business at the corner and in the alleyway east of the subject property.

The Wallis Annenberg High School is at the southeast corner of East Martin Luther King Jr. Blvd. and South Main Street and ACES (Accelerated Charter School) is at the northeast corner.

Conclusion:

Historic South Los Angeles is dealing with three major situations: Income, Education and Age. The California Conservation Corps is offering help in these three situations:

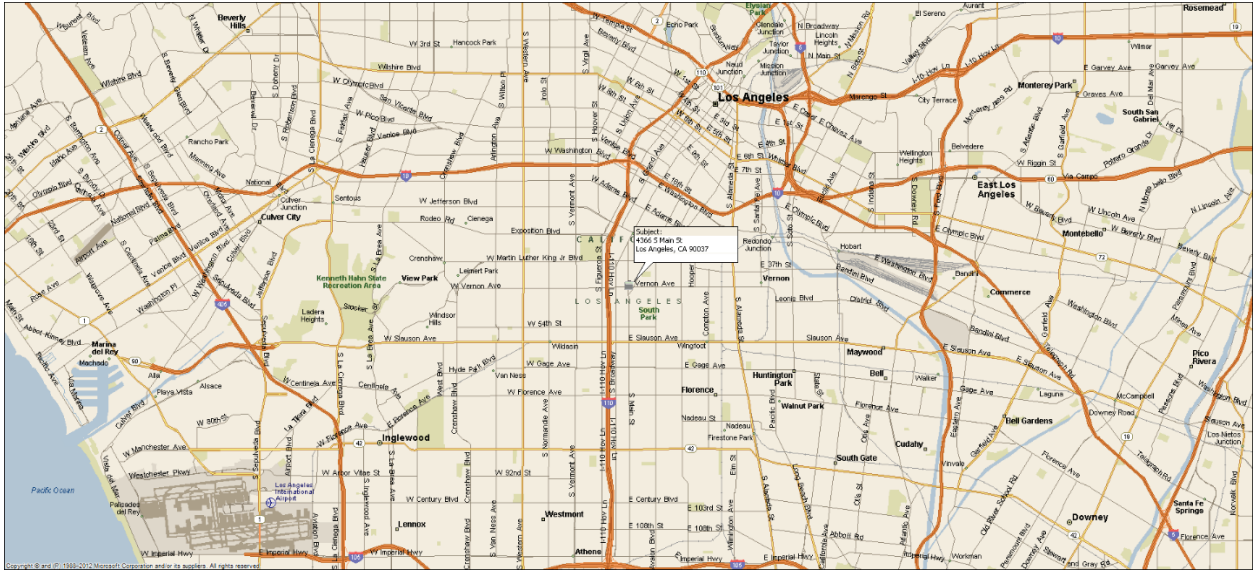
- An opportunity to learn a skill and become self-reliant.
- Once training is completed, the opportunity to become a State employee.
- The California Conservation Corps offers job skill training, and income to young people of the community.

Vehicular ingress/egress to the subject yard is provided from Main Street, north of W. Vernon Avenue.

Property uses immediately surrounding the subject site are:

- To the North: Multi-family Residential.
- To the South: Fire damaged and closed Louisiana Fried Chicken Business.
- To the West: Auto-Zone and 2 Residential Properties.
- To the East: Alleyway, Speedy Cash Loans commercial business and Multi-family residential.

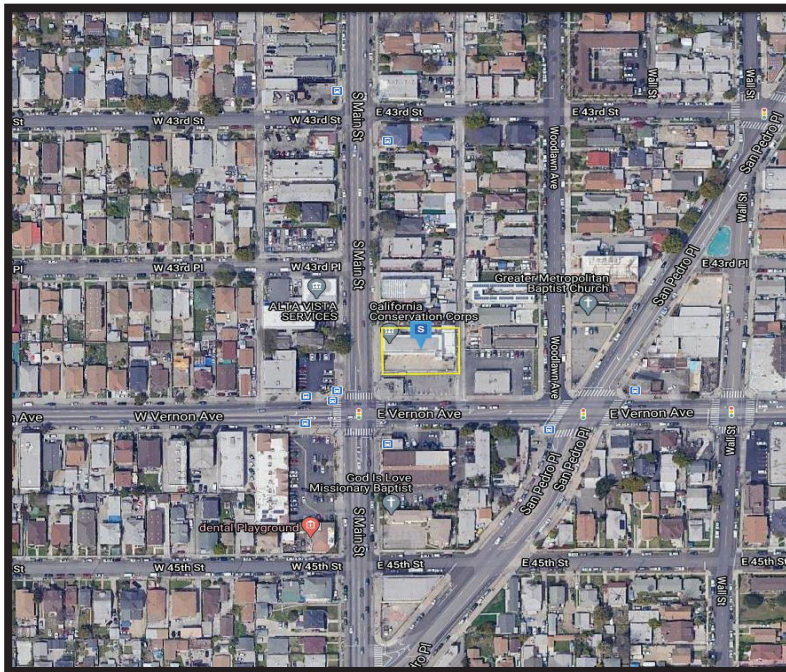
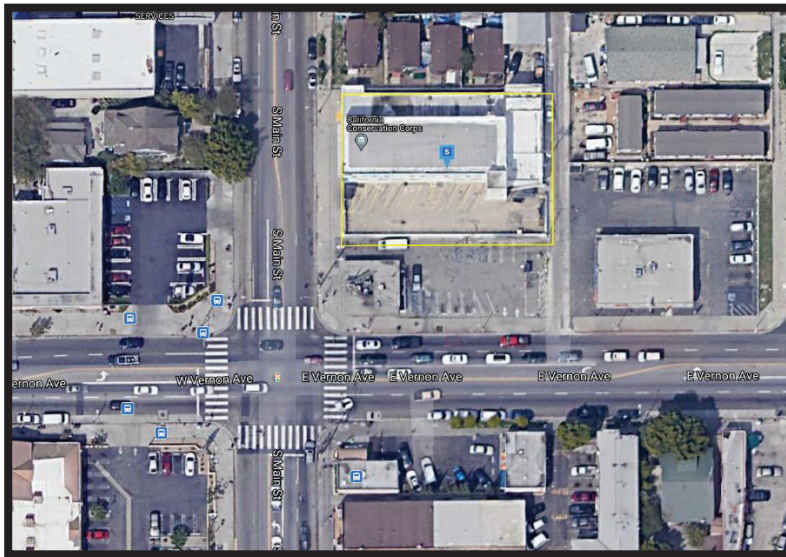
Location Map



Neighborhood Map



Aerial Photos





Community Profile

4366 S Main St, Los Angeles, California, 90037
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.00423
Longitude: -118.27382

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	70,060	433,996	1,259,474
2010 Total Population	75,216	457,734	1,290,000
2020 Total Population	78,420	484,456	1,360,185
2020 Group Quarters	1,682	12,805	36,026
2025 Total Population	79,575	495,560	1,397,314
2020-2025 Annual Rate	0.29%	0.45%	0.54%
2020 Total Daytime Population	61,519	438,686	1,268,676
Workers	10,872	131,142	442,756
Residents	50,647	307,544	825,920
Household Summary			
2000 Households	16,733	113,914	365,470
2000 Average Household Size	4.17	3.73	3.35
2010 Households	17,276	119,270	385,524
2010 Average Household Size	4.26	3.73	3.25
2020 Households	17,727	127,534	410,237
2020 Average Household Size	4.33	3.70	3.23
2025 Households	17,961	131,864	425,399
2025 Average Household Size	4.34	3.66	3.20
2020-2025 Annual Rate	0.26%	0.67%	0.73%
2010 Families	13,962	86,936	260,131
2010 Average Family Size	4.49	4.23	3.90
2020 Families	14,376	90,735	271,625
2020 Average Family Size	4.56	4.26	3.91
2025 Families	14,593	92,450	278,547
2025 Average Family Size	4.57	4.26	3.91
2020-2025 Annual Rate	0.30%	0.38%	0.50%
Housing Unit Summary			
2000 Housing Units	18,470	124,060	391,908
Owner Occupied Housing Units	21.3%	26.6%	24.1%
Renter Occupied Housing Units	69.3%	65.2%	69.1%
Vacant Housing Units	9.4%	8.2%	6.7%
2010 Housing Units	18,559	128,640	416,519
Owner Occupied Housing Units	22.0%	26.1%	23.2%
Renter Occupied Housing Units	71.0%	66.6%	69.4%
Vacant Housing Units	6.9%	7.3%	7.4%
2020 Housing Units	19,074	138,598	447,144
Owner Occupied Housing Units	19.9%	23.2%	20.8%
Renter Occupied Housing Units	73.0%	68.8%	71.0%
Vacant Housing Units	7.1%	8.0%	8.3%
2025 Housing Units	19,363	143,167	463,817
Owner Occupied Housing Units	20.4%	23.1%	20.6%
Renter Occupied Housing Units	72.3%	69.0%	71.1%
Vacant Housing Units	7.2%	7.9%	8.3%
Median Household Income			
2020	\$32,943	\$37,261	\$39,652
2025	\$35,478	\$40,923	\$43,786
Median Home Value			
2020	\$405,171	\$446,210	\$486,461
2025	\$477,054	\$545,486	\$591,446
Per Capita Income			
2020	\$10,636	\$14,436	\$17,738
2025	\$11,611	\$16,490	\$20,171
Median Age			
2010	26.9	27.9	30.6
2020	28.2	29.2	31.9
2025	30.1	31.1	33.5

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

December 17, 2020



Community Profile

4366 S Main St, Los Angeles, California, 90037
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.00423
Longitude: -118.27382

	1 mile	3 miles	5 miles
2020 Households by Income			
Household Income Base	17,727	127,534	410,237
<\$15,000	21.3%	21.1%	19.4%
\$15,000 - \$24,999	16.5%	14.2%	13.5%
\$25,000 - \$34,999	14.5%	11.7%	11.5%
\$35,000 - \$49,999	16.0%	14.7%	14.5%
\$50,000 - \$74,999	14.7%	15.9%	16.1%
\$75,000 - \$99,999	7.1%	8.8%	9.4%
\$100,000 - \$149,999	6.7%	8.5%	9.5%
\$150,000 - \$199,999	1.8%	2.7%	3.2%
\$200,000+	1.4%	2.4%	2.9%
Average Household Income	\$46,892	\$54,396	\$58,383
2025 Households by Income			
Household Income Base	17,961	131,864	425,399
<\$15,000	20.0%	19.2%	17.6%
\$15,000 - \$24,999	15.4%	13.0%	12.3%
\$25,000 - \$34,999	13.9%	11.0%	10.7%
\$35,000 - \$49,999	16.3%	14.4%	14.2%
\$50,000 - \$74,999	15.6%	16.4%	16.6%
\$75,000 - \$99,999	7.8%	10.2%	10.4%
\$100,000 - \$149,999	7.5%	9.6%	10.7%
\$150,000 - \$199,999	2.1%	3.2%	3.9%
\$200,000+	1.5%	3.0%	3.6%
Average Household Income	\$51,297	\$61,472	\$65,839
2020 Owner Occupied Housing Units by Value			
Total	3,795	32,099	92,694
<\$50,000	0.5%	1.0%	1.2%
\$50,000 - \$99,999	1.0%	0.4%	0.4%
\$100,000 - \$149,999	0.7%	0.4%	0.4%
\$150,000 - \$199,999	1.9%	1.3%	1.0%
\$200,000 - \$249,999	4.7%	4.0%	3.2%
\$250,000 - \$299,999	9.1%	7.9%	6.0%
\$300,000 - \$399,999	30.8%	25.6%	21.5%
\$400,000 - \$499,999	24.7%	20.3%	19.0%
\$500,000 - \$749,999	19.6%	25.5%	28.2%
\$750,000 - \$999,999	3.7%	7.5%	10.7%
\$1,000,000 - \$1,499,999	2.9%	3.3%	5.5%
\$1,500,000 - \$1,999,999	0.0%	0.7%	1.0%
\$2,000,000 +	0.4%	2.1%	2.0%
Average Home Value	\$459,374	\$540,379	\$588,224
2025 Owner Occupied Housing Units by Value			
Total	3,951	33,007	95,176
<\$50,000	0.2%	0.5%	0.6%
\$50,000 - \$99,999	0.4%	0.2%	0.1%
\$100,000 - \$149,999	0.2%	0.1%	0.1%
\$150,000 - \$199,999	0.7%	0.5%	0.4%
\$200,000 - \$249,999	2.5%	2.1%	1.7%
\$250,000 - \$299,999	5.6%	4.8%	3.7%
\$300,000 - \$399,999	20.9%	16.7%	13.9%
\$400,000 - \$499,999	25.3%	19.1%	17.2%
\$500,000 - \$749,999	29.1%	33.2%	33.8%
\$750,000 - \$999,999	8.4%	13.3%	16.4%
\$1,000,000 - \$1,499,999	6.6%	5.8%	8.0%
\$1,500,000 - \$1,999,999	0.0%	1.0%	1.3%
\$2,000,000 +	0.2%	2.8%	2.8%
Average Home Value	\$551,215	\$639,056	\$682,216

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

December 17, 2020

Property Market Overview

Overview

Downtown Los Angeles Retail

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
0	(181 K)	6.1%	-2.6%

Conditions in the Downtown Los Angeles Submarket will likely weaken further in the near term with respect to occupancies, rent growth, and transaction volume/pricing as a result of the coronavirus pandemic. Among the major property types, retail is especially exposed to the phenomenon's negative economic impacts. Additionally, the path forward for the economy remains uncertain.

high-profile restaurants and retailers come to the area in recent years, but that has not translated into superior occupancies. Rental rates, which had increased for eight consecutive quarters, started to decline in 20Q2.

Even pre-pandemic, vacancies in the submarket were above the metro for years. The area has seen many

The submarket does have several major retail projects under construction, but two of three have run into troubles that have resulted in delays. Sales activity has been modest for years, and many transactions are purchased for redevelopment strategies.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	827,242	5.9%	\$48.97	5.9%	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	1,605,872	9.6%	\$39.26	9.5%	4,856	0	0
Strip Center	291,165	1.3%	\$30.43	0.6%	433	0	0
General Retail	13,918,254	6.0%	\$34.23	9.6%	(22,515)	0	329,192
Other	650,000	1.7%	\$20.97	2.1%	(955)	0	0
Submarket	17,292,533	6.1%	\$34.82	9.0%	(18,181)	0	329,192

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.0%	4.8%	6.9%	10.4%	2015 Q4	2.5%	2007 Q1
Net Absorption SF	(181 K)	52,182	1,614	1,088,516	2008 Q4	(568,501)	2016 Q3
Deliveries SF	0	186,263	94,676	1,279,510	2008 Q4	0	2020 Q3
Rent Growth	-2.6%	1.3%	1.6%	5.2%	2007 Q2	-4.7%	2009 Q4
Sales Volume	\$22.4 M	\$137.1M	N/A	\$392.7M	2015 Q4	\$14.5M	2010 Q2

Leasing

Downtown Los Angeles Retail

VACANCY RATE



AVAILABILITY RATE



Sales

Downtown Los Angeles Retail

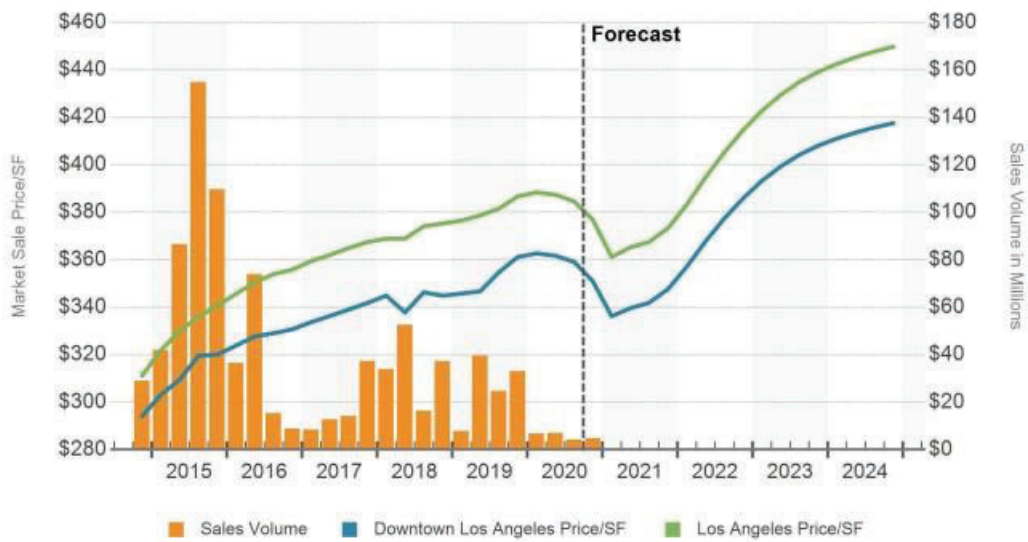
With an average modeled price per SF of \$350 and a market cap rate of 5.4%, the Downtown Los Angeles Submarket offers pricing similar to metro averages. Sales volume during the past 12 months, \$27.5 million, is running below average levels. Transactions have been limited since the onset of the pandemic.

The last major sale was in September 2019, involving the former 50,000-SF Honda dealership at 1540 S Figueroa St. as well as an adjacent 0.35-acre land site. The combined properties total 1.26 acres and traded for \$32.1 million, or \$25.5 million/acre. Oak Investment

Funds purchased from a private trust.

Regarding more recent transactions, 212-218 S Spring St. traded between two private entities in February 2020 for \$5.6 million, or \$19.3 million/acre. The buyer purchased as part of a 1031 exchange, and the new owner has plans to redevelop the 0.29-acre site into a 120-unit high-rise. In April 2020, the 27,300-SF 1045-1051 S Los Angeles St. in the Fashion District traded between two private individuals for \$6.4 million (\$235/SF).

SALES VOLUME & MARKET SALE PRICE PER SF



Overview

South Los Angeles Multi-Family

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
6	(236)	3.6%	2.2%

The South Los Angeles submarket comprises a number of middle and lower-income neighborhoods, bordering Orange County in the east. Vacancies, at around 3.6%, remain low, though the impacts of the coronavirus epidemic are having a negative effect on apartment demand.

South L.A.'s listless economy may give developers pause, but the low rents here in relation to the rest of the metro hold strong appeal for many cost-burdened Angelenos. Average rents here are among the lowest of any L.A. submarket, which helps explain why there are

no market-rate communities under construction. But less expensive submarkets have held up better during the pandemic than pricey locations on the Westside and in Central L.A. After falling slightly in the early stages of the outbreak, rents are now above their pre-pandemic peak.

The sale of one of South L.A.'s largest apartment communities helped pushed annual sales volume to record levels in 2019. Around \$100 million in sales took place this year prior to the outbreak, but trading has largely dried up since the outbreak.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	1,076	7.0%	\$2,347	\$2,333	(4)	0	0
3 Star	5,524	3.6%	\$1,845	\$1,836	14	0	0
1 & 2 Star	18,854	3.5%	\$1,481	\$1,474	(12)	0	0
Submarket	25,454	3.6%	\$1,637	\$1,630	(2)	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.9%	3.3%	4.0%	4.5%	2009 Q3	1.9%	2000 Q4
Absorption Units	(236)	(4)	(11)	290	2017 Q3	(279)	2002 Q1
Delivered Units	6	26	3	212	2017 Q1	0	2019 Q2
Demolished Units	0	12	0	185	2013 Q4	0	2020 Q3
Asking Rent Growth (YOY)	2.2%	2.8%	2.7%	7.7%	2001 Q1	-6.8%	2009 Q4
Effective Rent Growth (YOY)	2.1%	2.8%	2.7%	7.7%	2001 Q1	-6.8%	2009 Q4
Sales Volume	\$278 M	\$158.8M	N/A	\$543.1M	2020 Q1	\$18.5M	2010 Q3

Vacancy

South Los Angeles Multi-Family

Apartment demand is declining as a result of the impacts of the pandemic, but vacancies remain lower than in most parts of L.A. South L.A. vacancy rates are historically among the metro's lowest, as the area's low rents draw households that are priced out of other parts of L.A.

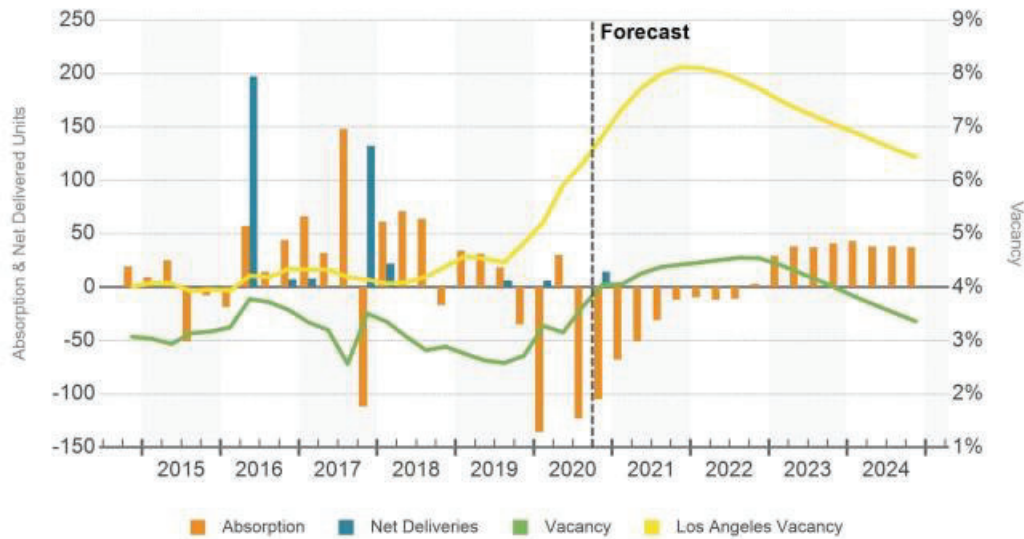
During the pandemic, renters appear to be choosing affordability over amenities. Relatively inexpensive submarkets like South L.A. are not seeing demand contract and vacancies rise to the degree that pricey areas have.

Demographic realities and restrictive zoning tend to limit developer interest in South L.A. The area has historically struggled with low incomes, aging infrastructure, and crime, although a few bright spots can be found. Cerritos represents a small pocket of affluence within a relatively

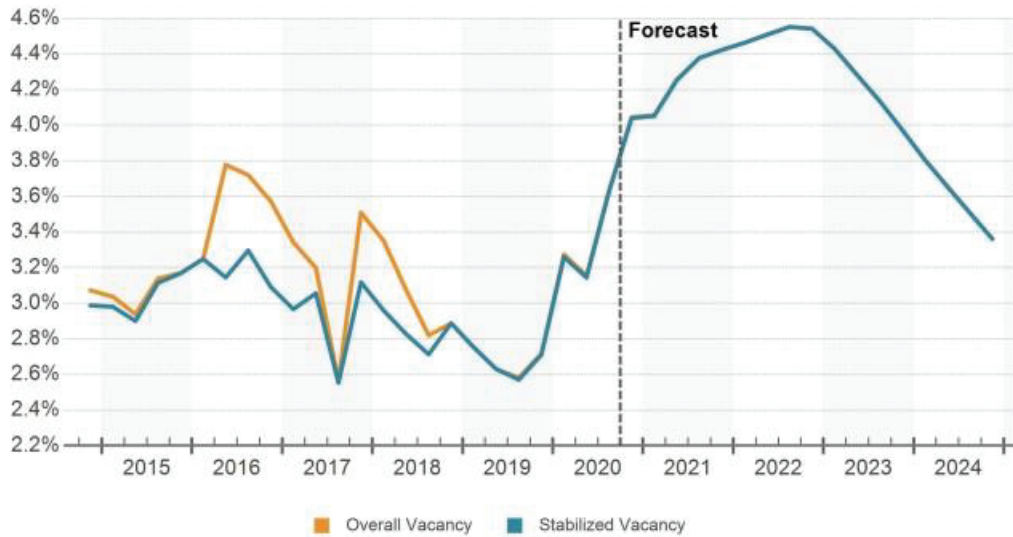
depressed submarket, with median incomes near \$100,000/year. In much of the rest of the submarket, median incomes are \$40,000 or below. Limited educational attainment is one reason for low wages in the area—only about 10% of residents hold a bachelor's degree.

Below-average property values and low-density zoning make South L.A. more affordable than other parts of the metro, so a sizable portion of residents own their homes despite the low average incomes. About 60% of residents own their homes, and that number is closer to 80% in relatively affluent Cerritos. This indicates that the renter pool is drawn primarily from extremely low-income neighborhoods such as Compton and Paramount. The area is bordered by several submarkets with booming development and will struggle to appeal to new renters given its reputation and subpar inventory.

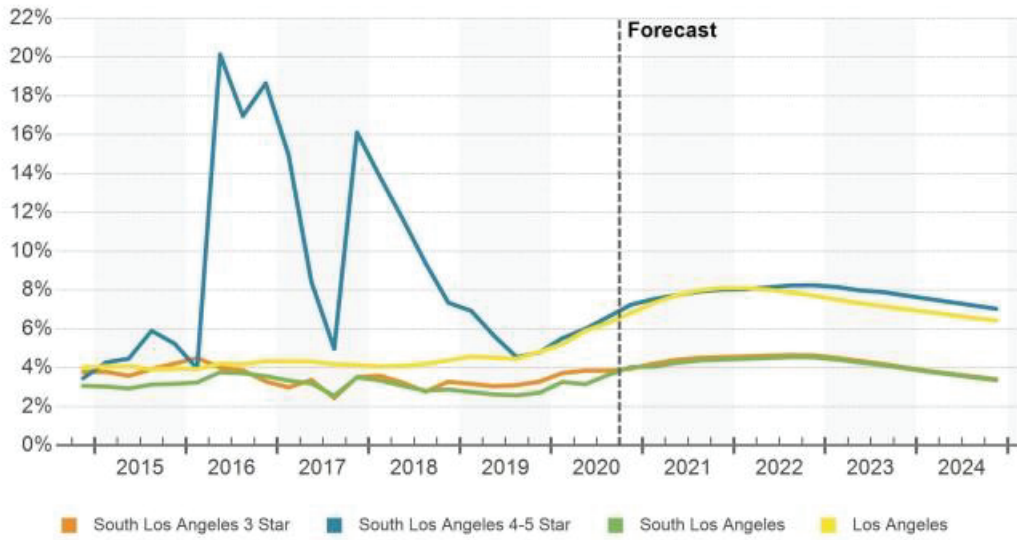
ABSORPTION, NET DELIVERIES & VACANCY



OVERALL & STABILIZED VACANCY



VACANCY RATE



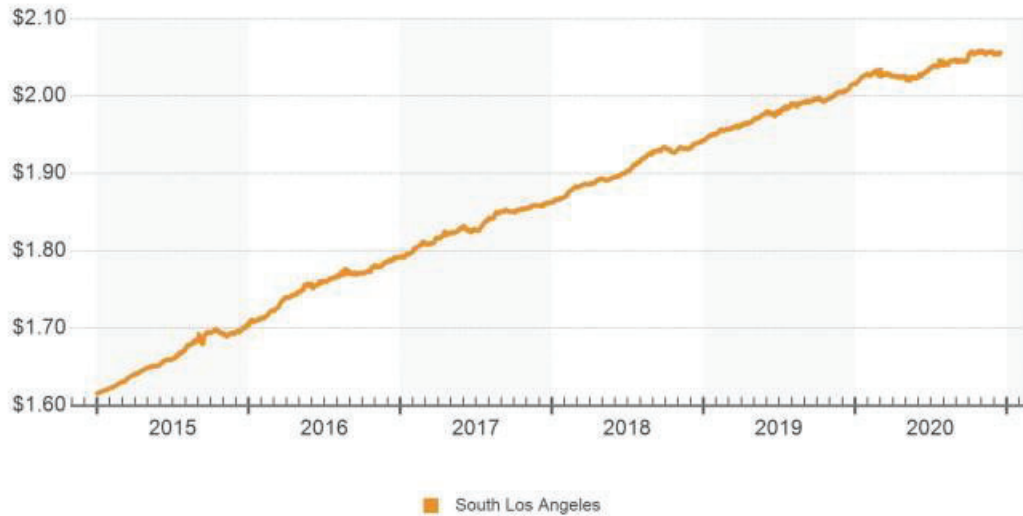
Rent

South Los Angeles Multi-Family

Rents in South L.A. are about 20% lower than the Los Angeles average. Rents are falling across the metro as a result of the outbreak, but losses are more pronounced in pricey submarkets with a lot of high-end inventory. Annual rent change in South L.A. stands at 2.2% against a metro average of -1.8%. This is one of the few corners of L.A. where rents are above their pre-pandemic peak.

This is historically one of the least expensive submarkets in L.A., though strong rent growth last cycle narrowed the gap between South L.A. and the rest of the metro somewhat. Average monthly rents here are roughly \$1,640/unit, while the L.A. County average is about \$1,940/unit.

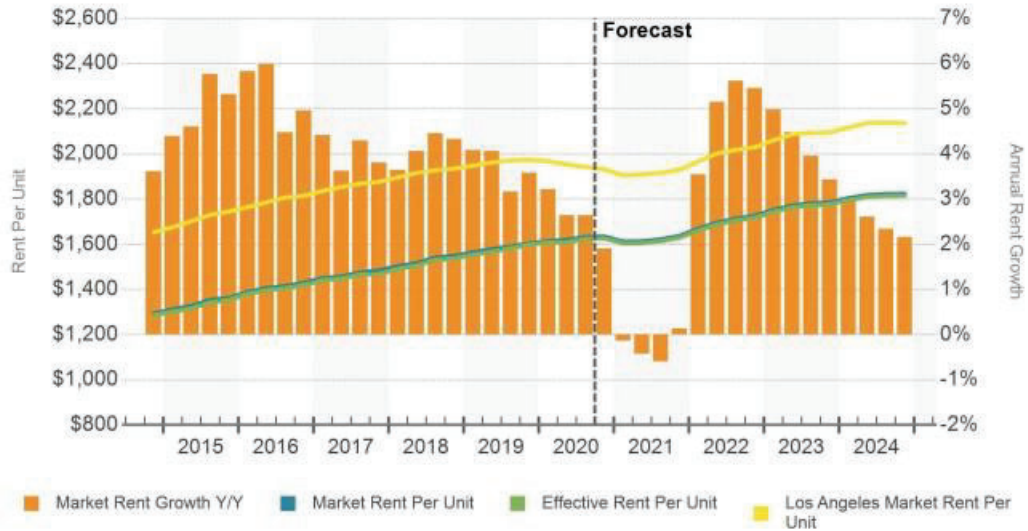
DAILY ASKING RENT PER SF



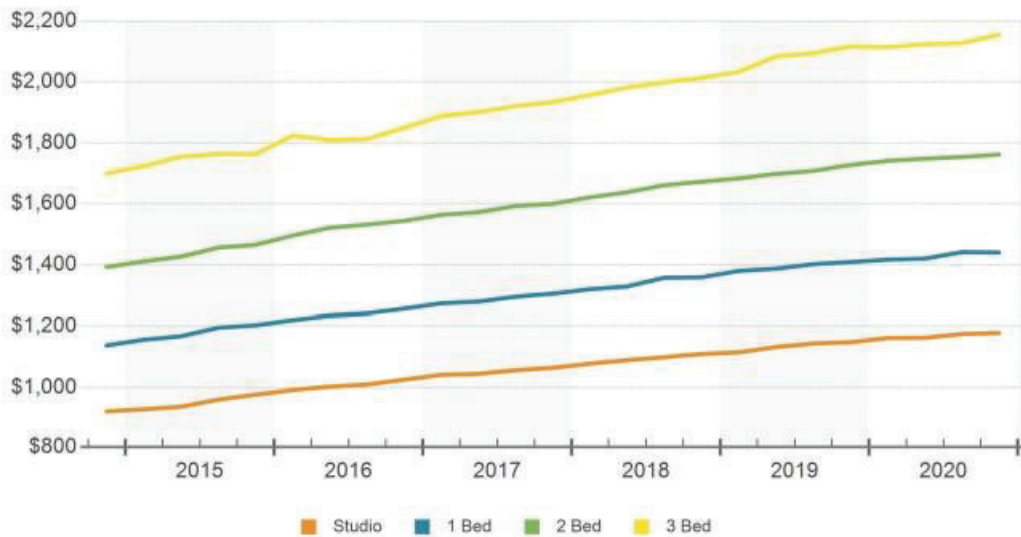
Rent

South Los Angeles Multi-Family

MARKET RENT PER UNIT & RENT GROWTH



MARKET RENT PER UNIT BY BEDROOM

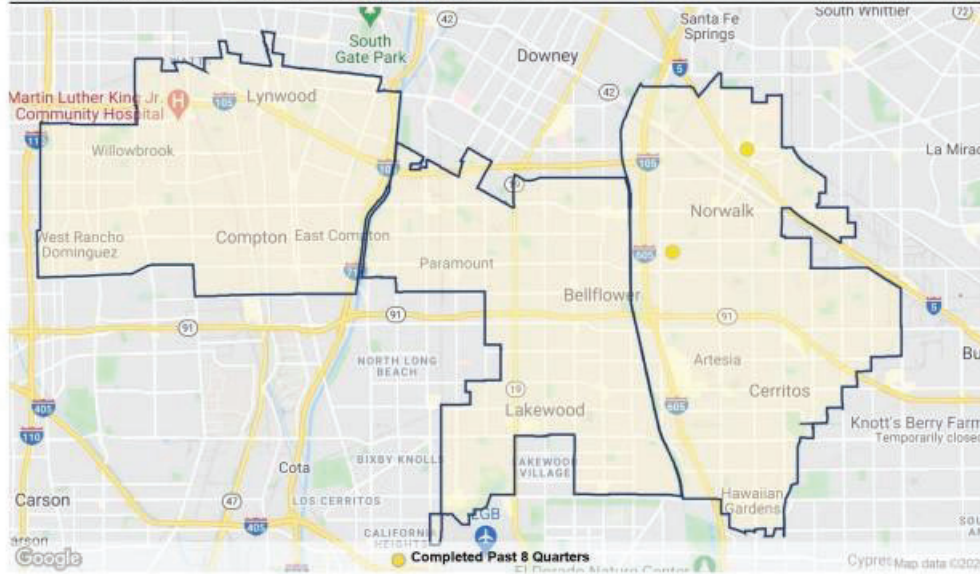


Construction

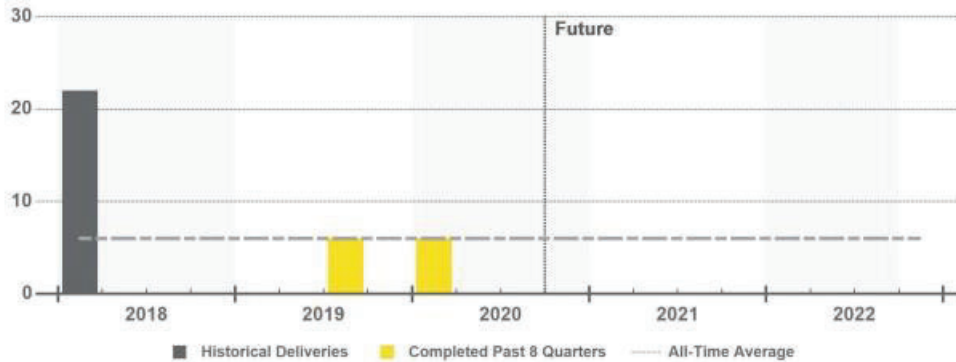
South Los Angeles Multi-Family

All-Time Annual Avg. Units	Delivered Units Past 8 Qtrs	Delivered Units Next 8 Qtrs	Proposed Units Next 8 Qtrs
24	12	0	0

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN UNITS



Sales

South Los Angeles Multi-Family

The investment market accelerated in South L.A. as the last cycle matured, with average pricing more than doubling over the decade, and cap rates compressing more than 200 basis points. Total sales volume exceeded historical averages in four of the last five years as investors priced out of L.A.'s premier submarkets scoured South L.A. for value-add opportunities. Institutional and private equity investors, who typically favor L.A.'s Westside, also made inroads to the area.

That momentum has largely dried up as the pandemic & economic upheaval bring a halt to trading across much of L.A. Prices are expected to fall in coming quarters.

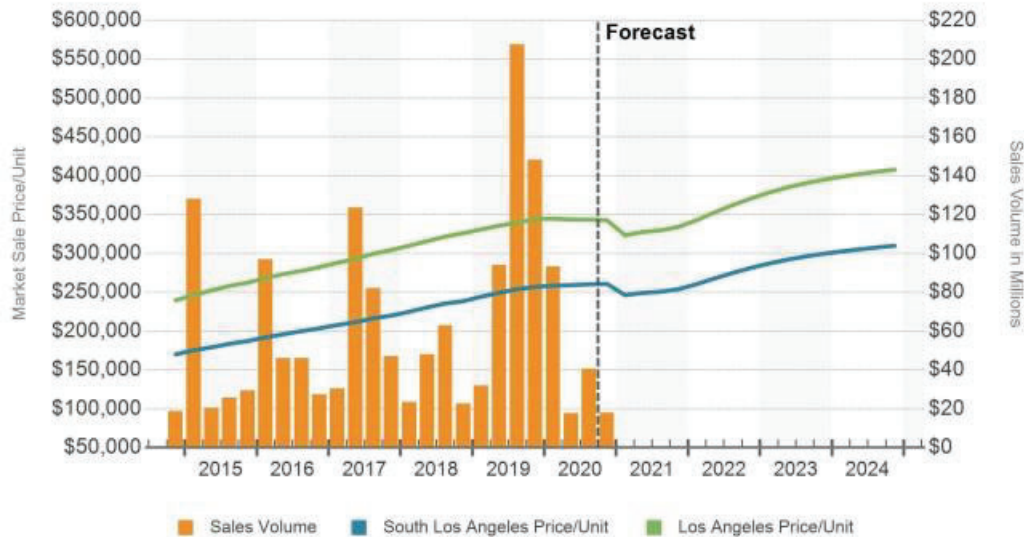
In September 2019, The Blackstone Group sold a 4-property, 1203-unit portfolio to Guardian Life Insurance Company of America for roughly \$413 million. Included was the Vicino Apartments, a 3 Star, 390-unit complex

in Lakewood that is the second-largest market-rate community in the submarket. Based on the total sale price of the portfolio, the Vicino was valued at roughly \$137 million. That allocated price is nearly twice as high as the largest individual property sale in South L.A. history.

One of the largest individual trades in submarket history also took place around mid-year 2019 when AvalonBay Communities acquired the recently completed Sage at Cerritos for \$60.5 million, or about \$460,000 unit. The project, now rechristened Avalon Cerritos, delivered in late 2017 and was 90% leased at the time of sale.

Trading at a 4.25% cap rate, Avalon Cerritos is one of the only modern, Class A communities built in South L.A. this cycle, which helps explain per unit pricing far above the local average

SALES VOLUME & MARKET SALE PRICE PER UNIT

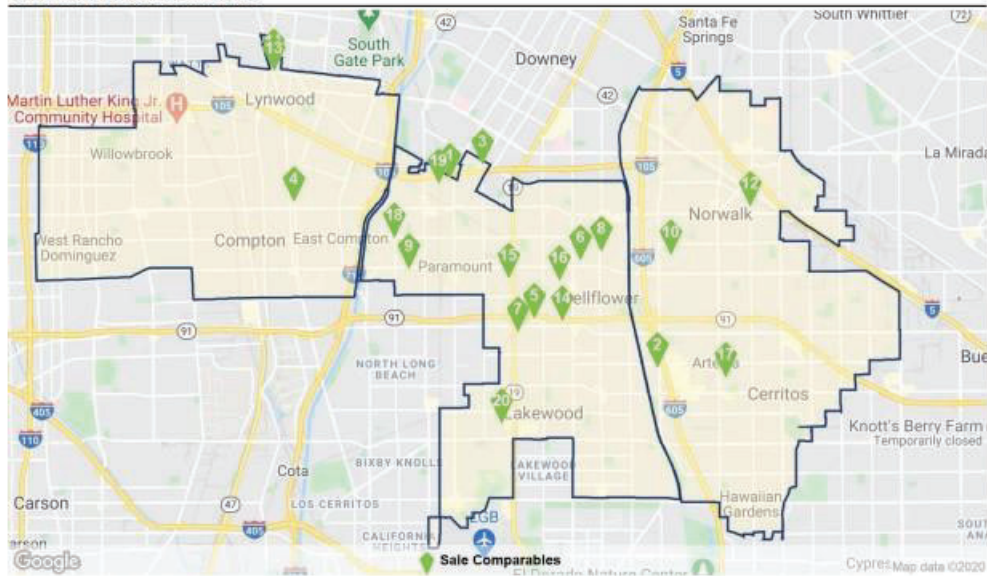


Sales Past 12 Months

South Los Angeles Multi-Family

Sale Comparables	Avg. Price/Unit (thous.)	Average Price (mil.)	Average Vacancy at Sale
52	\$270	\$5.3	4.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$565,010	\$5,339,811	\$1,727,500	\$99,325,000
Price/Unit	\$97,547	\$269,582	\$232,292	\$637,500
Cap Rate	3.2%	4.8%	4.6%	6.1%
Vacancy Rate At Sale	0%	4.3%	0%	50.0%
Time Since Sale in Months	1.0	6.3	6.8	12.0
Property Attributes	Low	Average	Median	High
Property Size in Units	5	19	8	306
Number of Floors	1	1	2	3
Average Unit SF	418	853	840	1,880
Year Built	1930	1960	1958	2020
Star Rating	★★★★★	★★★★★ 2.2	★★★★★	★★★★★

Conclusion

Conditions in the Downtown Los Angeles Submarket and the retail sub-market further south will likely weaken further in the near term with respect to occupancies, rent growth and transaction volume/pricing as a result of the coronavirus pandemic. Among the major property types, retail is especially exposed to the negative economic impacts. Rental rates which had increased for eight consecutive quarters, started to decline in the 2nd quarter of 2020.

The preceding South Los Angeles Submarket Multi-family sales comparable summary statistics over the last 12 months shows 52 transaction with an average price per unit of \$269,582 with an average price of \$5,339,811 at a 4.3% vacancy rate and a 4.8% Cap Rate.

The overall general retail vacancy in the South Los Angeles Submarket is anticipated to increase from approximately 6% to 8% and the multi-family vacancy rate is anticipated to increase from 4.3% to 5.0%.

SITE DESCRIPTION

Address	4366 S. Main Street, Los Angeles
Assessor Parcel No.	5113-036-900
Legal Description	Lots 20 and 22 in Block 15 of South Woodlawn, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 4, Page 5 of Maps, in the Office of the County Recording of Said County.
Site Area	0.31+/- acres or 14,000+/- gross square feet.
Site Shape	Rectangular
Topography	Level
Improvements	California Conservation Corps, 4366 S. Main Street, Los Angeles, CA 90037. Improvements are a Class C Masonry with heavy timber frame originally built as a fire station. Property is enclosed with Masonry wall and vehicle driveway gate that provides 14 parking spaces on the south side of the building.
Vehicular Access	One access point: The subject has one vehicle driveway access at S. Main Street.
Pedestrian Access	One access point: Public concrete sidewalk on S. Main Street.

Zoning

The Planning Department of the City of Los Angeles Municipal Zoning Code for the subject property is C2-1VL-CPIO. The General Plan Land Use is Neighborhood Commercial. (C2 is Commercial, 1 is for height restrictions, CPIO is Community Plan Implementation Overlay: Southeast Los Angeles).

The Southeast Los Angeles Neighborhood Overlay is predominately a multi-family community. In the year 2017 it reported approximately 3,304 acres or approx. 46% of the Plan area designated for densities ranging from low to high with the subject immediate neighborhood area having Low Medium I density. The Commercial uses comprised of 887 acres or approximately 12% of which the subject parcel is Neighborhood Commercial per the General Plan. The City Planning Department Parcel Profile Report also lists the subject parcel in the Tier 3, Transit Orientated Community Area, Redevelopment Project Area, State Enterprise Zone and South Los Angeles Alcohol Sales.

The Zoning Classification (1VL): Limits the maximum building height and Permitted Floor Area, which is 45 feet on height and 3+ stories and Floor Area Ratio; 3:1.

C2 – Commercial Zone permits uses such as: Zone C-1.5 uses such as retail, theaters, hotels, broadcasting studios, parking buildings, parks, and playgrounds R4 uses. C-2 Uses: retail w/limited manufacturing, service stations and garages, retail centers, business, churches, schools, auto sales, R4 uses.

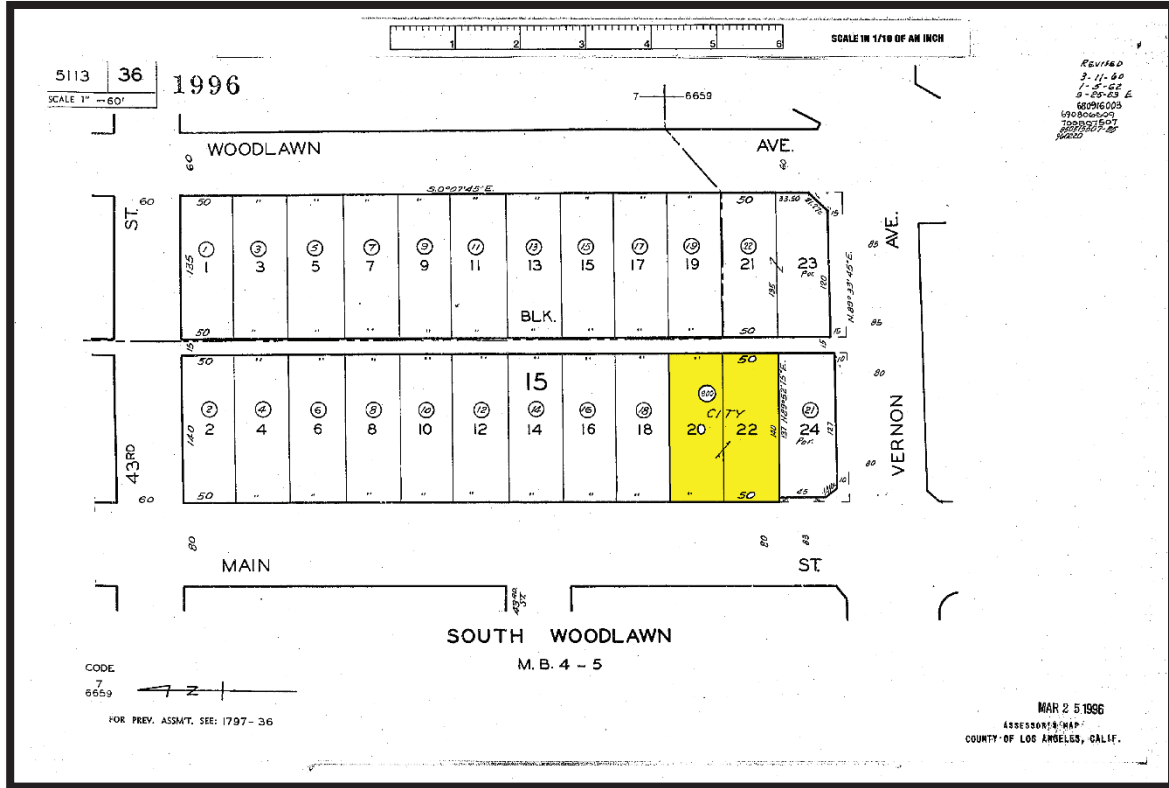
Development Standards for C2: Maximum Height: Stories and Feet – Unlimited. Setbacks: Front – None, Side and rear are none for commercial uses; same as R4 Zone for residential uses at lowest residential story. Minimum Required Area Per Lot, Per Dwelling Unit and Min. Lot Width: Same as R4 Zone for residential uses at lowest residential story; otherwise, none. Parking Required depends on use. Minimum Required Office or Retail Parking is 48 spaces or 4.0 per 1,000 square feet of gross building area.

- Zoning Compliance The subject property is legal non-conforming as to zoning parking requirements.
- Utilities All utilities are available.
- Flood Zone Zone: X, Panel Number: 06037C1619G dated 12/21/2018. Zone X is an area of Minimal Flood Hazard.
- Earthquake Zone Properties in California are subject to some degree of earthquake risk. The subject is not known to be in an Alquist Priolo Special Study Zone for seismic activity. The City Los Angeles Planning Dept. Parcel Profile Report shows the property nearest fault is the Puente Hills Blind Thrust, Region of the Los Angeles Blind Thrust, Type B, Maximum Magnitude 7.1. The subject property is not within a Liquefaction Zone and is not within a Landslide Zone. Source: Zimas. **We are not seismic engineers, and we are not qualified to determine earthquake hazards. Our appraisal assumes that the subject is not adversely impacted by atypical earthquake risk. We recommend obtaining a geologic study to determine any potential earthquake hazard that might impact the subject site**
- Soil Conditions No soil report has been provided to us. Our on-site inspection of the subject property revealed no obvious evidence of adverse geologic or soil conditions on the subject site. **We are not geologists or soil engineers and we are not qualified to detect geologic or soil related problems. Our appraisal assumes that no detrimental geologic or soil-related conditions impact the subject property. We recommend consulting with a qualified geologist or soil engineer to determine whether detrimental geologic or soil conditions exist on the subject site.**
- Environmental
Conditions Our on-site inspection of the subject property revealed no obvious or apparent evidence of soil contamination or the presence of toxic or hazardous substances. The California Conservation Corp does store weed and lawnmowers that use gasoline for fuel and possible other gasoline fueled equipment. **We are not environmental engineers, and we are not qualified to detect environmental contamination. Our appraisal assumes the subject site is clean with no contamination. We recommend consulting with a qualified environmental engineer to determine whether environmental contamination exists on the subject site.**
- Easements and The appraisers did not receive a Preliminary Title Report. We are not aware of any
Encumbrances easements or encumbrances impacting the subject. Other easements may be those imposed by local government and quasi-government agencies for common utilities, public rights-of-way, etc. **Our appraisal assumes the subject to be free and clear of any negative easements, restrictions, and encumbrances impacting the subject site.**

Development standards and updated zoning information releases may be found at www.zimas.lacity.org.

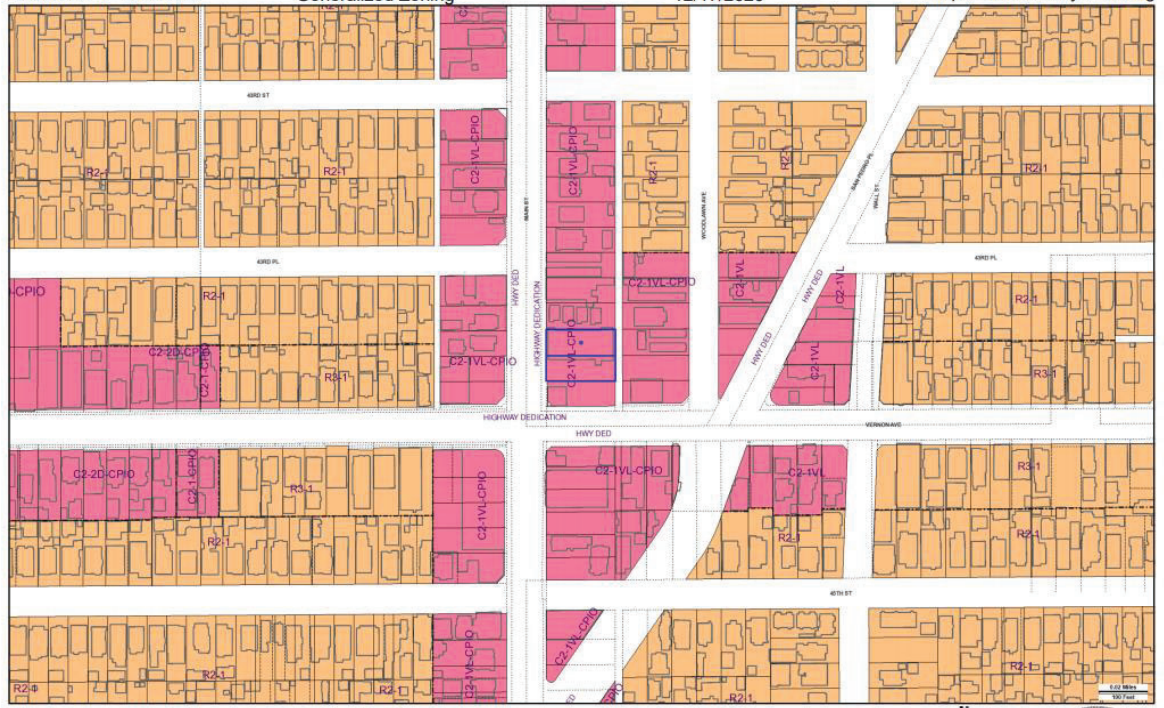
Zoning Conformity – As-Is – The subject property is current occupied. The property was a Los Angeles City Fire Station, according to public records it was closed on January 22, 1980. The California Conservation Corps has leased the property with their estimate of 1985-1986, they are not sure of the date and cannot find the original lease.

Plat Map



Zoning Map

ZIMAS PUBLIC Generalized Zoning 12/17/2020 City of Los Angeles Department of City Planning



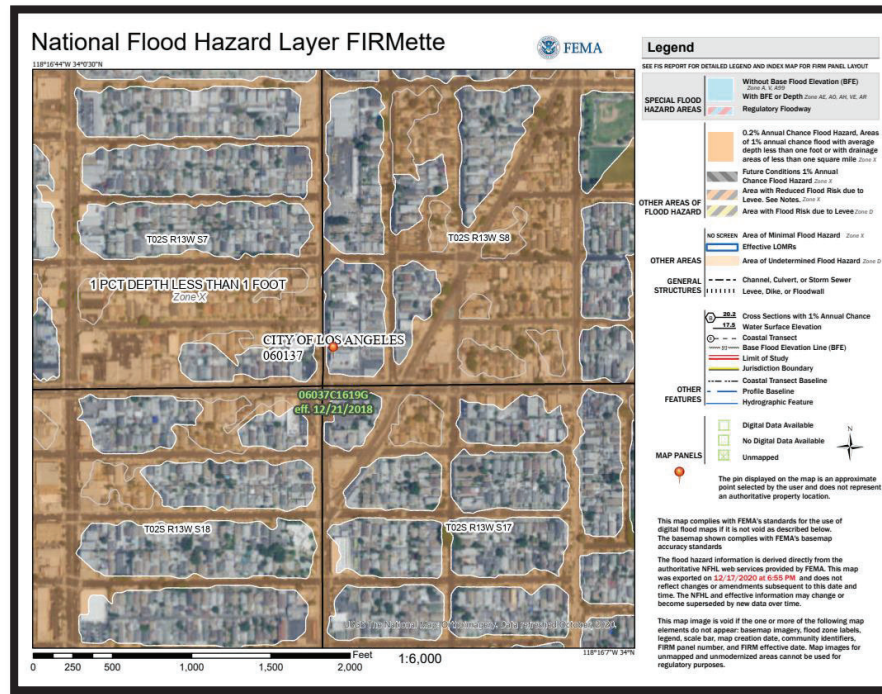
Address: 4366 S MAIN ST
APN: 5113036900
PIN #: 112-5A205 8

Tract: SOUTH WOODLAWN
Block: 15
Lot: 20
Arb: None

Zoning: C2-1VL-CPIO
General Plan: Neighborhood Commercial



FEMA Flood Map

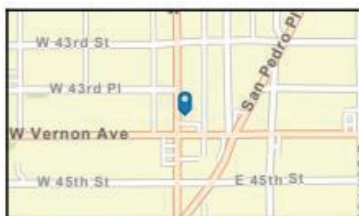
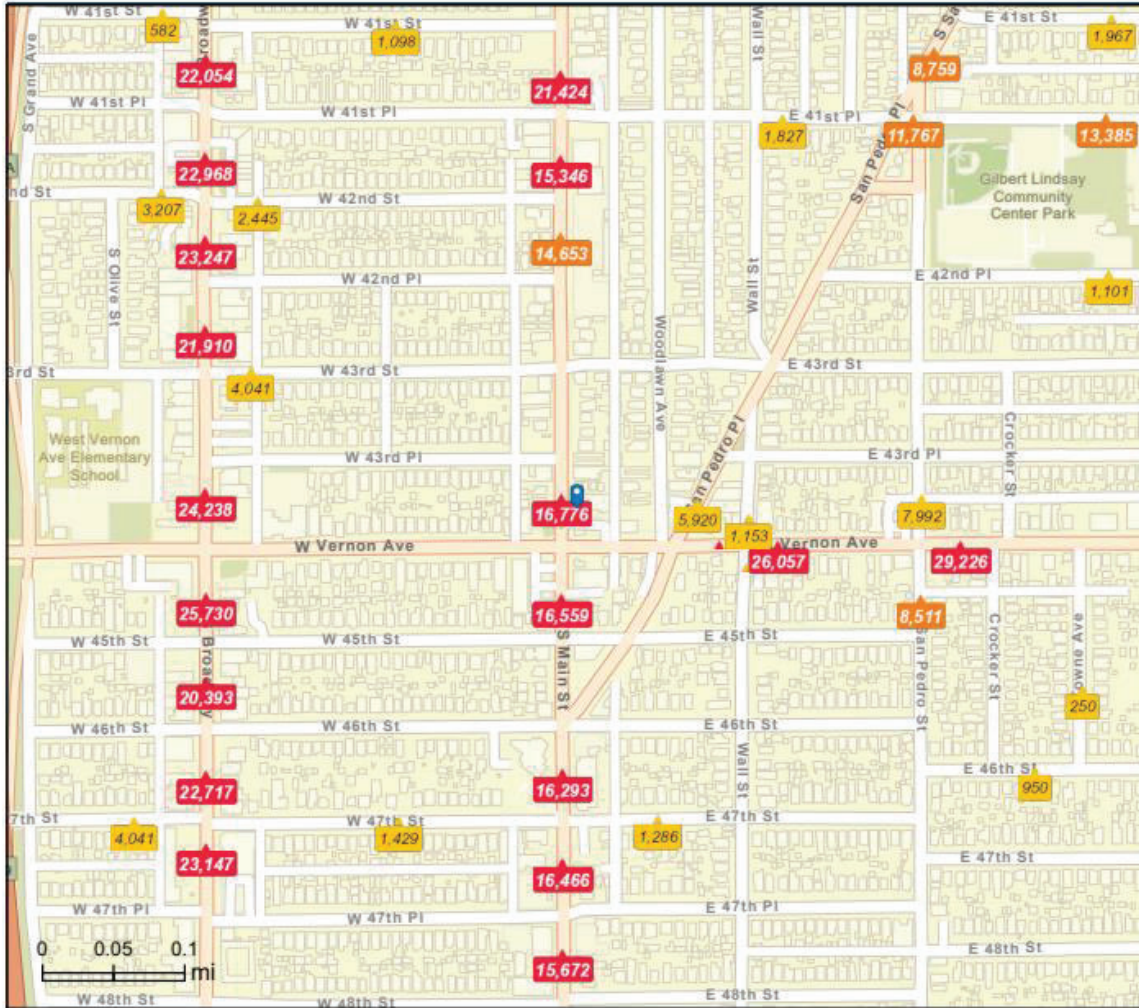




Traffic Count Map - Close Up

4366 S Main St, Los Angeles, California, 90037
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 34.00423
Longitude: -118.27382



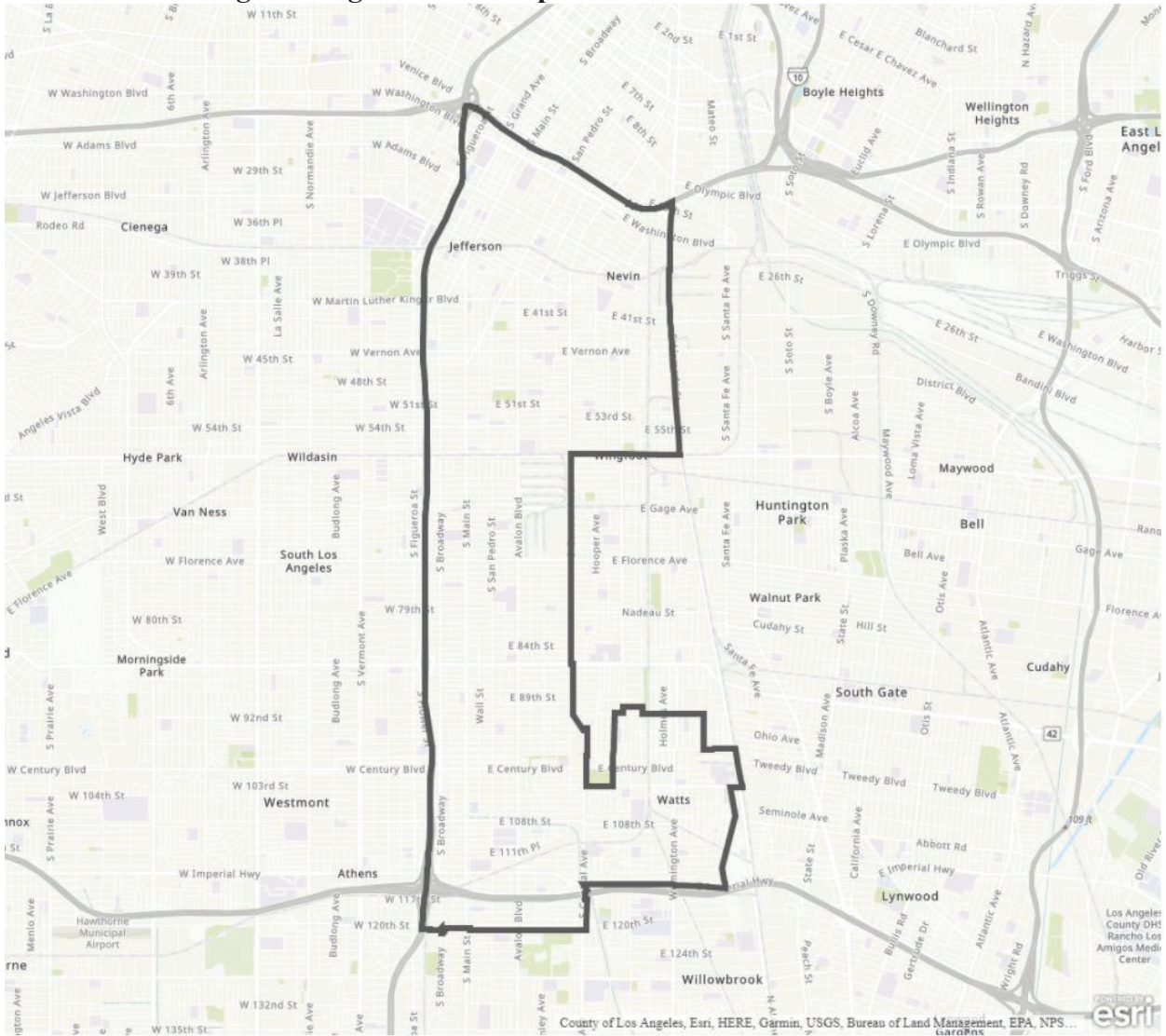
- Average Daily Traffic Volume**
- ▲ Up to 6,000 vehicles per day
 - ▲ 6,001 - 15,000
 - ▲ 15,001 - 30,000
 - ▲ 30,001 - 50,000
 - ▲ 50,001 - 100,000
 - ▲ More than 100,000 per day



Source: ©2020 Kalibrate Technologies (Q4 2020).

December 17, 2020

Southeast Los Angeles Neighborhood Map



Summary of Improvement Data

Building Description – 4366 S. Main Street, California 90037

California Conservation Corps.

History and Current Status - The subject improvements were originally built as Los Angeles Fire Station #22 and closed operations on January 22, 1980. A newer fire station is now at 64th Street and South Main Street. The date of construction of the subject property is not known, the appraisers requested the information of the Assessor's Office and they have nothing on the property. In approximately 1985-1986, the California Conservation Corps leased the subject property from the City of Los Angeles and is still the Lessee at the property.

On December 7, 2020, Joe J. Villegas, MAI met with Bruce Saito, Director of the California Conservation Corps from the Sacramento Office at the subject property, 4366 S. Main Street.

The appraiser toured the building starting with the Front Entry Recruitment Office. All the interior walls are lath and plaster, there are 3 work desks in this office with window air conditioning units. The flooring is vinyl tile and lighting is fluorescent ceiling mount fixtures.

The Vehicle Garage is to the east of the Recruitment Office. Vehicles are parked in the Garage along with lockers, the electric power cabinet, the computer closet (located under the stairwell) telephone equipment closet. The walls are painted, and the flooring is painted concrete, lighting is fluorescent ceiling mounted fixtures. The round circle hole for the fire pole still exists, but it has been sealed and painted to blend with the ceiling. The overhead door is 29 feet wide x 12 feet high. The Garage has a clear height of 14 feet.

The three sectional stairwell leads to the second floor. The walls are painted lath and plaster and there are rubberized red treads covering the steps. A Mars Air Door Unit is at the bottom of the stairs and a fireman's shoe brush cleaner sets at the lower landing. Lighting is fluorescent ceiling mount fixtures and wood handrail and metal pipe bannister.

There are two Main Hall Corridors on the second floor, the walls are painted lath and plaster, flooring is vinyl tile and lighting is ceiling mount fluorescent fixtures. The ceiling height in the hall is 9 ½ feet.

The first office on the west side is the Conservation Supervisor's private office with blue wall to wall carpet, and white plastic verticals on the windows. This office may have a private restroom with shower, the door was locked so the appraiser did not see it.

The Men's Restroom has blue floor tile, commode, wall mount wash basin, mirror, exhaust, paper holder. There is a pipe going through from the floor thru the ceiling next to the commode. This is a small restroom located between the Conservation Supervisor's Office and the CCC Director's Office.

Bruce Saito, CCC Director's Office and Duane Wilson, District Office has the southwest corner office of the building. The office has blue wall to wall carpet, a wall of built-in storage cabinets, white verticals at the windows, fluorescent lighting, and small window air conditioning. This office has a private restroom, tile flooring, wall mount wash basin, newer commercial toilet, and ceramic tiled shower with glass door enclosure.

Summary of Improvement Data

The Middle Corridor has a large Men's Restroom with tile flooring, ceramic tile wainscot, 2 urinals, 2 stalls with commodes (one is out of order) vinyl windows, there are no wash basins in this restroom.

Janitor Closet has supplies, pieces of old floor tile.

Water heater closet has exposed pipes, studs, concrete exterior walls are exposed, exposed lath work, and a newer strapped water heater at the rear of the closet.

The Shower room has ceramic tile, wainscot of ceramic tile and 3 ceramic shower stalls with glass shower door enclosures. There is also a Janitorial utility sink in the room. The room is used for storage, including the interior of the stall showers. There is one window in this room.

The Wash Basin Room has blue painted ceramic tile wainscot, 5 porcelain wash basins, granite style counter tops, large mirrors, and one window.

There is a small private office on the south side of the building that has access to the Computer Room. The office has wall to wall carpet, fluorescent light fixture, 2 work desks, one window and vinyl verticals at the window.

The Computer Lab has blue wall to wall carpet, fluorescent lighting, 4 windows, and is on the south side of the building. There is an instructor's desk and file cabinets at the rear of the room and 4 computer tables with 4 computers and chairs at each table. The room has a gas wall heater, white board and a passage door that has access to the Educational Lab to the north of Computer Lab.

The Educational Lab is located at the end of the Middle Corridor. The Classroom has wall to wall carpet. There are security grilles on the exterior of the window. There are fluorescent light fixtures. The room has 12 rectangular tables with 2 people each. At the end of the room is a round table that will offer 3 to four chairs. The room has 2 window air conditioning units, gas wall heater, and Instructor's desk at the front of the classroom along with wall mount TV. There is a Corps Mural on the wall and direct access to the Computer Lab.

North side Corridor from the Educational Lab has the Office Technician or OT Office. This room has file cabinets, a large built-in storage closet, blue wall to wall carpet, a window unit air conditioner, and fluorescent ceiling lighting fixtures.

The CMD Office is similar to the above. This office and the OT Office use electric space heaters for heat in cool weather.

Back to the first floor next to the stairwell to the 2nd floor is the Conservationist I Office, a fairly large office with blue painted security door. This office has 4 clerical desks and fax and copy equipment. The flooring has vinyl tile square floor tiles. Fluorescent lighting at the ceiling. There are no windows in this room.

There is a small Office Supply Room with dual door entry from the above office and appears to serve as a supply and breakroom for employees. There are no windows in this room and access is only from the Conservationist I Office.

Summary of Improvement Data

The Conference Room has green tile flooring, conference table; storage area at the east end for hard hats, etc., there is a TV, wall murals, fluorescent ceiling lighting and map of California. The Conference Room has two access passage doors, one at the west side of the room and one at the east side of the room. The Conference Room is located east of the stairwell area. There are no windows in this room.

Ladies Restroom: This restroom has newer ceramic tile flooring, janitorial sink, newer white Pullman with cultured marble wash basin, commercial commode, and mirrors. There is a 2nd area with commode only, grab bar, commercial toilet, partitioned wall with wash basin on the west wall, mirror and towel, soap dispensers.

In this area are coin operated Beverage and Snack machines.

Laundry: The laundry has Ice Maker, elec. Water heater, concrete floor, floor drain, and commercial washer and dryer. The room also has a small storage area for floor brooms, etc. There is an exterior door that allows access to the north side of the building.

Corps member Locker Room: This room is divided into use sections; At the east end of the room are Tool Caged Storage Bins, to the south of the room is the Tool Room. The north end of the room is partitioned off with two divided areas at the north end of the room, one is for storage of clothing and the second is paints, hard hats, etc. Presently there are 25 new enrollments.

Exterior: The exterior of the building is concrete. The parking lot has a drain in the concrete slab, controlled security gate, chain link fencing with razor wiring on top of the masonry fencing on the Southside of the parking lot. The waste Dumpster is in the parking lot. The appraiser counted 14 market parking spaces including one handicap space. There may have been more marked spaces but some of the area was covered with storage of chain-link sections.

The exterior stairwell to the rear first story is on the north side of the building with 24 steps to the top and more chain-link sections stored in the area. There is a built-in ladder to the second floor of the building. There is an alleyway behind the building. The drying tower for the hoses of the former fire station use is still intact on the exterior and is called the Spike Room.

The appraisers were told by Mr. Bruce Saito that the west section of the roof has been replaced recently. Mr. Saito also stated he did not know if the former underground fuel tank at the parking lot had been removed.

There are security bars on the first-floor windows. All the exterior windows are newer vinyl windows.

Description of the Improvements

Construction Type	Class C Masonry, heavy timber frame
Year Built/Renovated	Not Available
No. Stories	Two

Summary of Improvement Data	
Gross Building Area	12,132 SF
Electrical	Standard in working order. The appraisers noted in the 12/7/2020 inspection the installation of new ceiling lighting fixtures in the Garage Area.
Plumbing	Standard, Shower Room being used as storage room
HVAC	A/C window units, one dual gas heater, individual space heaters
Building Coverage	The building has 0.58% site coverage and has onsite parking.
Parking Lot/Loading	The Parking Lot area is located on the south side of the building and is 36 feet wide x 140 deep, it has 14 marked parking spaces with security-controlled driveway gate. The Garage has an overhead door that measures 29 feet wide x 12 feet high.
Condition of the Improvements	The subject property is in overall good condition.
Structural Integrity	The client did not furnish any engineering or inspection reports. As real estate appraisers, we are not construction experts; thus, the underlying integrity of structure cannot be determined in this appraisal
Functional Utility of the Improvements	Because of the significant floor area ratio 0.87% (FAR), we consider these improvements as an over-improvement for the lot area.

Photographs of the Subject Property Taken December 7, 2020



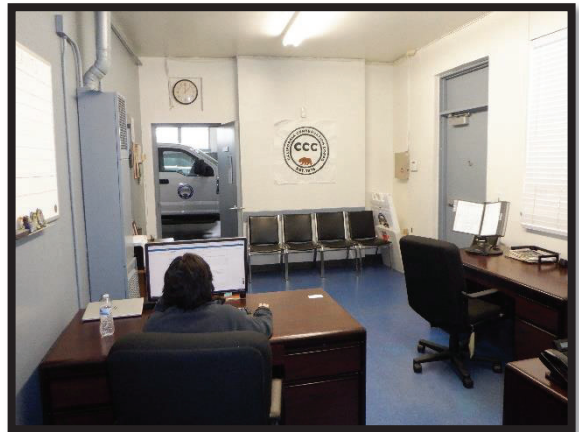
S. Main Street looking northerly



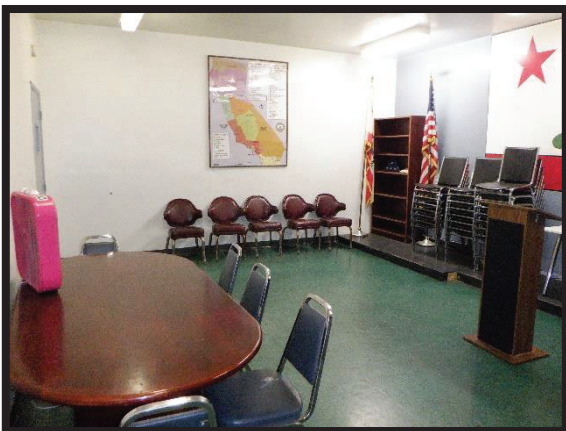
S. Main Street looking southerly



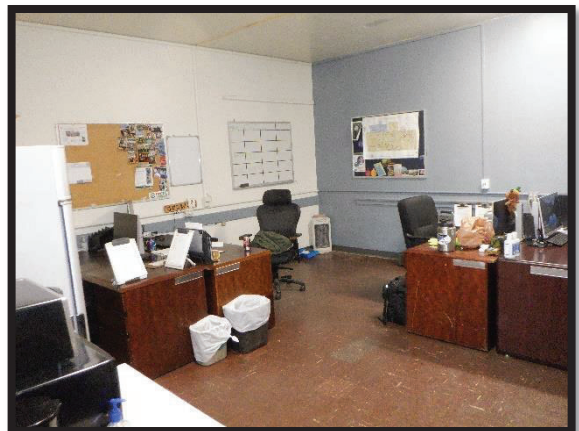
Front Elevation looking easterly



Front Entry Office



Alumni Office

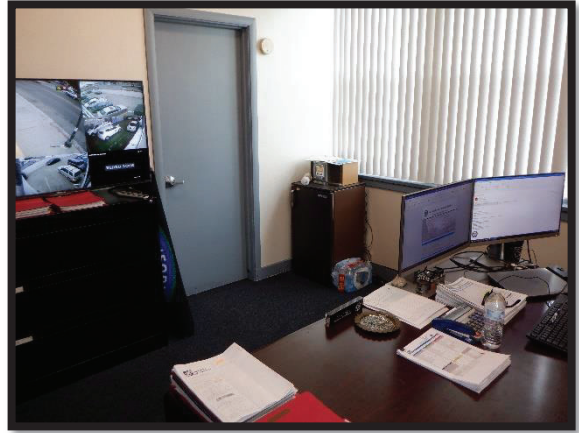


Dispatch Office

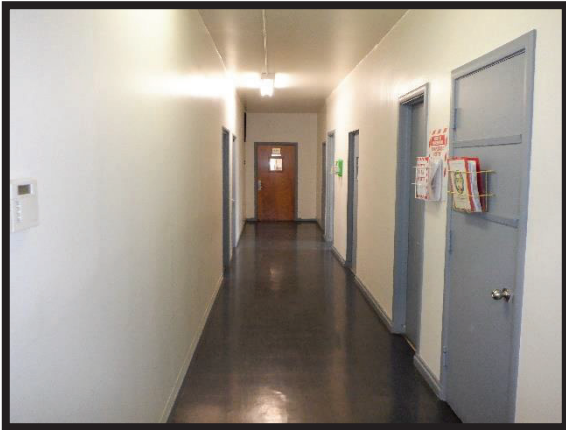
Photographs of the Subject Property – 2nd Floor



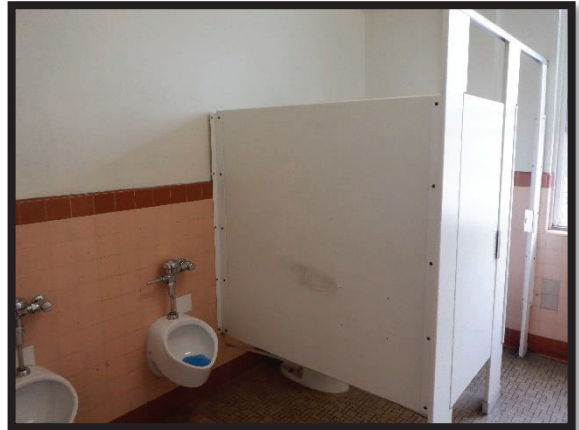
Private Office of the Director



Private Office of Conservation Office



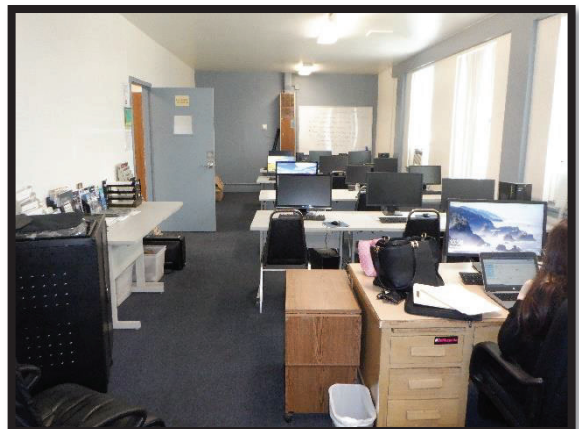
Main Corridor looking east



Men's Restroom Office



Hand Washing Room



Computer Lab

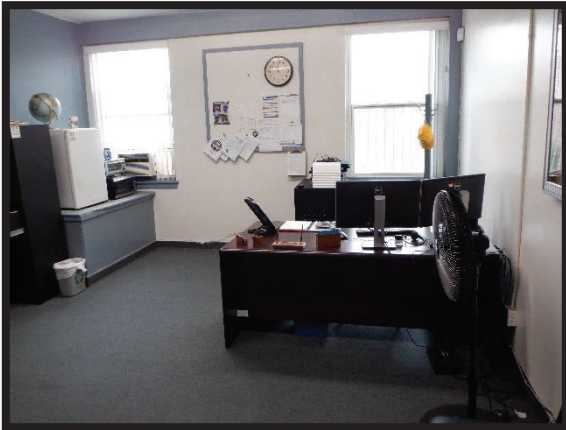
Photographs of the Subject Property – 2nd Floor



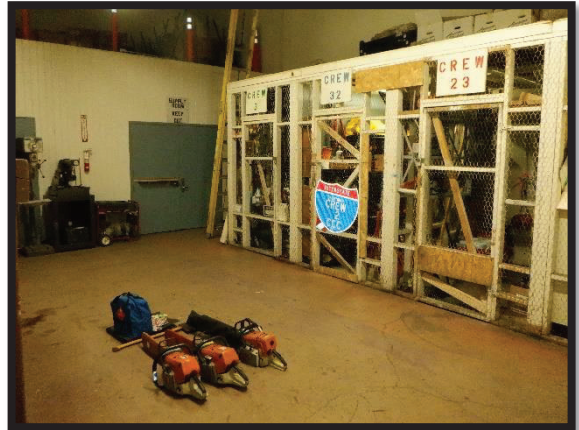
Classroom



Office of Technicians



CMB Office



Rear Ground Floor Equipment/Tool Cages

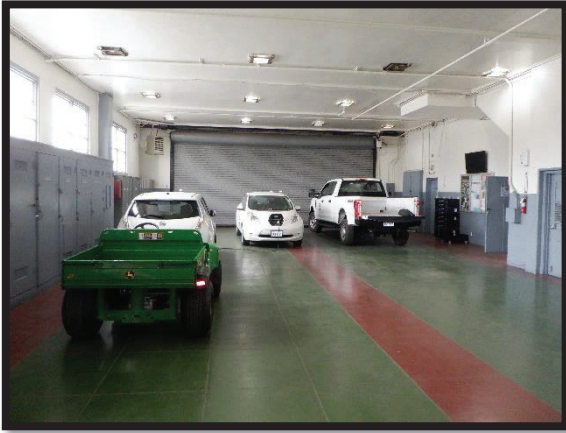


Rear Ground Floor Clothing Supply Room



Ground Floor Garage Area

Photographs of the Subject Property



Garage Area looking west with 2 elec. cars



Exterior subject parking lot/south of bldg.



Exterior parking looking east



Shop at southeast corner of bldg.



Ground Floor Laundry Rm.

Real Estate Taxes

Current property tax information is shown below.

APN	Tax Year	Assessed Value			Property Taxes		
		Land	Improvements	Total	Base Tax	Assessments	Total Taxes
5113-036-900	*2020/2021	\$25,483	\$0	\$25,483	\$0	\$0	\$0
	TOTALS	\$25,483	\$0	\$25,483	\$0	\$0	\$0

Tax Area 6659
 Tax Rate 1.20013%

The subject property is owned by the City of Los Angeles; therefore, it is exempt from real estate property taxes. No information is available as to the Tax Assessor’s valuation of the parcels.

According to California Proposition 13, real estate taxes in California are limited to 1.00% of assessed value plus limited amounts for bonded indebtedness. Properties are reassessed upon sale or transfer of over 50% of the ownership interest, and when significant remodeling or new construction is completed. The new assessed value would be based on the current market value of the property on the date of sale, which typically corresponds with the purchase price paid for the property, or on the date of reassessment.

Since the definition of value for this assignment assumes a sale of the property, our valuation analysis uses a property tax liability based on our appraised value estimate for the subject property as though a sale had occurred.

Our appraised value estimate of the subject is higher than the current assessed value due to improved market conditions since the date of acquisition.

Ownership History

The following table presents the current ownership and recent ownership history of the subject property.

Ownership History					
Transaction	Doc. No.	Grantee	Grantor	Date of Transfer	Sale Price
Grant Deed	N/A	City of Los Angeles, a municipal corporation	Arthur L. Heberer and Helen P. Heberer, husband and wife and Earl C. Broady, a married man as his separate property	1/28/1947	N/A

The fee title is The City of Los Angeles, a municipal corporation.

We are not aware of any other sales, listings, escrows or pending sales of the subject property during the past three years.

Highest and Best Use Analysis

When considering market value, the appraisal of real estate includes an analysis of highest and best use. Highest and Best Use is defined in The Dictionary of Real Estate Appraisal (Sixth Edition) as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and 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.

In estimating highest and best use, there are four criteria that must be analyzed:

Physically Possible: Use is restricted by the physical characteristics of the site. Characteristics include, but are not limited to: size, shape, terrain, soil composition, constraints to potential assemblage and accessibility of utilities.

Legally Permissible: The use of a site can be restricted by various building codes, environmental regulations, deed or lease restrictions, among other things.

Financially Feasible: When a use meets the first two criteria, it is analyzed further to see if it is likely to produce an income or return equal to or greater than the amount needed to satisfy operating expense and provide a return on capital investment.

Maximally Productive: This item refers to that use that produces the most probable price, or value.

The four criteria of the highest and best use, as mentioned above, provided a basis for analysis. To form an opinion of highest and best use as vacant, we considered the physical attributes of the subject property, its zoning, location, known governmental influences, and the uses of surrounding properties.

As IF Vacant

C-2-1VL Commercial Zone permits the following uses: C-1.5 uses such as retail, theaters, hotels, broadcasting studios, parking buildings, parks, playgrounds and R4 uses. C-2 Uses permits the following uses: retail with limited manufacturing, service stations and garages, retail centers, business, churches, schools, auto sales, and R4 uses.

The subject property represents a net land area of 14,000 square feet (0.32 acre) and is located on the east side of Main Street and north of Vernon Avenue. Based on the current C2-1VL zoning, the highest and best use of the subject site, on an as-is basis, would be for ground floor retail and second floor residential development use that would be conducive to mixed-use retail and residential uses in conformance with the provisions of the zoning code.

As Improved

The subject property is located within the greater "South Los Angeles District" market area of Los Angeles. There has been limited new development of mixed-use retail and residential uses in the neighborhood area of South Main Street and on Vernon Avenue. The area to the north of Vernon Avenue is within the path of development, but is still characterized by older retail, residential and industrial buildings (most industrial buildings are located around 36th Street). The subject was operating as Fire Station #22 until 1980 and is now leased to the California Conservation Corp. Due to the subject property ceasing operations as a Fire Station several years ago, a newer Fire Station #33 was built at Main Street and 64th Street.

The building appeared to be in good condition based on our site visit. There is a significantly high floor area ratio of 0.87 which suggest that the subject improvements are an over-improvement for the existing lot size.

Thus, the highest and best use as improved is an interim use until it is feasible to remodel the existing improvements to a mixed-use retail/residential use.

Valuation Techniques and Methodology

Three approaches to value form the foundation for current appraisal theory. These approaches are Cost Approach, Sales Comparison Approach, and Income Capitalization Approach.

Cost Approach

This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility. It is particularly applicable when the subject property involves relatively new improvements that represent the Highest and Best Use of the land, or when relatively unique or specialized improvements are located on the site for which there exist no comparable properties in the market.

Sales Comparison Approach

This is an appraisal procedure in which the market value estimate is predicated upon prices paid in actual market transactions and current listings. The former fixes the lower limit of value in a static or advancing market (pricewise) and fixes the higher limit of value in a declining market. The latter fixes the high limit in any market. It is a process of analyzing sales of similar, recently sold properties in order to derive an indication of the most probable sales price of the property being appraised.

The reliability of this technique is dependent upon:

1. The availability of comparable sales data;
2. The verification of the sales data; and,
3. The degree of comparability or extent of adjustment necessary for time differences affecting the sales price.

Income Capitalization Approach

This approach is widely applied in appraising income-producing properties and ground leased land. Anticipated present and future income, as well as any future reversions, is discounted to the present value through a Discount Cash Flow Analysis.

Valuation Methodology Used in This Assignment

Our valuation of the subject property includes the following analyses:

- **Cost Approach Valuation**
- **Sales Comparison Approach Valuation**

Significant valuation issues we addressed are cited below:

As discussed previously, the current/ongoing Covid-19 global pandemic is having reported impact on financing rates/lender spreads, lowered loan-to-value (LTV) ratios, landlord and tenant cash flows, etc. Given the rapidity of events related to the pandemic that have affected real estate sales, the present risks (as of the effective date of value) appear to be financing related and broad uncertainty in global/national/local economics in the near term. This being the case, price/value discounting for the subject is prudent.

Cost Approach

The **Cost Approach** is based on the economic principle of substitution. A cornerstone of this valuation approach is the premise that an informed buyer would not pay more for a property than the cost of acquiring a comparable vacant site and constructing an improvement program of similar utility.

The fundamental steps of the Cost Approach are outlined below:

1. Estimate the value of the site assumed vacant and available for development to its Highest and Best use.
2. Estimate the total reproduction or replacement costs associated with the improvement program. These costs include direct or hard costs such as building materials and labor, as well as indirect or soft costs such as financing charges, real estate taxes during construction, professional fees, carrying charges, etc. Reproduction costs are used when it is necessary to estimate the costs to exactly replicate a building in every detail. Typically, a replacement cost estimate is more appropriate and useful. The replacement cost estimate is based on the expense associated with developing a similar building of equal utility and function.
3. Estimate an appropriate level of entrepreneurial profit. This cost reflects the required return to the developer for assuming the time, coordination, and risk associated with project development. This cost is distinct from contractor's profit and overhead which is incorporated as a direct cost.
4. Add together the total construction costs (i.e.-direct costs, indirect costs, and entrepreneurial profit) associated with development.
5. Subtract any observed levels of depreciation impacting the subject property. Depreciation may stem from physical deterioration, functional obsolescence, or economic obsolescence. The total construction cost adjusted for accrued depreciation yields the Replacement or Reproduction Cost less Depreciation.
6. Add the total depreciated improvement value to the estimated land value to derive the value indicated by the Cost Approach.

In this assignment the Cost Approach is **applicable** for the following reasons: The subject property is a viable as a potential retail/residential use. The site improvements pertain to realty.

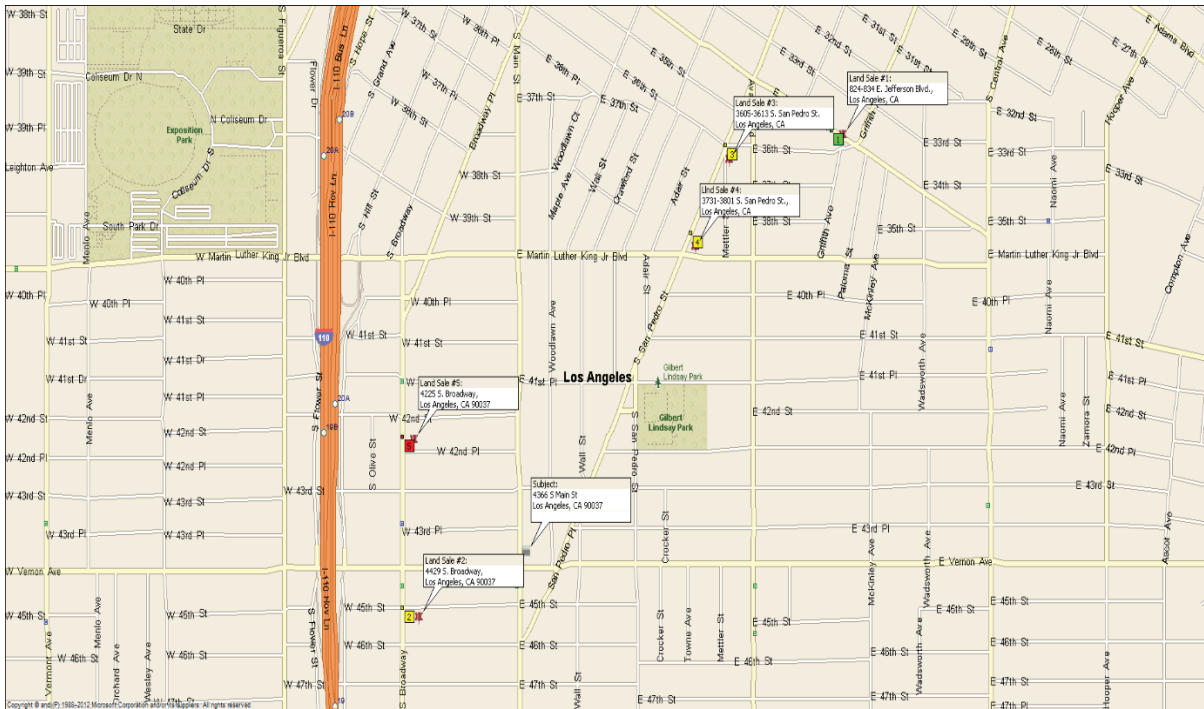
Land Valuation

Our **Land Valuation** analysis uses the Sales Comparison Approach which is a method of valuation that compares prices paid for similar properties in an open and free marketplace.

We surveyed the market in the subject area in order to locate comparable sales of similar sites which would aid in forming an opinion of land value for the subject property. Our search parameters are summarized below.

Primary Search Parameters for Sale Comparables	
Location	South Los Angeles
Sale Date	January 2019 to December 2020
Property Type	10,000 to 25,000 SF of Commercial Land
Method of Analysis	
Price Per SF	Our research indicated most investors analyze land sale comparables on this basis.

LAND SALES MAP



SUMMARY OF EFFECTIVELY VACANT LAND SALES

ITEM	STREET ADDRESS			SALE DATE	ZONE	CASH EQV. PRICE	
	CITY	STATE	ZIP	DOCUMENT NO.	SQUARE FEET	PRICE PSF	
	ASSESSOR'S PARCEL NUMBER			BUYER	ACRES		
				SELLER	TIER NO.		

COMMERCIAL SITES

1	824-834 E. Jefferson Blvd.			January 14, 2020	CM-1	\$	1,450,000
	Los Angeles, CA 90011			1272127	17,206	\$	84.27
	5121-003-007, 008 & 009			Wellnest Emotional Health & Wellness	0.39		
				January 2 Property, Inc.	1.0		
2	4429 S. Broadway			January 7, 2020	C2-2D	\$	2,000,000
	Los Angeles, CA 90037			19521	19,458	\$	102.79
	5110-003-021 & 028			45th & Broadway, LLC	0.45		
				People Coordinated Services of So. Ca	3.0		
3	3605-3613 S. San Pedro St.			October 31, 2019	C2-1	\$	1,126,500
	Los Angeles, CA 90011			1173815	10,934	\$	103.03
	5121-012-003			J&E 26 Properties, LLC	0.25		
				3605 San Pedro LLC	1.0		
4	3731-3801 S. San Pedro St.			August 15, 2019	C2-1	\$	1,260,000
	Los Angeles, CA 90011			818367	12,001	\$	104.99
	5121-013-005 & 006			J&E 26 Properties, LLC	0.28		
				3605 San Pedro LLC	1.0		
5	4225 S. Broadway			July 12, 2019	C2-1	\$	1,450,000
	Los Angeles, CA 90037			679537	12,632	\$	114.79
	5111-007-029			4225 S. Broadway Ptrns. LLC	0.29		
				Fatram Norman & Frenciell Bell	3.0		

Photographs of Comparable Sales



Sale Number One



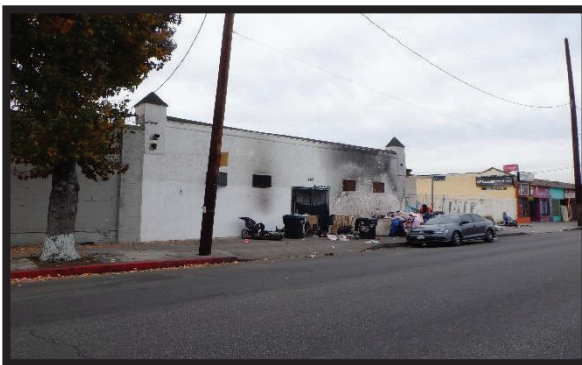
Sale Number Two



Sale Number Three



Sale Number Four

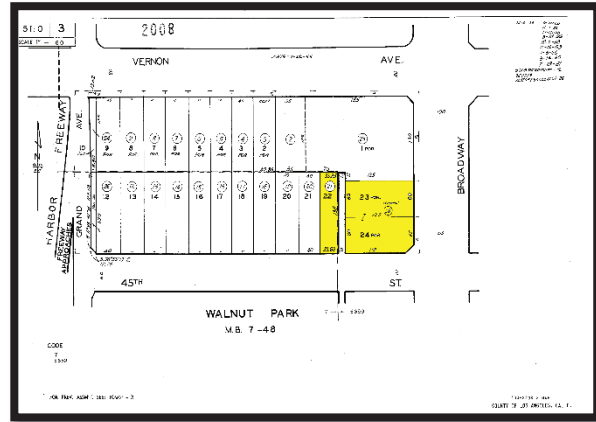


Sale Number Five

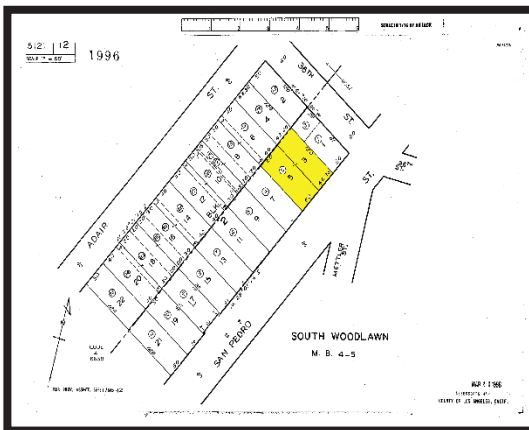
Plats of Comparable Land Sales



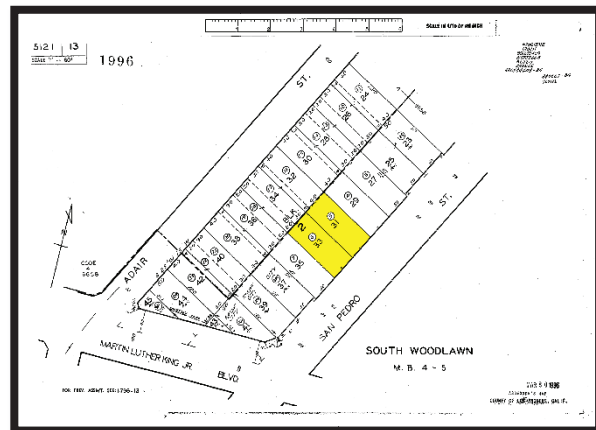
Sale Number One



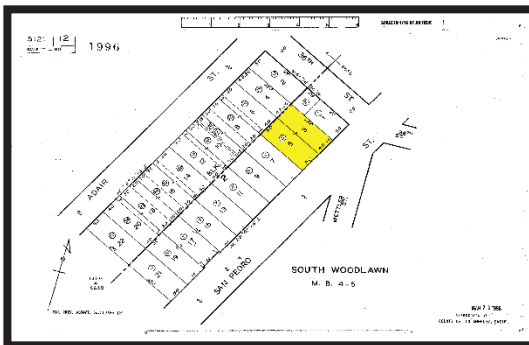
Sale Number Two



Sale Number Three



Sale Number Four



Sale Number Five

Discussion of Land Sales

This analysis identifies the similarities and differences between subject and comparable properties. The primary elements of comparison include property rights, financing terms, conditions of sale (motivation), market conditions (sale date), and physical characteristics (e.g. zoning, utilities, site improvements, location, access, etc.).

The common quantitative adjustment process involves paired sales analysis that compares two or more market sales to derive an indication of the size of the adjustment for a single characteristic and applies it to the applicable data. Recognizing the weaknesses inherent in a quantitative analysis, a qualitative technique can be used. More specifically, a ranking or bracketing analysis may be employed. The comparables are then analyzed to determine the relative position of the subject property within the comparable data array. The subject comparable sales are analyzed on a quantitative basis. A table of the comparables and a discussion of the comparable sales and comparisons to the subject are presented on the following pages.

Market Conditions (Time)

To derive an estimate for time, the appraisers used Costar Comps of downtown improved sales data to support a time adjustment. The statistical data is shown on the following table.

Overview

Downtown Los Angeles Retail			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
0	(181 K)	6.1%	-2.6%

Conditions in the Downtown Los Angeles Submarket will likely weaken further in the near term with respect to occupancies, rent growth, and transaction volume/pricing as a result of the coronavirus pandemic. Among the major property types, retail is especially exposed to the phenomenon's negative economic impacts. Additionally, the path forward for the economy remains uncertain.

Even pre-pandemic, vacancies in the submarket were above the metro for years. The area has seen many

high-profile restaurants and retailers come to the area in recent years, but that has not translated into superior occupancies. Rental rates, which had increased for eight consecutive quarters, started to decline in 20Q2.

The submarket does have several major retail projects under construction, but two of three have run into troubles that have resulted in delays. Sales activity has been modest for years, and many transactions are purchased for redevelopment strategies.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	827,242	5.9%	\$48.97	5.9%	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	1,605,872	9.6%	\$39.26	9.5%	4,856	0	0
Strip Center	291,165	1.3%	\$30.43	0.6%	433	0	0
General Retail	13,918,254	6.0%	\$34.23	9.6%	(22,515)	0	329,192
Other	650,000	1.7%	\$20.97	2.1%	(955)	0	0
Submarket	17,292,533	6.1%	\$34.82	9.0%	(18,181)	0	329,192
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.0%	4.8%	6.9%	10.4%	2015 Q4	2.5%	2007 Q1
Net Absorption SF	(181 K)	52,182	1,614	1,088,516	2008 Q4	(568,501)	2016 Q3
Deliveries SF	0	186,263	94,676	1,279,510	2008 Q4	0	2020 Q3
Rent Growth	-2.6%	1.3%	1.6%	5.2%	2007 Q2	-4.7%	2009 Q4
Sales Volume	\$22.4 M	\$137.1M	N/A	\$392.7M	2015 Q4	\$14.5M	2010 Q2

According to Costar Comps survey rental rates which had increased for eight consecutive quarters started to decline in the 2nd quarter of 2020 due to the COVID19 virus and suggests a negative growth rate of -2.6% in the last 12 months. It is our opinion that prices have not seen an increase in the last 12 months. Therefore, a downward time adjustment is warranted for those sales that closed prior to the 2nd quarter of 2020.

Expenditures after Sale:

An adjustment to a sale property is required when a buyer anticipates a particular expenditure that he/she will have to expend shortly after purchasing a property; the price paid by a knowledgeable buyer considers any required expenditures. Such expenditures may include (1) the cost to demolish an existing structure when an improved site is purchased for redevelopment, (2) the cost to remediate known environmental contamination, (3) the cost to cure deferred maintenance at a building, or (4) or similar costs that a buyer anticipates making upon purchase of a property.

Sale No. 1 is located on along the south side of Jefferson Blvd. west of 36th Street. The buyer demolished the single-family residence and intends to construct multi-family apartments. There were no approved entitlements at the time of sale. This comparable is within a Tier 1 site development criteria and is rated inferior to the subject's Tier 3. The onsite improvements are inferior to the subject older single-family residence in poor condition relative to expenditures after purchase (demolition). After consideration of all factors, the net adjustment to this comparable was upward.

Sale No. 2 is located on the northwest corner of 45th Street and Broadway. The buyer plans to demolish the asphalt paving and intends to construct affordable multi-family apartments. There were no approved entitlements at the time of sale. This comparable is within a Tier 3 site development criteria and is rated similar to the subject's Tier 3. The onsite improvements are inferior to the subject asphalt paving relative to expenditures after purchase (demolition). The corner access is rated superior to the subject. After consideration of all factors, the net adjustment to this comparable was downward.

Sale No. 3 is located on along the west side of San Pedro Street south of 36th Street. The buyer plans to demolish the single-family residence and intends to construct multi-family apartments. There were no approved entitlements at the time of sale. This comparable is within a Tier 1 site development criteria and is rated inferior to the subject's Tier 3. The onsite improvements are inferior to the subject older single-family residence in poor condition and asphalt paving relative to expenditures after purchase (demolition). After consideration of all factors, the net adjustment to this comparable was upward.

Sale No. 4 is located on along the west side of San Pedro Street south of 36th Street. The buyer plans to demolish the single-family residence and intends to construct 30 to 40 multi-family apartments. There were no approved entitlements at the time of sale. This comparable is within a Tier 1 site development criteria and is rated inferior to the subject's Tier 3. The onsite improvements are inferior to the subject older single-family residence in poor condition and asphalt paving relative to

expenditures after purchase (demolition). After consideration of all factors, the net adjustment to this comparable was upward.

Sale No. 5 is located on along the west side of Broadway south of 42nd Street. The buyer plans to demolish the vacant fire damaged church building and intends to construct affordable multi-family apartments. There were no approved entitlements at the time of sale. This comparable is within a Tier 3 site development criteria and is rated similar to the subject's Tier 3. The onsite improvements are inferior to the subject older fire damaged church building in poor condition and asphalt paving relative to expenditures after purchase (demolition). After consideration of all factors, the net adjustment to this comparable was upward.

An adjustment grid is presented on the following page.

ADJUSTMENT OF COMPARABLE LAND DATA

	SUBJECT	One	Two	Three	Four	Five
Sale Price	N/A	\$1,450,000	\$2,000,000	\$1,126,500	\$1,260,000	\$1,450,000
Site Size (sf)	14,000	17,206	19,458	10,934	12,001	12,632
Acres	0.32	0.39	0.45	0.25	0.28	0.29
\$ psf	N/A	\$84.27	\$102.79	\$103.03	\$104.99	\$114.79
Rights Conveyed	Fee Simple	0%	0%	0%	0%	0%
Adjusted \$ psf	N/A	\$84.27	\$102.79	\$103.03	\$104.99	\$114.79
Financing Terms	Conventional	0%	0%	0%	0%	0%
Condition of Sale	Conventional	0%	0%	0%	0%	0%
Adjusted \$ psf	N/A	\$84.27	\$102.79	\$103.03	\$104.99	\$114.79
Date	December-20	-2.40%	-2.50%	-2.90%	-3.50%	-3.70%
Adjusted \$ psf	N/A	\$82.25	\$100.22	\$100.04	\$101.32	\$110.54
General Location	South Los Angeles	0%	0%	0.0%	0.0%	0%
Specific Location	Main St., No. of Vernon	0%	0%	0%	0%	0%
Site Condition	Finished Lot	6%	4%	2%	4%	5%
Site Shape	Rectangular	0%	0%	0%	0%	0%
Topography	Essentially Level	0%	0%	0%	0%	0%
Utility Status	Power, Sewer & Water	0%	0%	0%	0%	0%
Zone/Tier	C2-1VL/Tier 3	5%	0%	5%	5%	0%
Access	Interior	0%	-5%	0%	0%	0%
Entitlements	None	0%	0%	0%	0%	0%
Site Size (sf)	14,000	0%	0%	0%	0%	0%
Subtotal of Adjustments	COMMERCIAL	11%	-1%	7%	9.00%	5.00%
FINAL INDICATORS	Adjusted \$ psf	\$91.30	\$99.21	\$107.04	\$110.44	\$116.07

The sales reflected an unadjusted unit range of \$84.27 to \$114.79 per square foot of underlying land area. After adjustments, the adjusted range of unit prices was \$91.30 to \$116.07 per square foot of land area.

Sales 1 and 2 were given the most weight due to their most recent sales and close proximity to the subject property, ranging from \$91.30 to \$99.21 per square foot of land area. Thus, it is our opinion that a reasonable unit price for the subject property, based on underlying land area, as of December 7, 2020, would be **\$95.00 to \$100.00** per square foot. In our opinion, the upper end of the range is reasonable and appropriate.

<u>Site Size (SF)</u>	x	<u>Unit Value</u>	=	<u>Market Value</u>
14,000.00	x	\$95	=	\$1,330,000
14,000.00	x	\$100		\$1,400,000
Market Land Value (Rounded) =				<u>\$1,350,000</u>

Covid-19 Market Impact

As discussed previously, the current/ongoing Covid-19 global pandemic is having reported impact on financing rates/lender spreads, lowered loan-to-value (LTV) ratios, landlord and tenant cash flows, etc. Given the rapidity of events related to the pandemic that have affected real estate sales, the present risks (as of the effective date of value) appear to be financing related and broad uncertainty in global/national/local economics in the near term. This being the case, price/value discounting for the subject is prudent.

Based on published information on the virus impacts available to us and our discussions with industry professionals, it is considered that an applied 5% risk discount for the subject is warranted and prudent. This being the case, an adjusted value for the subject that considers this nominal risk discount is estimated as \$1,350,000 X .95 = \$1,282,500.

Cost Data

The analysis of the subject development via the Cost Approach has been undertaken utilizing a study based on cost data published by Marshall & Swift Valuation Service.

The replacement cost and physical depreciation estimates presented are based on cost data from Marshall & Swift, a national cost estimating service, together with other cost data maintained in our files. These costs include direct costs, overhead, and contractor's profit.

The cost factors from the Marshall Valuation Service of Marshall & Swift are based on a survey of actual, final costs to the owner. These costs include the following:

1. Architect's and Engineer's fees, which in turn includes plans, plan check, building permits, and surveys to establish building lines and grades.
2. Normal interest on building funds during the period of construction. These financing costs have been extrapolated and deducted from the base cost factor used in our analysis. They are added back in as separate items for explanatory purposes.
3. Sales taxes on materials.
4. Normal site preparation including excavation for foundation and backfill.
5. Utilities from structure to lot line (figured for typical setback).
6. Contractor's overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, etc.

A detailed breakdown of the direct and indirect costs applied in the Cost Approach via Marshall & Swift is provided on the following page.

SUMMARY OF COST APPROACH ANALYSIS**ESTIMATION OF DIRECT COSTS**

Component	Sq. Ft.			\$/Sq. Ft.		
Building Improvements	12,132	x	\$	92.00	=	\$ 1,116,144
Site Improvements	4,788	x	\$	7.00	=	\$ 33,516

TOTAL DIRECT COSTS						(91%) \$ 1,149,660
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ESTIMATION OF INDIRECT COSTS*Financing Cost During Construction*

Loan Amount	\$	1,149,660				
Construction Period (months)		12				
Average Outstanding Balance		65%				
Interest Rate		5.00%				
Total Interest Payment					\$	37,364

<i>Points to Secure Financing</i>		0.00%			\$	-
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Lease-Up Costs

Rentable Area		12,132				
Average Market Rent psf	\$	-				
Typical Lease Term (months)		60				
Broker's Fee		0.00%				
Total Lease-Up Cost					\$	-

<i>Contingencies (change orders, etc.)</i>		5.00%			\$	57,483
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Real Estate Taxes During Construction

Land Value	\$	1,282,500				
Construction Period (months)		12				
Tax Rate		1.200129%			\$	15,392

TOTAL INDIRECT COSTS						(9%) \$ 110,239
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TOTAL COST NEW PRIOR TO DEVELOPER'S PROFIT						(100%) \$ 1,259,899
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PLUS DEVELOPER'S PROFIT		10%	=		\$	125,990
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TOTAL COST NEW INCLUDING DEVELOPER'S PROFIT						\$ 1,385,888
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LESS ACCUMULATED DEPRECIATION

Effective Age	20 Years
Economic Life	40 Years

Physical	50%	=	\$	692,944		
Functional	0%	=	\$	-		
Economic	0%	=	\$	-		\$ 692,944

ESTIMATED REMAINING IMPROVEMENT VALUE					\$	692,944
---------------------------------------	--	--	--	--	----	---------

PLUS LAND VALUE					\$	1,282,500
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INDICATED COST APPROACH SUMMARY						\$ 1,975,444
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ROUNDED						\$ 1,975,000
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The base factor utilized in our analysis is based on Marshall & Swift's category for Class-C block construction fire station (volunteer cost) property.

Physical depreciation is calculated based on the effective age/life method as follows:

Effective age divided by estimated economic life equals depreciation percentage. The subject property's effective age is approximately 20 years. Therefore, the amount of depreciation is estimated at 50%.

Functional Obsolescence stems from features intrinsic to the subject property such as poor design features, building inadequacies, or features of the property that are deemed super-adequate. The subject improvements as designed do not reflect Functional Obsolescence. However, they are considered as an over-improvement for the site.

Economic Obsolescence is loss in value stemming from sources outside the subject property such as changes in surrounding uses, declination in market conditions, or offensive byproducts or pollution emanating from nearby uses. There are no external surrounding uses that reflect External Obsolescence.

Developer's profit is the economic return required by a developer as compensation for taking on the entrepreneurial risk of development. Developers typically calculate profit based on any of the following relationships: As a proportion of direct costs; as a proportion of direct plus indirect costs; as a proportion of direct, indirect and land costs; and finally, as a proportion of the total value of the project. The same dollar value of profit could result in a wide range of proportions due to differing basis of comparison. A survey of developers for properties similar to the subject in its general area indicated that profit is typically calculated as a percentage of total direct and indirect costs. This survey dictated a typical required profit of 10% to 20% of that base. This method of calculation has been used in our Cost Approach analysis, assuming a 10% required profit.

Conclusion of Market Value – Cost Approach

Therefore, in our opinion the **Market Value** of the **Fee Simple Interest** in the subject property, as of our effective date of value, is rounded to **\$1,975,000**.

SALES COMPARISON APPROACH

The Sales Comparison Approach is a method of valuation that compares prices paid for similar properties in an open and free marketplace. A survey of the market in the subject area was made in an effort to locate comparable sales of similar properties, which would aid in forming an opinion of the value for the subject property.

Of the sales data discovered and investigated, the data presented are considered the most pertinent and most defensible since they represent transactions that have recently taken place among purchasers who could have considered the subject if it were available in the marketplace.

Our research parameters are summarized below.

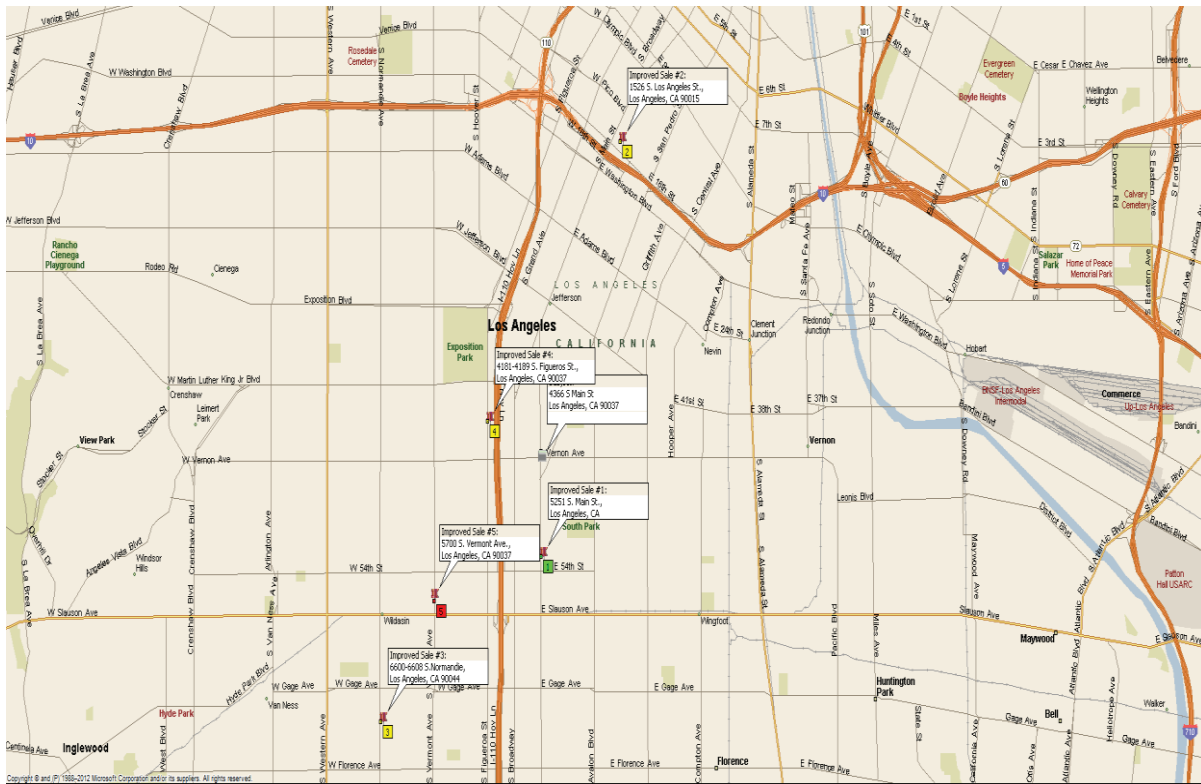
SALE COMPARABLES PRIMARY SEARCH PARAMETERS	
Location	Surrounding areas
Sale Date	1 st Quarter 2019 to present
Property Type	Retail/residential Building sales from 5,000 SF to 15,000 SF with high floor area ratios (FAR)
Method of Analysis	
Price Per Sq. Ft.	Our research in the marketplace indicated that most investors would analyze sales comparables on this basis.

Comments Regarding Search for Comparable Sales

An extensive search was made for recent sales of improved retail/residential building sales within the surrounding areas. Based on our search, we were able to uncover several closed sales transactions to compare to the subject property.

The analysis that follows relies on a detailed discussion of specific strengths and weaknesses observed among the data items, with individual adjustments applied in the form of an adjustment matrix. Subsequent to the presentation of data, further comments relating to our analysis and valuation are provided.

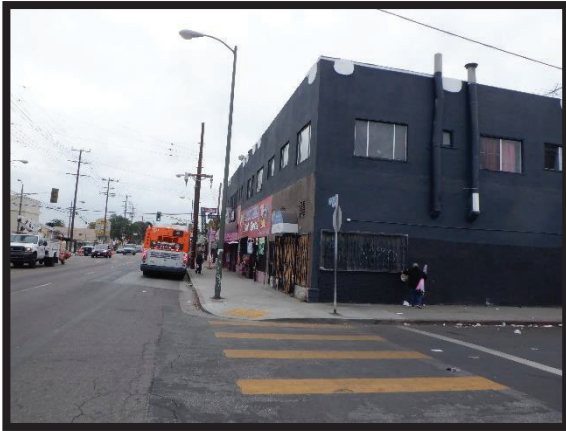
MAP OF COMPARABLE SALES



COMPARABLE SALES DATA

Item	PROPERTY NAME	SALE DATE	BUILDING GROSS	YEAR BUILT	CASH EQV. PRICE	OAR
	STREET ADDRESS	DOCUMENT NO.	LAND AREA	PKG. (per 1,000)	Price psf (Bldg)	NOI psf
	CITY STATE ZIP	BUYER	FAR	ZONING	Price psf (Land)	
	APN	SELLER				
1	Retail/Residential	December 9, 2019	12,384	1911	\$2,150,000	N/A
	5251 S. Main St.	1360136	14,275	0.81	\$173.61	N/A
	Los Angeles, CA 90037	5251 Main LLC	0.87	C2	\$150.61	
	5110-031-020	Michael A. Oronoz				
2	Free Standing Retail	August 26, 2019	12,000	1952	\$3,200,000	N/A
	1526 S. Los Angeles St.	858734	13,939	1.00	\$266.67	N/A
	Los Angeles, CA 90015	Ali Ghacham	0.86	M2-2D	\$229.57	
	5133-015-001	Martri Properties LLC				
3	Retail/Residential	August 6, 2019	10,636	1948	\$2,126,000	N/A
	6600-6608 S. Normandie	778708	9,148	0.75	\$199.89	N/A
	Los Angeles, CA 90044	4-1 St. Properties, LLC	1.16	C2	\$232.40	
	5122-004-025	6600 Normandie LLC				
4	Retail/Residential	March 28, 2019	11,076	1922	\$2,545,000	4.50%
	4181-4189 S. Figueroa St.	258863	13,068	0.90	\$229.78	\$10.34
	Los Angeles, CA 90037	2525 Hyperion LLC	0.85	C2-1	\$194.75	
	519-018-026	42nd & Figueroa LLC				
5	Bank Building	March 13, 2019	11,352	1971	\$2,950,000	N/A
	5700 S. Vermont Ave.	225016	43,560	2.91	\$259.87	N/A
	Los Angeles, CA 90037	JWR Living Trust	0.26	C2	\$67.72	
	5001-013-031, 032, 033	PI Properties No. 140, LLC				

Photographs of Comparable Sales



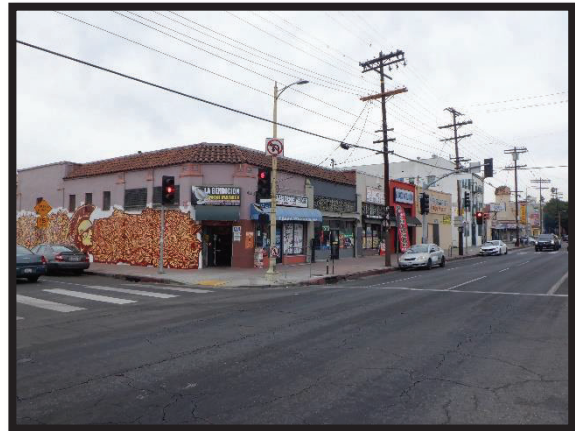
Sale Number One



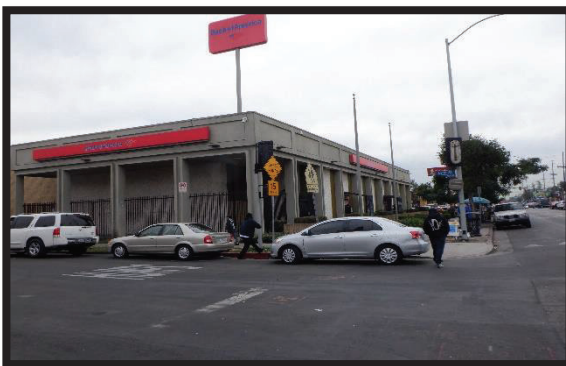
Sale Number Two



Sale Number Three



Sale Number Four



Sale Number Five

ADJUSTMENT OF COMPARABLE BUILDING DATA

	SUBJECT	ONE	TWO	THREE	FOUR	FIVE
Sale Price	N/A	\$2,150,000	\$3,200,000	\$2,126,000	\$2,545,000	\$2,950,000
Building Area (sf)	12,132	12,384	12,000	10,636	11,076	11,352
\$ psf	N/A	\$173.61	\$266.67	\$199.89	\$229.78	\$259.87
Rights Conveyed	Fee Simple	0%	0%	0%	0%	0%
Adjusted \$ psf	N/A	\$173.61	\$266.67	\$199.89	\$229.78	\$259.87
Financing Terms	Conventional	0%	0%	0%	0%	0%
Condition of Sale	Conventional	0%	0%	0%	0%	0%
Adjusted \$ psf	N/A	\$173.61	\$266.67	\$199.89	\$229.78	\$259.87
Date	December-20	-2.6%	-3.4%	-3.5%	-4.5%	-4.5%
Adjusted \$ psf	N/A	\$169.10	\$257.60	\$192.89	\$219.44	\$248.17
General Location	South Los Angeles	0%	0%	0%	0%	0%
Specific Location	Main Street	0%	-20%	0%	0%	0%
Building Area (sf)	12,132	0%	0%	0%	0%	0%
Quality	Average	0%	0%	0%	0%	-20%
Condition	Good	5%	5%	0%	5%	-5%
Age	1950's	0%	0%	0%	0%	0%
FAR	0.87	0%	0%	3%	0%	-3%
Parking (stall/1,000 sf)	1.15:1,000	2%	0%	2%	2%	-2%
Deferred Maint.	None	0%	0%	0%	0%	0%
Subtotal of Adjustments	N/A	7%	-15%	5%	7%	-30%
FINAL INDICATORS						
Adjusted \$ psf	N/A	\$180.93	\$218.96	\$202.54	\$234.80	\$173.72
Total % Adjustment	N/A	4%	-18%	1%	2%	-33%

General Comments Regarding Adjustments

As previously discussed, adjustments have been made for features of comparison deemed most relevant given the nature of the subject property and the marketplace in which it is located. The adjustments applied are not necessarily representative of paired-data analyses and are not intended to be precise of *absolute* context. Rather, they are intended to offer general insight with regard to the order of magnitude afforded each of the adjustment categories, as determined by the appraisers by virtue of our investigations into the subject marketplace.

Market Conditions (Time)

To derive an estimate for time, the appraisers used Costar Comps of downtown improved sales data to support a time adjustment. The statistical data is shown on the following table.

Overview

Downtown Los Angeles Retail			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
0	(181 K)	6.1%	-2.6%

Conditions in the Downtown Los Angeles Submarket will likely weaken further in the near term with respect to occupancies, rent growth, and transaction volume/pricing as a result of the coronavirus pandemic. Among the major property types, retail is especially exposed to the phenomenon's negative economic impacts. Additionally, the path forward for the economy remains uncertain.

Even pre-pandemic, vacancies in the submarket were above the metro for years. The area has seen many

high-profile restaurants and retailers come to the area in recent years, but that has not translated into superior occupancies. Rental rates, which had increased for eight consecutive quarters, started to decline in 20Q2.

The submarket does have several major retail projects under construction, but two of three have run into troubles that have resulted in delays. Sales activity has been modest for years, and many transactions are purchased for redevelopment strategies.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	827,242	5.9%	\$48.97	5.9%	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	1,605,872	9.6%	\$39.26	9.5%	4,856	0	0
Strip Center	291,165	1.3%	\$30.43	0.6%	433	0	0
General Retail	13,918,254	6.0%	\$34.23	9.6%	(22,515)	0	329,192
Other	650,000	1.7%	\$20.97	2.1%	(955)	0	0
Submarket	17,292,533	6.1%	\$34.82	9.0%	(18,181)	0	329,192
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.0%	4.8%	6.9%	10.4%	2015 Q4	2.5%	2007 Q1
Net Absorption SF	(181 K)	52,182	1,614	1,088,516	2008 Q4	(568,501)	2016 Q3
Deliveries SF	0	186,263	94,676	1,279,510	2008 Q4	0	2020 Q3
Rent Growth	-2.6%	1.3%	1.6%	5.2%	2007 Q2	-4.7%	2009 Q4
Sales Volume	\$22.4 M	\$137.1M	N/A	\$392.7M	2015 Q4	\$14.5M	2010 Q2

According to Costar Comps survey rental rates which had increased for eight consecutive quarters started to decline in the 2nd quarter of 2020 due to the COVID19 virus and suggests a negative growth rate of -2.6% in the last 12 months. It is our opinion that prices have not seen an increase in the last 12 months. Therefore, a downward time adjustment is warranted for those sales that closed prior to the 2nd quarter of 2020.

Discussion of Comparable Sales

- **Comparable Sale Number One** – According to public record, Costar and our drive-by inspection, the quality of the improvements are average. The improvements are in fair condition and suggest an upward adjustment. The property was not exposed to the market and was an off-market transaction. An initial downward adjustment was applied for the pre-Covid-19 sale. The comp is considered inferior to the subject property for its lesser parking ratio.
- **Comparable Sale Number Two** – According to Ali Ghacham, buyer, Costar and our drive-by inspection, the quality of the improvements are average. The improvements are in average condition and suggest an upward adjustment. The property was not exposed to the market; however, the buyer reported a market sale transaction. An initial downward adjustment was applied for the pre-Covid-19 sale. The comp is considered superior to the subject property for its South Park specific location.
- **Comparable Sale Number Three** – According to Shawn Mehran, listing agent, Costar and our drive-by inspection, the quality of the improvements are average. The improvements are in good condition and rated similar to the subject. The property was exposed to the market for 251 days and reported as a market sale transaction. An initial downward adjustment was applied for the pre-Covid-19 sale. The comp is considered inferior to the subject property for its lesser parking ratio and inferior floor area ratio.
- **Comparable Sale Number Four** According to David Yashar, listing agent, Costar and our drive-by inspection, the quality of the improvements are average. The improvements are in average condition and suggest an upward adjustment. The property was exposed to the market for 72 days and reported as a market sale transaction. An initial downward adjustment was applied for the pre-Covid-19 sale. The comp is considered inferior to the subject property for its lesser parking ratio.
- **Comparable Sale Number Five** - According to Ed Breslin, sales agent, Costar and our drive-by inspection, the quality of the improvements are good and suggest a downward adjustment. The improvements are in very good condition and suggest a downward adjustment. The property was exposed to the market for 196 days and reported as a market sale transaction. An initial downward adjustment was applied for the pre-Covid-19 sale. The comp is considered superior to the subject property for its greater parking ratio and floor area ratio.

Range of Unit Value Indicators

Price PSF		
	Unadjusted	Adjusted
Minimum:	\$173.61	\$173.72
Maximum:	\$266.67	\$234.80
Range:	\$93.06	\$61.08

Conclusion of Market Value - Sales Comparison Approach

Overall, the comparables indicate an unadjusted range of \$173.61 to \$266.67 per square foot. Consideration is given to each comparable due to their overall similarities with the subject property. After adjustments, the comparables indicate a range of \$173.72 to \$234.80 per square foot. Sales One and Two were given most weight due to their similar sizes and most recent sales. Sales One and Two range from \$180.93 to \$218.96.

In our opinion, the estimated Market Value of the Subject Property should fall towards the middle of the adjusted range, or approximately **\$180.00 to \$200.00 per square foot**.

<u>Bldg Area (SF)</u>	x	<u>Unit Value</u>	=	<u>Market Value</u>
12,132	x	\$ 180.00	=	\$ 2,183,760
12,132	x	\$ 200.00	=	\$ 2,426,400
		Reconciled	=	\$ 2,305,080

Covid-19 Market Impact

As discussed previously, the current/ongoing Covid-19 global pandemic is having reported impact on financing rates/lender spreads, lowered loan-to-value (LTV) ratios, landlord and tenant cash flows, etc. Given the rapidity of events related to the pandemic that have affected real estate sales, the present risks (as of the effective date of value) appear to be financing related and broad uncertainty in global/national/local economics in the near term. This being the case, price/value discounting for the subject is prudent.

Based on published information on the virus impacts available to us and our discussions with industry professionals, it is considered that an applied 5% risk discount for the subject is warranted and prudent. This being the case, an adjusted value for the subject that considers this nominal risk discount is estimated as \$2,305,080 X .95 = \$2,189,826, rounded to \$2,190,000.

Sales Comparison Approach Conclusion

Based on the data and analysis presented above, it is our opinion that the following value is indicated for the subject property according to the Sales Comparison Approach. This will be reconciled with the value indications from the other approaches in the Reconciliation section on the following page.

Value Conclusion – Sales Comparison Approach	
Value Conclusion	2,190,000

RECONCILIATION

Our valuation analyses presented in this appraisal report concluded to the following opinions:

Valuation Approach	Value Conclusion
Cost Approach	1,975,000
Sales Comparison Approach	2,190,000
Income Capitalization Approach	Not Applicable

The **Cost Approach** is considered to be a strong indicator of value in recently constructed buildings, particularly when current construction costs are available and there is recent comparable land sale data that would lead to an accurate estimate of the underlying site value. This approach is weakened, however, as a building grows older because of the difficulty in accurately measuring physical depreciation. The Cost Approach can serve as a check for the other approach in order to assure the reasonableness of the Sales Comparison Approach.

The **Cost Approach** is applicable to this assignment for the following reasons:

- The specialized use of the subject property.

The **Sales Comparison Approach** can be a strong indicator of value when there is an adequate number of comparable property sales that are similar to the subject in physical, functional, economic and location characteristics. This approach is weakened when the quantity or nature of available market data is insufficient for purposes of direct comparison.

We gave primary consideration to the Sales Comparison Approach based on the differences noted in the comparable sales data reported, as well as the features which were unique to each transaction.

The **Income Capitalization Approach** considers the future expectations of investors for properties such as the subject. It considers current market rental activity and rate-of-return requirements through the selection of a market-derived overall capitalization rate. This approach is most relevant when there are sufficient rental comparables from which to draw market rent conclusions and adequate market data from which to determine market cap rate requirements.

We did not consider the Income Capitalization Approach based on current market practice for properties such as the subject.

CONCLUSION

Our research indicates that the Sales Comparison Approach should be given the greatest consideration in our final determination of value; however, the Cost Approach should be given secondary consideration in our final estimate of value for the subject property.

Therefore, based on the data and analysis above, the table below presents our final valuation conclusion(s) of the stated ownership interest, as of the stated date(s) of valuation.

Valuation Premise	Interest Appraised	Effective Date of Value	FINAL Value Conclusion
Market Value	Fee Simple	12/7/2020	\$2,190,000

- **Special Limiting Conditions**, which are assignment-specific conditions that limit the use of the report.
 - Market concerns regarding the COVID-19 coronavirus have resulted in substantial volatility in the capital markets, increasing uncertainty in the real property marketplace. It is difficult to predict what may happen in the capital markets going forward. As a result, it is difficult to predict what may happen to real property values over time. Our valuation of the subject property considered the best information that was available at the time of our analysis. Due to on-going volatility in the marketplace, users of this appraisal should consider the current market uncertainty when determining the level of confidence, they choose to place on these analyses and conclusions. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.

EXPOSURE TIME

Exposure Time is defined as *"The estimated length of time the property interest being appraised would have to have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."*

The following table shows exposure times for each of the comparable sales reported in the Sales Comparison Approach.

Sale Comp #	Exposure Time
1	148 days
2	Off Market Sale
3	Off Market Sale
4	66 days
5	107 days

In addition, we inquired with knowledgeable local brokers about a reasonable exposure time that would have been required to sell the subject property as of the date of valuation. Our research indicates that a reasonable exposure time estimate for the subject property would have been 3 to 6 months.

CERTIFICATION

We certify that to the best of our knowledge and belief:

- 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 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, **Joe Villegas, MAI** and **David Rosenthal, MAI** have completed the continuing education program for designated members of the Appraisal Institute.
- We have had ample experience with the subject property type and marketplace, and we possess the requisite knowledge to perform this appraisal assignment competently.
- **Joe Villegas, MAI** and Naomi Jean Bonner have made a personal inspection of the property that is the subject of this report. **David Rosenthal, MAI, FRICS** has not made a personal inspection of the property that is the subject of this report.
- **Joe Villegas, MAI** has performed the selection of comparable properties, collection and verification of data, and preliminary analysis. **David Rosenthal, MAI, FRICS** has reviewed and approved the final selection of comparable properties, and the final analysis and conclusion of value. Other than those mentioned, no one provided significant real property appraisal assistance to the person(s) signing this certification.
- We have performed an appraisal service, as appraisers regarding the property that is the subject of this report on June 4, 2018.



Joe J. Villegas, MAI
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David M. Rosenthal, MAI, FRICS
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ADDENDA

DEFINITIONS

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

APPRAISER QUALIFICATIONS AND LICENSES

PARTIAL LIST OF CLIENTS

Definitions

Definitions are cited from *The Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), published by the Appraisal Institute, unless otherwise noted)

Appraisal – “1. The act or process of developing an opinion of value. 2. An opinion of value.”

As Is Market Value - “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

Extraordinary Assumption – “An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.” (USPAP 2018-2019)

Fair Market Value - “The price at which the property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.” (IRS Regulations 26 CFR 20.2031-1b and 26 CFR 25.2512-1)

Fee Simple Estate - “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.”

Ground Lease – “A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term.”

Hypothetical Condition – “A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.” (USPAP 2018-2019)

Leased Fee Estate – “A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).”

Leasehold Estate – “The tenant’s possessory interest created by a lease.”

Market Rent - “The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).”

Market Value - The following definition of Market Value is used by agencies that regulate federally insured financial institutions in the United States (*U.S. Code Title 12, CFR Banks and Banking, Part 323.2 as published in the Federal Register*):

"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:

- a. buyer and seller are typically motivated;*
- b. both parties are well-informed or well-advised, and acting in what they consider their best interests;*
- c. a reasonable time is allowed for exposure in the open market;*
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- e. 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."*

Prospective Opinion of Value – *"A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy."*

Retrospective Value Opinion – *"A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."*

Sandwich Leasehold Estate – *"The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate."*

Stabilized Occupancy – *"An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent."*

General Assumptions and Limiting Conditions

This appraisal report has been made with the following **General Assumptions**:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that there is compliance with all applicable zoning and land use regulations and restrictions unless nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed 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 have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This appraisal report has been made with the following **General Limiting Conditions**:

1. The distribution, if any, of the total valuation in this report between land and improvements, applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraisers, by reason of this appraisal, are not required to give further consultation, testimony, or be in attendance in court with reference to the property in question, unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate unless such proration or division of interests has been set forth in the report.
6. The appraisers assume that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, encumbering the property.
7. No survey was furnished so the appraisers relied on the assessor's plat map to ascertain the physical dimensions and acreage of the subject property. Should a survey prove these characteristics inaccurate, it may be necessary for this appraisal to be adjusted.
8. The forecasts, projections, or operating estimates contained herein are based upon current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.
9. Complete building plans and specifications were not available for use in the preparation of this appraisal. The analysis, therefore, is subject to review of the final plans and specifications when available.
10. Any proposed improvements are assumed to have been completed unless otherwise stipulated. Any construction is assumed to conform to the building plans referenced in the report.
11. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, unless detailed geologic reports are made available.
12. No termite inspection report was available. The appraisers personally inspected the subject property and found no significant evidence of termite damage or infestation. No guarantee that none exists, however, should be construed.

13. No consideration has been given in this appraisal to the value of property considered by the appraisers to be personal, located on the premises, or the cost of moving/relocating such personal property. Only the real estate has been considered.
14. In this appraisal assignment, the existence of potentially hazardous materials used in the construction or maintenance of the building, such as the presence of asbestos or urea formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, has not been considered. The appraisers are not qualified to detect such substances. We urge the client to retain an expert in the field if desired.
15. Unless otherwise stated, no responsibility is assumed for any damage sustained in connection with actual or potential deficiencies or hazards such as, but not limited to, inadequacies or defects in the structure, design, mechanical equipment or utility services associated with the improvements, air or water pollution, lead paint, noise, flooding, storms or wind, traffic and other neighborhood hazards, radon gas, asbestos, natural or artificial radiation, or hazardous materials or toxic substances of any description, whether on or off the property appraised. The appraisers are not qualified to detect hazardous waste or materials on, in or under the land or the improvements. Such a determination requires the investigation of a qualified expert in hazardous materials and assessment. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of asbestos or urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraisers are not qualified to detect such substances. We urge the client to retain an expert in this field if desired.
16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the subject property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to-cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report; however, this does not suggest ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.
17. The appraisers made no engineering survey of the subject property. Except as specifically stated, data relative to size and area has been taken from sources considered reliable, but no guarantee of accuracy is expressed or implied. Interested parties should retain a surveyor or other qualified professional for exact measurements of the subject property.

SPECIAL ASSUMPTIONS AND CONDITIONS

The applicability of **Extraordinary Assumptions**, **Hypothetical Conditions** or **Special Limiting Conditions** is addressed in the **Scope of Work** section of this report.

Market concerns regarding the COVID-19 coronavirus have resulted in substantial volatility in the capital markets, increasing uncertainty in the real property marketplace. It is difficult to predict what may happen in the capital markets going forward. As a result, it is difficult to predict what may happen to real property values over time. Our valuation of the subject property considered the best information that was available at the time of our analysis. Due to on-going volatility in the marketplace, users of this appraisal should consider the current market uncertainty when determining the level of confidence, they choose to place on these analyses and conclusions. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.

EDUCATION**Bachelor of Arts Degree, 1974**

California State University, Fullerton, Fullerton, California
Major in Art and History

PROFESSIONAL DESIGNATIONS**Appraisal Institute No. 9196**

MAI Member

State of California, Bureau of Real Estate Appraisers

Certified General Real Estate Appraiser (#AG004648)

State of California, Real Estate Broker

(License # 00380118)

International Right of Way Association

Member and Past President of Inland Empire Chapter 57

EXPERIENCE**CURTIS - ROSENTHAL, Inc., 2016 to date – Regional Manager Inland Empire**

Perform field appraisals, and review appraisals for public and private sector clients. Properties appraised include: residential, apartments, commercial, industrial, special purpose, vacant land and part takes.

Villegas Appraisal Co., -1987-2015 Real Estate Appraiser

Responsible for the appraisal of retail shopping centers, office buildings, restaurants, motels, apartment complexes, cold storage facilities, mixed use commercial projects and residential subdivisions. Completed hundreds of appraisal assignments for public and private sector clients throughout Southern California. Experience includes providing reviews of commercial and residential appraisal reports for the banking industry. Extensive experience providing expert witness services including deposition and trial testimony.

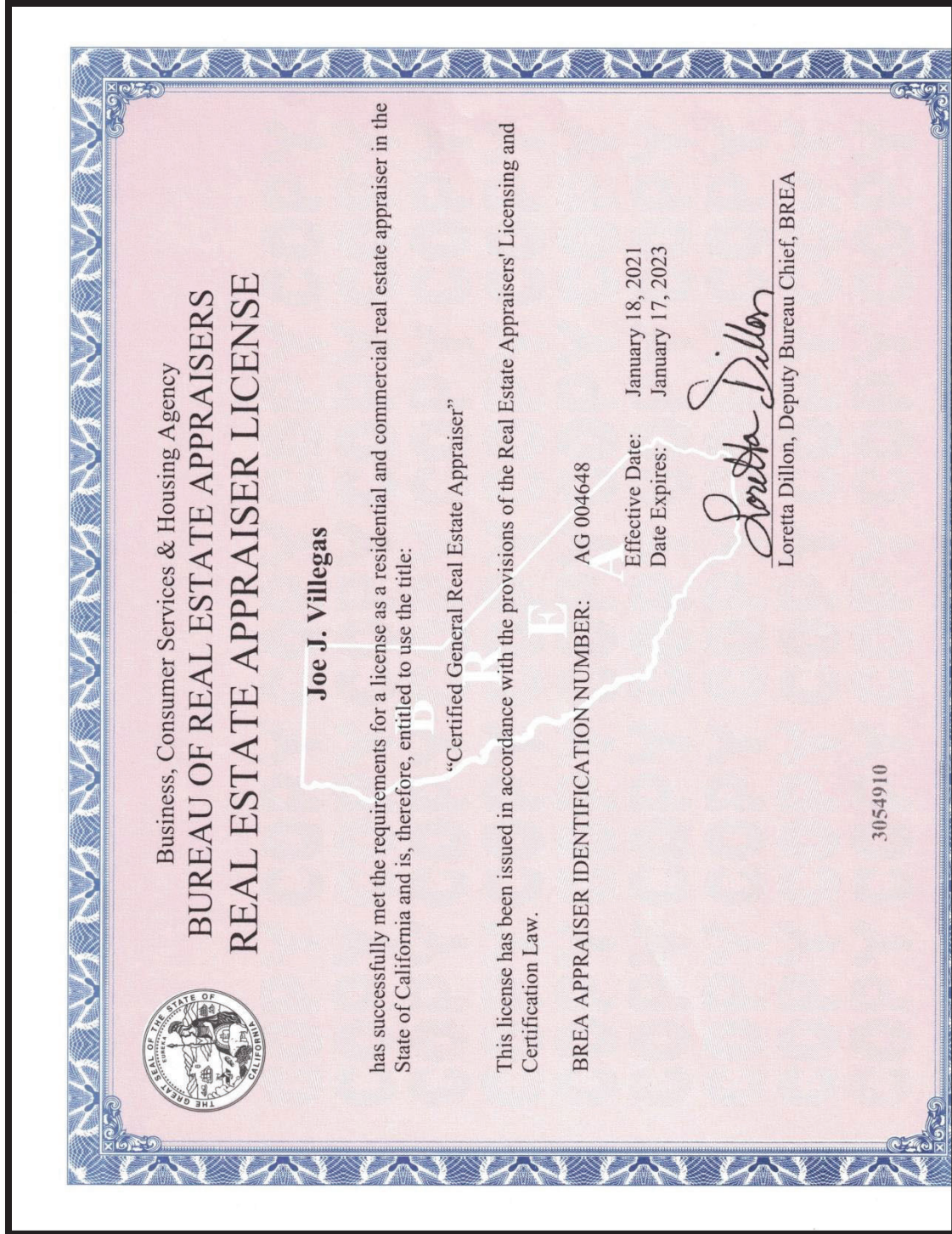
EXPERT WITNESS

Accepted as an expert witness in Los Angeles County Superior Court and Orange County.

PROJECT EXPERIENCE

- California High-Speed Rail Authority, First Construction Section, Fresno County, CA
- De Anza Boulevard Realignment Project, City of Calexico, CA
- Caltrans, Region 7, 710 Freeway Corridor Project, Cities of South Pasadena, Pasadena and Los Angeles, CA
- Southern California Gas Company Pipe Line Upgrade Project, San Luis Obispo County and City of Pismo Beach, CA
- Southern California Gas Company Pipe Line Upgrade Project, Kings County, CA
- Yucaipa Boulevard Widening Project, City of Yucaipa
- Palm Canyon Drive Widening Project, City of Palm Springs
- Alder Avenue Widening Project, City of Rialto
- Avenue E Roundabout Project, City of Yucaipa
- Renaissance Parkway Project, City of Rialto
- Former Youth Correction Facility, Paso Robles for the CA Department of General Services

Current Appraiser License



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Joe J. Villegas

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 004648

Effective Date: January 18, 2021

Date Expires: January 17, 2023

Loretta Dillon

Loretta Dillon, Deputy Bureau Chief, BRE

3054910

PROFESSIONAL DESIGNATIONS

Appraisal Institute

MAI Member, Appraisal Institute (MAI #8024)
Member of the Regional Ethics & Counseling Panel, 1994-1997, 2000-2003

Royal Institution of Chartered Surveyors

Fellow of the Royal Institution of Chartered Surveyors, (FRICS #1291058)

State of California, Bureau of Real Estate Appraisers

Certified General Real Estate Appraiser (#AG001641)

EDUCATION

Master of Management Degree (MBA), 1980

J.L. Kellogg Graduate School of Management, Northwestern University,
Evanston, Illinois - Concentrations in Finance and Accounting

Bachelor of Science Degree, 1978

University of Florida, Gainesville, Florida
Major in Business Administration - concentration in Finance

EXPERIENCE

CURTIS - ROSENTHAL, Inc., 1983 to present – President & CEO

Founding principal of regional commercial real estate appraisal and consulting firm. Perform field appraisals and review appraisals for: Commercial Mortgage Lenders (Banks, Life Insurance Companies, CMBS, Pension Funds), Public Agencies (City Governments, Transit Agencies), Law Firms (Real Estate Litigation, Estate and Trust, Lease Negotiation), Corporations (Valuation for Financial Reporting), and Accounting Firms. Properties appraised include: retail, office, industrial, apartments, condominiums, mixed-use, special purpose, and vacant land. Areas of experience include southern and northern California, Arizona and Nevada.

Security Pacific National Bank, 1981-1982 - Corporate Loan Officer

Responsible for portfolio of loans consisting primarily of real estate companies. Projects financed included construction and renovation of income properties and development of new residential tracts.

EXPERT WITNESS

Accepted as an expert witness in the following courts:

Federal Bankruptcy Court - California Central District
Superior Court - Los Angeles County and Orange County
Municipal Court - Orange County

INSTRUCTOR

Loyola Marymount University, 1987 - 2016

College of Business Administration, Finance Department - Guest Instructor

Federal Reserve Bank of San Francisco, 2015

Risk Connection 2015, Risks with Construction Development Lending-Guest Trainer

University of California at Los Angeles, 1988

UCLA Extension, Financial Institutions Management Program - Guest Instructor

PROFESSIONAL AFFILIATIONS

Appraisal Institute, 1989-present
 Strategic Planning Committee, Chairman 2014
 IRS Valuation Summit, Los Angeles, Conference Co-Chair 2013; Washington D.C., Planning Committee 2014
 California Bankers Association, Affiliate Member 2009-present
 California Mortgage Bankers Association (CMBA), Affiliate Member, 2001-2014, 2017, 2018
 Planning Committee for Commercial Real Estate Finance Conference, 2003-2014
 Entrepreneurs Organization (EO, formerly YEO/WEO), 1997 to 2007
 International Council of Shopping Centers (ICSC), 2011, 2017
 Los Angeles Economic Development Corporation, 2004
 Los Angeles Estate Planning Council (LAEPC), 2009-present; Program Chair 2009-2010
 Los Angeles Mortgage Association (LAMA), Co-Founder, Co-Chair 2000-present
 Royal Institution of Chartered Surveyors, 2010-present
 Society of Chief Appraisers (SCA), Planning Committee, 2009-present
 Southern California Real Estate Alliance (SCREA), 1987-present; Co-Chair 1995-1996, 2003
 Western Independent Bankers, Affiliate Member 2009-2011

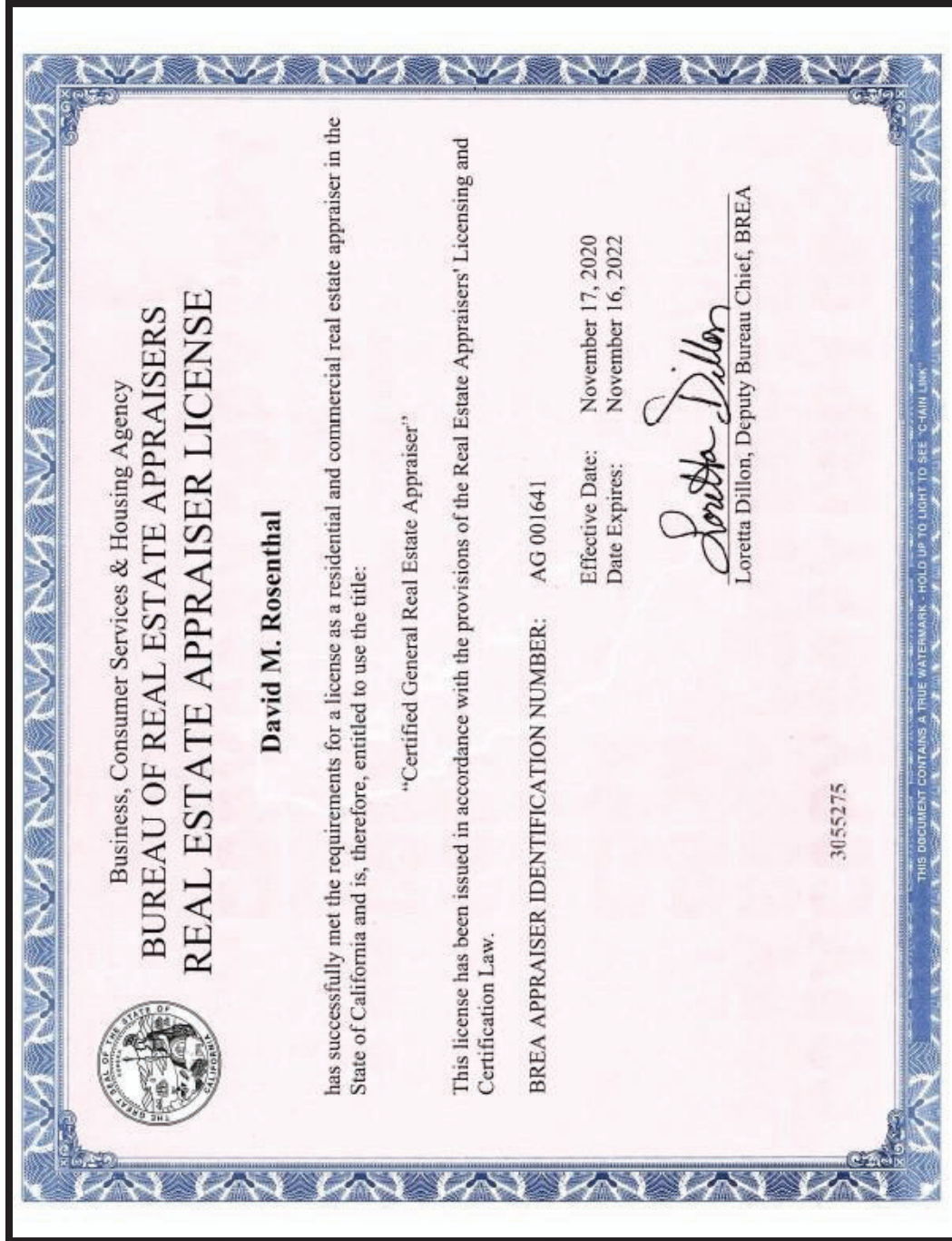
SPEAKING ENGAGEMENTS

Appraisal Institute
 IRS Valuation Summit, Conference Co-Chair 2013; Moderator-Partial Interest Valuation Panel 2013, 2014
 Western Regional Conference, 1996-1999
 SF Bay Area Fall Conference, 1998
 California Bankers Association, Chief Credit Officers Symposium, 2008-2010
 California Bar Association, Real Property Law Section, 2011
 California Mortgage Bankers Association, Commercial Real Estate Finance Conference, 2003-2009
 California CPA Education Foundation, 1998
 CREFC Capital Markets Conference, 2014
 Crittenden National Conference, 2009
 ICSC/LAMA Capital Markets Conference, 2011-2012
 IMN Troubled Assets Conference, 2010
 Institute of Management Accountants, 1997
 International Right of Way Association, IRWA/AI Joint Conference, 2002, 2008
 Los Angeles Estate Planning Council, 2009
 National Council of Real Estate Investment Fiduciaries (NCREIF), National Conference, 2005
 Society of Chief Appraisers 2009-2015
 Special Assets Management Association, 2010-2012
 Western Independent Bankers, Troubled Asset Forum, 2009, 2011

PUBLICATIONS

California Mortgage Bankers Association Legal News
Valuation Clauses in Leases, Ground Leases and Purchase Options, September 2011
 California Mortgage Finance News
Silicon Beach, The New Frontier, September 2015
Life Company Risk-Based Capital for Commercial Mortgages, September 2013
Understanding the New Interagency Appraisal and Evaluation Guidelines, May 2011
 California Real Estate Journal
Telling the Story – A Solutions Approach to Appraisal, September 2003
 Real Estate News Television (RENTV.com)
Economic Update, Regular Column 2002 to 2015
 Real Estate Southern California
What Happened to CMBS? September 2007
The ABC's of CDO's, September 2006
The CMBS Market Comes of Age, March 2006
Real Estate Cycles – A Long Term Perspective, September 2005
 Western Independent Bankers – Lending and Credit Digest
Evaluations in Compliance with the Interagency Appraisal and Evaluation Guidelines, June 2012
Assessing Collateral Values, October 2010
Commercial Bank Appraisal Administration, July 2010

Current Appraiser License



Partial List of Clients Served

COMMERCIAL BANKS

American Continental Bank
Americas United Bank
Bank of America
Bank of Manhattan
Bank of Hemet
Bank of the Ozarks
Bank of Santa Clarita
Bank of the West
Bank One Arizona
BofI Federal Bank
Borel Private Bank & Trust Co.
Boston Private Bank & Trust Co.
Builders Bank
California Business Bank
Capital One Bank
Cathay Bank
Centennial Bank
Citigroup
Citizens Business Bank
City National Bank
City State Bank
Coast National Bank
Community Bank
CTBC Bank
Eastern International Bank
East West Bank
EverTrust Bank
Far East National Bank
Farmers and Merchants Bank
FDIC
First Commerce Bank
First Foundation Bank
First General Bank
First National Bank of Northern California
First National Bank of Southern California
First Republic Bank
Grandpoint Bank
Greater Bay Bancorp
Habib American Bank
Hanmi Bank
Heritage Oaks Bank
Independence Bank
JP Morgan Chase Bank
Key Bank
Korea Exchange Bank
La Jolla Bank
Luther Burbank Savings Bank
Macquarie Bank
Marshall & Isley Bank
Mellon First Business Bank
Mercantile National Bank

MidFirst Bank
Mission Bank
Mission Valley Bank
NARA Bank
National Bank of California
Northern Trust Bank
Pacific Alliance Bank
Pacific Capital Bancorp
Pacific City Bank
Pacific Commerce Bank
Pacific Mercantile Bank
Pacific Premier Bank
Pacific Western Bank
Philippine National Bank
Popular Community Bank
Preferred Bank
Premier Business Bank
Premier Commercial Bank
Provident Bank
Provident Savings Bank
Rabobank
Regents Bank
Royal Business Bank
Saehan Bank
Security Bank of California
Silvergate Bank
Sunwest Bank
The Private Bank of California
United Business Bank
Universal Bank
US Bancorp
US Metro Bank
Vibra Bank
Wells Fargo Bank
Wilshire Bank
Zions Bank

CREDIT UNIONS

Altura Credit Union
American First Credit Union
California Coast Credit Union
California Credit Union
Extensia Financial
Kinecta Federal Credit Union
LA Fireman's Credit Union
Mission Federal Credit Union
NuVision Credit Union
Orange County's Credit Union
Premier America Credit Union
Southland Credit Union

Partial List of Clients Served (Cont)

INSURANCE COMPANIES

AEGON USA
Allianz Life Insurance Company
Allstate Investments, LLC
American Equity Investment Life Insurance Co.
American National Insurance Company
American United Life Insurance Company
Assurant Inc.
Chubb Group of Insurance Companies
Columbian Mutual Life Insurance Company
Genworth Financial
Golden State Mutual Life
Great West Life Insurance Company
Hartford Insurance Company
Home Life Insurance Company
IDS Life Insurance Company
ING Life Insurance Company
John Hancock Real Estate Finance
Kansas City Life Insurance Company
Lafayette Life Insurance Company
Lincoln National Life Insurance Company
MetLife Capital Financial Corporation
Nationwide Insurance Company
Principal Global Investors
Protective Life Insurance Company
Prudential Mortgage Capital
Riversource
Southern Farm Bureau Life Insurance
Stancorp Mortgage Investors, LLC
State Farm Insurance Company
Sun Life Insurance Company
SunAmerica Insurance Company
Symetra Financial
Thrivent Financial for Lutherans
Union Central Life Insurance Company
Union Labor Life Insurance Company
United Farm Family Life Insurance Company
United Olympic Life Insurance Company
United Security Insurance Company

MULTI-FAMILY LENDERS

ABN/AMRO Apartment Lending
Ameriprise Financial
Amerisphere Multi-Family Finance
Arbor National Mortgage
Beech Street Capital
Centerline Capital Group
CW Capital
Deutsche Bank Mortgage Capital
Mark One Capital, Inc.
PNC/ARCS Commercial Mortgage
Prudential Huntoon Paige
Walker & Dunlop

COMMERCIAL MORTGAGE BANKERS/ BROKERS

Alison Mortgage Company
Amherst Real Estate Capital
Balboa Financial
Barry S. Slatt Mortgage Company
Berkadia Commercial Mortgage
Bond Street Capital
Buchanan Street Partners
Burnham Capital Markets
Cohen Financial
George Elkins Mortgage Banking Company
George Smith Partners, Inc.
Grandbridge Real Estate Capital
Highland Realty Capital, Inc.
Holiday Fenoglio Fowler, LP
iCap Realty Advisors
Koss Financial Corporation
Love Funding Corporation
Marcus and Millichap Capital Corporation
Mason McDuffie Financial Corporation
Meridian Capital Group, Inc.
Newmark Realty Capital, Inc.
NorthMarq Capital, Inc.
Pacific Southwest Realty Services
Partners Realty Capital, LLC
Pathfinder Mortgage Corporation
Q10 National Mortgage Co.
Sunrise Mortgage & Investment Company
Terrix Financial Corporation
Walker and Dunlop

PENSION FUNDS / ADVISORS

Alcatel Lucent Asset Management Corp.
American Realty Advisors
CALPERS
California State Teachers Retirement System
Construction Laborers Pension Trust
Crosson Dannis, Inc.
Emerson International
Equitable Real Estate Investment Mgt., Inc.
Essex Property Trust
Guggenheim Trust Company, LLC
Heitman/JMB Institutional Realty Advisors
J.P. Morgan Investment Management
Olympic Realty Advisors
Principal Real Estate Investors
Standard Management Company

Partial List of Clients Served (Cont)

CMBS SPECIAL SERVICERS

C-III Asset Management, LLC
Key Bank
LNR Partners, LLC
Midland Loan Services
Helios AMC, LLC
Berkadia Commercial Mortgage
TriMont Real Estate Advisors

CMBS LENDERS

Barclays Capital Real Estate, Inc.
Bridger Commercial Funding
CIBC World Markets Corp.
Credit Suisse
CW Capital
Deutschebank Mortgage Capital
JP Morgan Mortgage Capital
Key Commercial Mortgage
Morgan Stanley
Natixis Real Estate Capital, Inc.
RBS Greenwich Capital
Redwood Trust
UBS Securities, LLC

CORPORATIONS

Alta Hospital System
ATT Wireless Services, Inc.
Best California Gas Co.
Bridgestone Retail Operations
Brotman Hospital
California Sports, Inc.
Chevron Oil Company
Getty Oil Company
IMAX Corporation
Los Angeles Orthopedic Hospital Foundation
Mercury Air Cargo, Inc.
Mobil Oil Corporation
Neiman-Marcus Group, Inc.
Pandemic Studios
Rite Aid Corporation
Safeway Corporation
Salvation Army
Santa Monica Home Owners Corporation
Thrifty Oil Company
Wal-Mart Stores, Inc.
Whirlpool Financial Corporation

PUBLIC AGENCIES

California Housing Finance Association
Carson Redevelopment Agency
City of Adelanto
City of Chino
City of Colusa
City of Gardena
City of Grand Terrace
City of Inglewood
City of Los Angeles
City of Montebello
City of Norco
City of Palos Verdes
City of Pasadena
City of Rialto
City of Riverside
City of San Louis Obispo, Housing Authority
City of San Mateo
City of Santa Monica
City of Vernon
City of Whittier
City of Yucaipa
Coachella Valley Mountains Conservancy
Compton Unified School District
Consulate General of Poland
County of San Mateo
Inglewood Redevelopment Agency
Inglewood Unified School District
Los Angeles Community College District
Los Angeles Housing Department
Los Angeles Unified School District
Los Angeles World Airports (LAWA)
Metropolitan Transit Authority (MTA)
Mountains Recreation & Conservation Authority
Newport Harbor Nautical Museum
Oakland Community Housing, Inc.
Philippine Consulate
Rosamond Community Services District
San Fernando Valley Economic Development Corp.
Santa Monica College
Santa Monica-Malibu Unified School District
Simi Valley Unified School District
The Port of Long Beach
The Port of Los Angeles
US General Services Administration
US Postal Service

Partial List of Clients Served (Cont)

ATTORNEYS

Akin Gump Strauss Hauer & Feld, LLP
Allen Matkins Leck Gamble Mallory & Natsis
Arter & Hadden
Barnes & Thornburg LLP
Bird Marella
Booth, Mitchel & Strange, LLP
Brownstein, Hyatt, Farber, Schreck, LLP
Bryan Cave
Burhenn & Gest, LLP
Cadden & Fuller, LLP
Charlston, Revich, & Williams
Chrystie and Berle
Coudert Brothers, LLP
Cox, Castle, & Nicholson
DeCastrow, West, Chodorow, Glickfield & Nass
Engstrom, Lipscomb and Lack
Frاندzel Robins Bloom & Csato, LC
Gianelli and Morris
Gibson, Dunn and Crutcher, LLP
Goodson and Wachtel
Greenberg, Glusker, Fields, Claman and Machtinger
Greenberg Traurig
Haight, Brown, & Bonesteel
Hoffman, Saban and Watenmaker
Holt Ney Zatzoff & Wasserman, LLP
Inman, Weisz, & Steinberg
Jeffer, Mangels, Butler, & Mitchell
K&L Gates, LLP
Kane, Ballmer & Berkman
Katten, Muchin, Zavis and Weitzman
King, Holmes, Paterno & Berliner, LLP
Levin & Seligman
Levinson & Lieberman
Loeb and Loeb
Luce, Forward, Hamilton & Scripps LLP
Manatt, Phelps & Phillips, LLP
Marlin and Saltzman
McDermott, Will & Emery
McGuire Woods
McNicholas & McNicholas, LLP
Mindlin and Tigerman
Mitchell, Silberberg, & Knupp, LLP
Morris, Polich and Purdy, LLP
Munger, Tolles, & Olson
Murchison & Cumming
Musick, Peeler & Garrett, LLP
Nixon Peabody, LLP

O'Melvany and Meyers
Orbach Huff Suarez & Henderson, LLP
Parker Milliken
Pillsbury, Madison, and Sutro
Pircher, Nichols, and Meeks
Resch Polster & Berger, LLP
Robinson, Diamant, & Brill
Rodi, Pollock, Pettker, Christian & Pramov
Rucker and Clarkson
Shapiro, Poesell, & Close
Shiotani & Inouye
Sidley and Austin
Smith and Hilbig
Thomashow, Brown and Paiallii, LLP
Tilem and Gole
Troy and Gould
Weinstock Manion
White & Case
Wolf, Rifkin, Shapiro & Shulman
Youngerman and McNutt, LLP

DEVELOPERS

Athena Group, LLC
California Landmark Development
Catellus Development Corporation
Champion Real Estate Services
CIM Group
Cloverfield Group
Combined Properties
Daiwa House Corporation
First City
Goldrich and Kest Industries
Haseko, Inc.
HB Drollinger Company
Held Properties, Inc.
Jamison Services, Inc.
Kennedy Wilson
Koar Development Group, LLC
O&S Holdings
Regency Centers
Roberts Companies
Soboroff Partners
Trammel Crowe

EXHIBIT VIII

ORDINANCE NO. _____

An Ordinance authorizing and providing for the sale of certain real property owned by the City of Los Angeles (City) to the California Conservation Corps (CCC) for the sum of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000).

**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 of bids. It is hereby ordered that such real property be sold, pursuant to certain conditions hereinafter set forth to CCC, for the sum of Two Million One Hundred Ninety Thousand Dollars (\$2,190,000) in accordance with the provisions of Section 385 of the City Charter and Division 7, Chapter, Article 4 of the Los Angeles Administrative code.

Location:

4366 South Main Street, Los Angeles, CA 90037
APN: 5113-036-900

Legal Description:

That certain property described and depicted in Exhibit "A" hereto:

EXCEPTING AND RESERVING unto the City all oil, gas, water and mineral rights now vested in the City 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 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.

FURTHER SUBJECT to the condition that the said property will be used by the CCC for programs that provide needed services to the community.

Sec. 2. The Mayor of the City of Los Angeles in the name of and on behalf of the City is hereby authorized to execute a Grant Deed conveying said City parcel described in Section 1 of this Ordinance to the CCC; 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 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 Council District 9's Real Property Trust Fund Number 691, Department 14, Revenue Source 5141 and into General Fund Number 100, Department 40, Revenue Source 5141 in equal amounts. The purchaser, CCC, shall pay ½ (one-half) of 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. The purchaser, at its own expense, may obtain any desired survey of the property.

Sec. 4. This ordinance shall be operative upon publication pursuant to Charter Section 252(j).

Sec. 5. 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 10/19/2021

File No. _____

m:\real prop_env_land use\real property_environment\laura cadogan\ordinances\la21-02143 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 _____

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

PATRICE Y. LATTIMORE
ACTING DIVISION MANAGER

CLERK.LACITY.ORG

When making inquiries relative to
this matter, please refer to the
Council File No.: 18-0185

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

May 4, 2018

Council File No.: 18-0185

Council Meeting Date: May 02, 2018

Agenda Item No.: 10

Agenda Description: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring City-owned property located at 4366 South Main Street as a surplus asset and initiating the direct sale of the property.

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

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

HOLLY L. WOLCOTT
CITY CLERK

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring City-owned property located at 4366 South Main Street as a surplus asset and initiating the direct sale of the property.

Recommendations for Council action, pursuant to Motion (Price – Ryu):

1. DECLARE the City-owned parcel located at 4366 South Main Street (Assessor's Parcel Number: 5113-036-900) as a surplus asset.
2. INSTRUCT the Department of General Services (GSD) to immediately initiate the surplus property process and conduct a Class A appraisal.
3. INSTRUCT the City Administrative Officer (CAO) to evaluate the feasibility of a direct sale at fair market value.
4. DIRECT the GSD, with the assistance of the CAO and the City Attorney, to take all necessary steps and prepare all required documents to effectuate the potential direct sale of the parcel.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

On March 7, 2018, Council considered Motion (Price – Ryu) relative to declaring City-owned property located at 4366 South Main Street as a surplus asset and initiating the direct sale of the property. Motion states that the property was previously used as a fire station, but was decommissioned and has been leased to the California Conservation Corps (CCC) for over 30 years.

Motion movers believe that since the City has no immediate or future plans for this property, the community may be better served and benefit from the sale of this property to the CCC. CCC is one of the oldest and largest conservation corps in the country. CCC members work on environmental projects and respond to natural and man-made disasters. Their accomplishments include planting more than 24.6 million trees, fish habitat improvement, maintaining or building backcountry trails, and improving rural and urban parks and recreation areas.

Motion recommends that Council declare the property as surplus and direct GSD to take the steps necessary to initiate the direct sale of the property to CCC. Council referred Motion to the Information, Technology, and General Services Committee for consideration.

At its meeting held April 24, 2018, the Information, Technology, and General Services Committee recommended that Council approve Motion's recommendations.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

A handwritten signature in black ink that reads "Monica Rodriguez". The signature is written in a cursive style with a large, looping initial "M".

<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	YES
O'FARRELL:	ABSENT

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-

MOTION

The City currently owns the property located at 4366 S. Main Street Los Angeles, CA 90037 (APN: 5113-036-900). The site was previously used as a fire station, but was decommissioned and has been leased to the California Conservation Corps (CCC) for over 30 years.

Since the City has no immediate or future plans for this property, the community may be better served and benefit from the sale of this property to the CCC. The CCC is a department within the California Natural Resources Agency. It is one of the oldest and largest conservation corps in the country. During their year of service, Corpsmembers work on environmental projects and respond to natural and man-made disasters. Some of the accomplishments by Corpsmembers include planting more than 24.6 million trees; conducting more than 1.6 million hours of fish habitat improvement work; maintaining or building 11,621 miles of backcountry trails; and improving rural and urban parks and recreation areas.

The property should be declared surplus, and the City Administrative Officer, with the assistance of the Department of General Services and the City Attorney, should evaluate the feasibility of a direct sale to CCC.

I THEREFORE MOVE that City Council take the following actions:

1. Declare the City-owned parcel located at 4366 S. Main Street (APN: 5113-036-900) as a surplus asset;
2. Instruct the Department of General Services (GSD) to immediately initiate the surplus property process and conduct a Class "A" appraisal;
3. Instruct the City Administrative Officer (CAO) to evaluate the feasibility of a direct sale at fair market value; and
4. Direct GSD, with the assistance of the CAO and the City Attorney, to take all necessary steps and prepare all required documents to effectuate the potential direct sale of the parcel.

PRESENTED BY: _____

Curren D. Price, Jr.
CURREN D. PRICE, JR.
Councilmember, 9th District

SECONDED BY: _____

D. C. S.

cbs

MAR 07 2018

ORIGINAL

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

PATRICE Y. LATTIMORE
ACTING DIVISION MANAGER

CLERK.LACITY.ORG

When making inquiries relative to
this matter, please refer to the
Council File No.: 18-0185

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

May 4, 2018

Council File No.: 18-0185

Council Meeting Date: May 02, 2018

Agenda Item No.: 10

Agenda Description: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring City-owned property located at 4366 South Main Street as a surplus asset and initiating the direct sale of the property.

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

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

HOLLY L. WOLCOTT
CITY CLERK

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring City-owned property located at 4366 South Main Street as a surplus asset and initiating the direct sale of the property.

Recommendations for Council action, pursuant to Motion (Price – Ryu):

1. DECLARE the City-owned parcel located at 4366 South Main Street (Assessor's Parcel Number: 5113-036-900) as a surplus asset.
2. INSTRUCT the Department of General Services (GSD) to immediately initiate the surplus property process and conduct a Class A appraisal.
3. INSTRUCT the City Administrative Officer (CAO) to evaluate the feasibility of a direct sale at fair market value.
4. DIRECT the GSD, with the assistance of the CAO and the City Attorney, to take all necessary steps and prepare all required documents to effectuate the potential direct sale of the parcel.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

On March 7, 2018, Council considered Motion (Price – Ryu) relative to declaring City-owned property located at 4366 South Main Street as a surplus asset and initiating the direct sale of the property. Motion states that the property was previously used as a fire station, but was decommissioned and has been leased to the California Conservation Corps (CCC) for over 30 years.

Motion movers believe that since the City has no immediate or future plans for this property, the community may be better served and benefit from the sale of this property to the CCC. CCC is one of the oldest and largest conservation corps in the country. CCC members work on environmental projects and respond to natural and man-made disasters. Their accomplishments include planting more than 24.6 million trees, fish habitat improvement, maintaining or building backcountry trails, and improving rural and urban parks and recreation areas.

Motion recommends that Council declare the property as surplus and direct GSD to take the steps necessary to initiate the direct sale of the property to CCC. Council referred Motion to the Information, Technology, and General Services Committee for consideration.

At its meeting held April 24, 2018, the Information, Technology, and General Services Committee recommended that Council approve Motion's recommendations.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

A handwritten signature in black ink that reads "Monica Rodriguez". The signature is written in a cursive style with a large, looping initial 'M'.

<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	YES
O'FARRELL:	ABSENT

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-

INFORMATION, TECHNOLOGY AND GENERAL SERVICE

MOTION

The City currently owns the property located at 4366 S. Main Street Los Angeles, CA 90037 (APN: 5113-036-900). The site was previously used as a fire station, but was decommissioned and has been leased to the California Conservation Corps (CCC) for over 30 years.

Since the City has no immediate or future plans for this property, the community may be better served and benefit from the sale of this property to the CCC. The CCC is a department within the California Natural Resources Agency. It is one of the oldest and largest conservation corps in the country. During their year of service, Corpsmembers work on environmental projects and respond to natural and man-made disasters. Some of the accomplishments by Corpsmembers include planting more than 24.6 million trees; conducting more than 1.6 million hours of fish habitat improvement work; maintaining or building 11,621 miles of backcountry trails; and improving rural and urban parks and recreation areas.

The property should be declared surplus, and the City Administrative Officer, with the assistance of the Department of General Services and the City Attorney, should evaluate the feasibility of a direct sale to CCC.

I THEREFORE MOVE that City Council take the following actions:

1. Declare the City-owned parcel located at 4366 S. Main Street (APN: 5113-036-900) as a surplus asset;
2. Instruct the Department of General Services (GSD) to immediately initiate the surplus property process and conduct a Class "A" appraisal;
3. Instruct the City Administrative Officer (CAO) to evaluate the feasibility of a direct sale at fair market value; and
4. Direct GSD, with the assistance of the CAO and the City Attorney, to take all necessary steps and prepare all required documents to effectuate the potential direct sale of the parcel.

PRESENTED BY: _____

Curren D. Price, Jr.
CURREN D. PRICE, JR.
Councilmember, 9th District

SECONDED BY: _____

J. O. B.

cbs

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ORIGINAL

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HOLLY L. WOLCOTT
CITY CLERK

PETTY F. SANTOS
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

PATRICE Y. LATTIMORE
DIVISION MANAGER

June 16, 2021

CLERK.LACITY.ORG

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

Council File No.: 18-0185
Council Meeting Date: June 16, 2021
Agenda Item No.: 9
Agenda Description: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring the City-owned property located at 4366 South Main Street as exempt surplus land.
Council Action: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT - ADOPTED FORTHWITH

Council Vote:

YES	Blumenfield	YES	Bonin	YES	Buscaino
YES	Cedillo	YES	de León	YES	Harris-Dawson
YES	Koretz	YES	Krekorian	YES	Lee
YES	Martinez	YES	O'Farrell	ABSENT	Price
YES	Raman	YES	Ridley-Thomas	YES	Rodriguez

HOLLY L. WOLCOTT
CITY CLERK

Adopted Report(s) Title
Report from Information, Technology, and General Services Committee_6-3-21

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to declaring the City-owned property located at 4366 South Main Street as exempt surplus land.

Recommendation for Council action:

ADOPT the recommendations of the Municipal Facilities Committee (MFC) report dated April 16, 2021, attached to the Council file, to declare the City-owned property located at 4366 South Main Street, Los Angeles, CA 90037 (Assessor's Parcel Number 5113-036-900), in Council District 9, as "exempt surplus land" under AB 1486 due to the transfer of this property to another local, state or federal agency (California Conservation Corps).

Fiscal Impact Statement: The MFC reports that Council approval of the "exempt surplus land" status of the property is not anticipated to have an immediate impact on the General Fund. However, the eventual sale of the property may have a positive impact on the General Fund once the price is determined and the property sold.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on June 3, 2021, your Information, Technology, and General Services Committee considered a MFC report relative to declaring the City-owned property located at 4366 South Main Street as exempt surplus land. After an opportunity for public comment was held, the Committee moved to approve the MFC's recommendation, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
BLUMENFIELD:	YES
PRICE:	YES

ME 6/3/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-



Enid Gomez <enid.gomez@lacity.org>

Request Review - Sale of 4366 S. Main St.

PublicLands@HCD <publiclands@hcd.ca.gov>

Tue, Aug 24, 2021 at 3:02 PM

To: Enid Gomez <enid.gomez@lacity.org>

Cc: Armando Parra <armando.parra@lacity.org>, "PublicLands@HCD" <publiclands@hcd.ca.gov>

Thank you for notifying HCD of the City of Los Angeles's finding of exempt surplus at [4366 S Main St, Los Angeles \(the Property\)](#). The City notes in the Municipal Facilities Committee (MFC) report that the Property is being transferred to the California Conservation Corps (CCC), a government agency, for its continued use. The MFC report states that CCC will use the Property for environmental projects or responding to natural and man-made disasters.

HCD agrees that this transfer to another agency for agency's use meets the criteria for exemption from the Surplus Land Act under Government Code section 54221(f)(1)(D).



The HCD Public Lands Team

Housing Policy Division

Housing and Community Development

2020 W. El Camino Avenue, Suite 500 | Sacramento, CA 95833



From: Enid Gomez <enid.gomez@lacity.org>

Sent: Thursday, August 12, 2021 10:19 AM

To: Sun, Edwin@HCD <Edwin.Sun@hcd.ca.gov>

Cc: Armando Parra <armando.parra@lacity.org>; PublicLands@HCD <publiclands@hcd.ca.gov>

Subject: Re: Request Review - Sale of 4366 S. Main St.

Eddie,

Thanks for the update.

Regards,

Enid

Enid Gomez

Senior Management Analyst

Real Estate Services Division

Department of General Services

Main: (213) 922-8500

Cell: (213) 926-5018

On Thu, Aug 12, 2021 at 9:41 AM Sun, Edwin@HCD <Edwin.Sun@hcd.ca.gov> wrote:

Good morning,

HCD is still reviewing your declaration of exempt surplus. Our volume for exemptions reviews is very high but we will reach out after completing yours.

Best,

Eddie



The HCD Public Lands Team

Housing Policy Division

Housing and Community Development

2020 W. El Camino Avenue, Suite 500 | Sacramento, CA 95833



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