

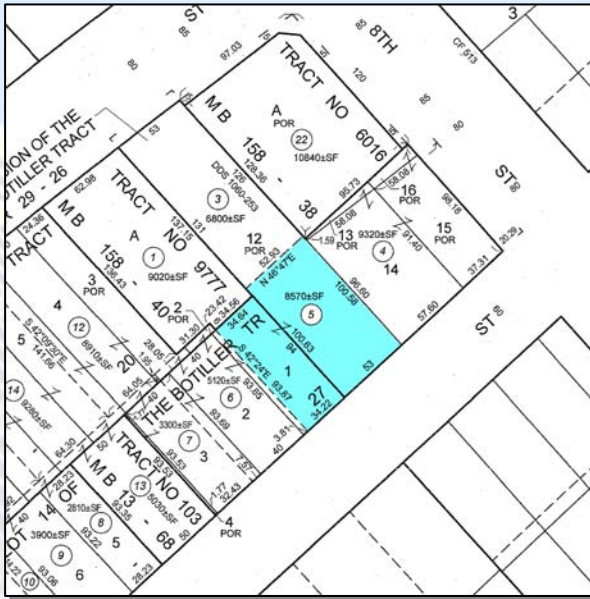
Property Description



Property Description

PHYSICAL DESCRIPTION

Site Description



The subject property is a rectangular parcel containing approximately 8,570 sf (0.197 acres). The property has approximately 87.22 feet of frontage on Santee Street, with an average depth of 98 feet. The site has good visibility with pedestrian access from the frontage street. Current street improvements include the following:

- **Santee Street** – a 60-foot dedicated right of way providing two traffic lanes northbound. Metered parking is available on both sides of the street.
- **Private Alley** – the alleyway bordering the subject to the north is a private alley, that appears to be located one-half on the subject and one-half on the northerly-adjacent property.

Zoning Description

In the State of California, allowable land uses can be implemented by the adoption of a general plan for a city, or, if more detailed zoning requirements are necessary, a specific plan, which focuses on a portion of a general plan. The subject land use is controlled by the General Plan for the City of Los Angeles, as implemented in the Central City Community Plan, a part of the General Plan for the City. This Plan, which was approved by the City Planning Commission and adopted by the City Council, shows the entire subject property as Light Industrial, which allows the following zones: MR2 and M2.

Allowable Uses

The subject property is zoned M2-2D, (Light Industrial), City of Los Angeles. This designation permits restaurants and a variety of commercial uses (retail, office, hotels, hospitals and/or clinics, parking areas). In addition, residential developments are allowed. The subject property is located in height district 2D, which indicates that the floor area may not exceed three times the buildable area, and that the maximum height is 3 stories, or 45 feet.

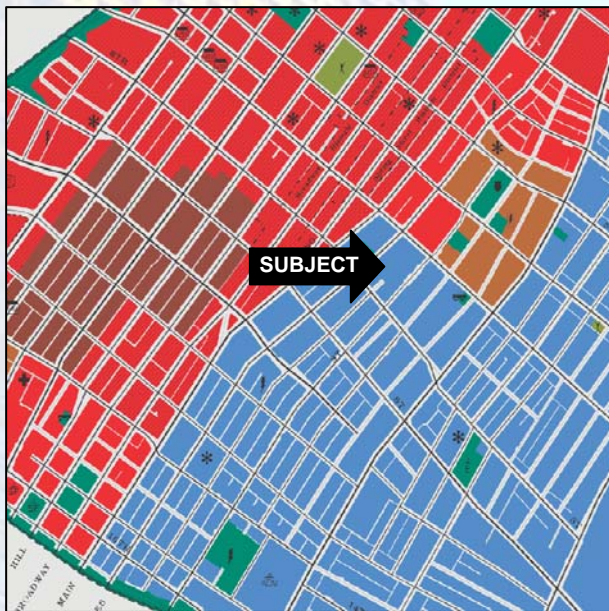
In addition, the following uses are allowed under a Conditional Use Permit: professional office, banking, medical; retail department stores, strip shopping centers, grocers, and restaurants; and single family housing.

Development standards include the following:

Setbacks

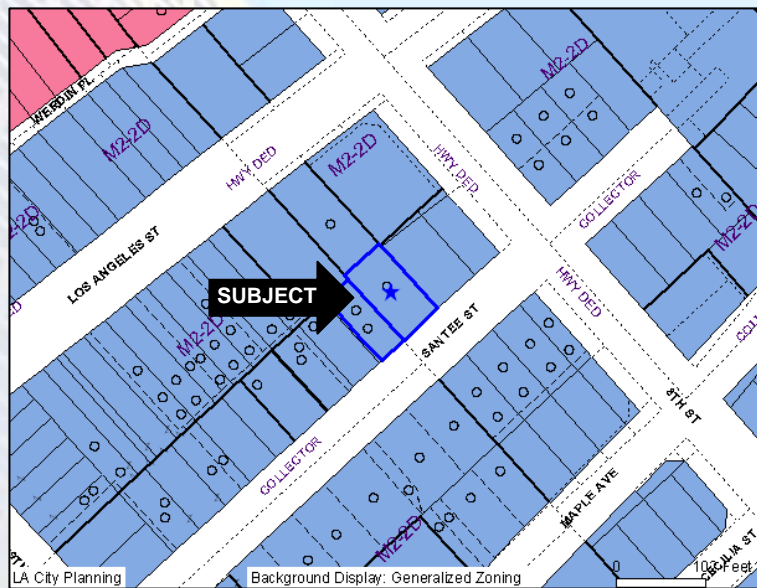
Front Yard:	None
Rear Yard:	None
Side Yard:	None
<u>Maximum Height:</u>	45 feet, or three stories

Parking



Property Description

Medical Offices:	Five spaces per 1,000 sf
Retail stores (not in mini-mall):	Four spaces per 1,000 sf
Furniture Store:	Two spaces per 1,000 sf
Restaurant without seating:	Four spaces per 1,000 sf
Restaurant w/ seating, 1,000 sf+:	Ten spaces per 1,000 sf
Restaurant w/ seating, less than 1,000 sf:	Five spaces per 1,000 sf
Health Clubs or Gyms:	Ten spaces per 1,000 sf
Warehousing:	Two spaces per 1,000 sf first 10,000 sf, then 0.2 spaces per 1,000 sf.
Manufacturing/R&D:	Two spaces per 1,000 sf
Residential Use:	One space per dwelling unit under 2 rooms Two spaces per dwelling unit over 2 rooms
<u>Density:</u>	Controlled by a maximum floor area ratio (FAR) of 3:1



Residential projects, including apartments, rooming houses, and other multiple dwellings are also allowed, subject to R-5 Multiple Dwelling Zone requirements (for projects like the subject that are identified as Regional Center in the General Plan). Maximum R-5 density is calculated based on the lot area (which includes one-half the width of any alleyway¹) and the number of habitable rooms (excluding halls, bathrooms, utility rooms, service porches, and kitchens smaller than 100 sq. ft.²) in each dwelling unit, using the following schedule:

- Greater than four habitable rooms – 400 sq. ft. of lot area per unit
- Four habitable rooms – 300 sq. ft. of lot area per unit
- Less than four habitable rooms – 200 sq. ft. of lot area per unit

Recent Pertinent Legislation

The property is also subject to a zoning ordinance called the Citywide Adaptive Reuse, Live/Work Ordinance. Key elements of this ordinance are as follows:

- Residential density requirements (based on land area) are waived in favor of physical constraints.
- Parking Requirements Waived – No parking is required for historic buildings, regardless of use
- Conditional Use Historic Permit implemented – Certain elements of CEQA are eliminated (historic resources); reducing development costs.
- Fee Reduction – Certain fees are waived.

¹ City of Los Angeles Planning and Zoning Code, Section 12.22 C 16.
² Ibid; Section 12.03.

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- Residential Yards waiver – No residential yards are required for adaptive reuse properties.
- Transfer of Development Rights (TDR) – Owners can sell development rights to third parties rather than develop the square footage directly.

This ordinance has had the effect of reducing construction and adaptive reuse project costs somewhat. In addition, densities not normally allowed are possible under this ordinance.

Affordable Housing Initiatives

The State of California recently amended the density bonus program (Government Code 65915) via SB 1818 (effective January 1, 2005). This new law cuts the number of required units in half that must be set aside for 30 years to qualify for a density bonus. The new minimum of Very Low Income affordable units that must be set aside to qualify for the density bonus is now 5% of the maximum allowable units permitted by the zoning before the density bonus. Low Income affordable requirements are now 10% to qualify for the bonus. Although this law reduces the base by-right density bonus from 25% to 20%, developers may increase the bonus to a maximum of 35% by increasing the number of set-aside affordable units, using the following schedule:

- For each 1% increase in the percentage of Very Low Income affordable units, a developer will receive an additional 2.5% density bonus up to a maximum of 35%.
- For each 1% increase in the percentage of Low Income affordable units, a developer will receive an additional 1.5% density bonus up to a maximum of 35%.

This bill also permits a density bonus for 100% seniors housing, with no income restrictions. The subject may also qualify for the citywide 35% density bonus for projects near transit corridors and large employment centers, as long as the minimum 5% Very Low or 10% Low Income units are set aside.

For Sale Projects

SB1818 allows for-sale projects to receive a density bonus for Moderate Income units. A bonus of 5% is allowed for a 10% set-aside; developments earn a 1% bonus for every 1% additional units set aside for Moderate Income units.

A current Preliminary Title Report is available upon request.

California real estate is taxed at one percent of full market value, plus a percentage reflecting the tax district's bonded indebtedness, and a lump-sum amount reflecting direct assessments. Sale or transfer of the property initiates a reassessment on the entire property, while improvement initiates an assessment on the perceived increase in value. Barring a sale or other improvement, taxes are indexed upward by a maximum rate of two percent per year. The subject current assessments are as follows:

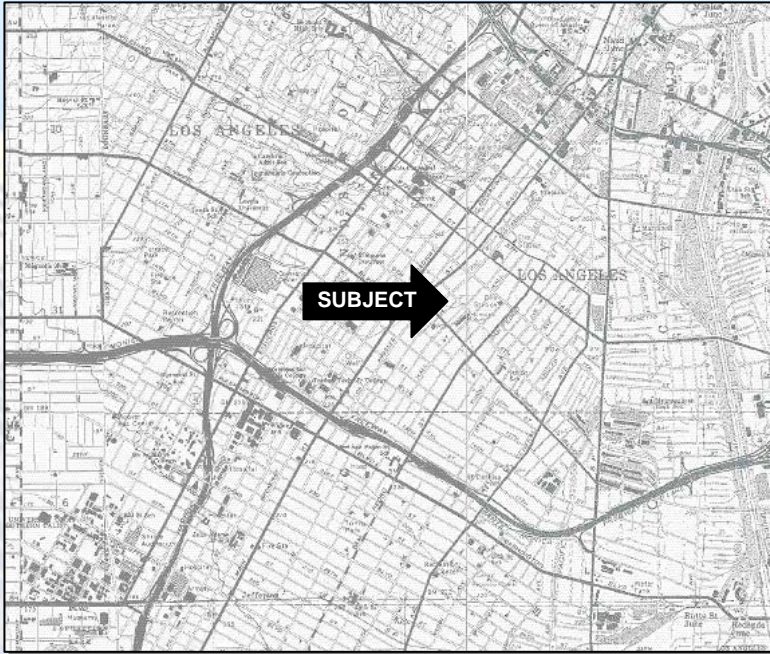
Legal Description

Tax Assessments

ASSESSED VALUES (2007-2008)		
Assessors Parcel Number	Current	At Purchase Price
5145-013-005		
Land	\$2,040,000	
Improvements	10,223,460	
Total	\$12,263,460	\$10,000,000
Tax Rate Area	13-263	13-263
Nominal Tax Rate	1.174687%	1.174687%
Assessments	\$144,057.27	\$117,468.70
Direct Assessments	9,009.73	9,009.73
Total Property Taxes	\$153,067.00	\$126,568.43

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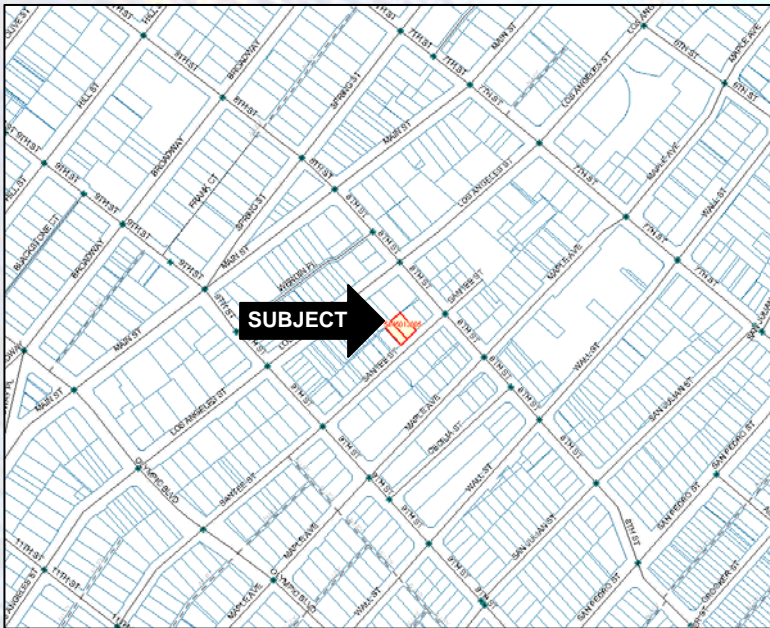
Nuisances and Hazards



Earthquake Hazards

The subject property is apparently not located within an Alquist-Priolo Earthquake Fault Zone (f.k.a. Special Studies Zone). These zones are created by the Alquist-Priolo Special Study Zone Act of December 1972 (and became effective March 7, 1973), and renamed the Alquist-Priolo Earthquake Fault Zoning Act. The purpose of this act is to prohibit the construction of most structures for human occupancy across the traces of active faults. This Act, and the subsequent zones prepared by the California Department of Conservation, Division of Mines and Geology, specifically address only certain types of faults; this is not an all-inclusive list.

[Map modified from California Division of Mines and Geology from CD-ROM 2000-004 (2000), Official Map of Alquist-Priolo Earthquake Fault Zones, Los Angeles Quadrangle (1986)].



Flood Zone

According to the Department of Housing and Urban Development (HUD), the subject property is located within flood zone C; areas of minimal flooding. This is defined as an area of moderate or minimal hazard from the principal source of flood in the area. Flood insurance is not required in this zone by regulation. This area is identified in Community Panel 060137 0074 C, dated December 2, 1980.

Property Description

Improvement Data

Summary of Improvements

The subject site is improved with a 101,122 square foot thirteen-story, Class “B” (reinforced concrete frame and masonry floor) professional office building, constructed circa 1925. The building improvements provide a site coverage of approximately 84.3% (7,223 Sf Building Footprint ÷ 8,570 Sf land), and a Floor Area Ratio (FAR) of 11.0:1 (93,899 Sf *versus* 8,570 Sf land).

A breakdown of square footages, as well as our estimate of usable area, is as follows:

DEVELOPMENT ANALYSIS		
Floor	Gross Sf	Usable
Basement	7,223	7,223
First Floor	7,223	4,549
Mezzanine	7,223	6,501
Upper Floors (2-12)	79,453	71,508
Totals	101,122	89,780

Construction Details

Type Construction

Class “B” The primary characteristics of a Class B building is the reinforced concrete frame in which the columns and beams can be either formed or precast concrete. They may be mechanically stressed. It is a fire-resistant structure.

Floors and roofs in Class B structures are formed or precast concrete slabs. The exterior walls will generally be masonry or reinforced concrete curtain walls or any of the many types of wall panels of concrete, metal, glass, or stone, etc. In some Class B buildings, the walls may be partially load-bearing, interior partitions are often masonry, reinforced concrete or gypsum block, but many lightweight and movable partitions are used where structural walls are not needed.

Structural Composition

Foundation & Sub-Floor: Foundation is poured-in-place concrete; basement floor is poured-in-place concrete; upper floors consist of cast-in-place concrete pans over concrete frame with “mushroom” columns throughout.

Exterior Wall Structure/Storefront: Cast in place concrete; metal-framed windows and doors.

Roof Structure/Cover/Skylights: Built-up composition roll over wood sheathing over cast-in-place concrete

Mechanical Systems

Electrical: Typical and adequate for the occupancy.

Heating, Ventilation and Air Conditioning: None; some window air conditioning units in selected tenant spaces. Ventilation in all common areas.

Property Description

Conveyance System: One two-stop electric traction elevator.

Fire Protection Full fire sprinkler system installed. Fire extinguishers in cabinets throughout the property.

Critical Interior Dimensions

Minimum Truss Clearance Interior clearance (to bottom of floor structure) is a minimum nine feet

Restrooms

Typical and adequate for the occupancy, including two wall-mounted sinks, two water closets, and two urinals (men's only), in each of two restrooms per floor.

Floors:	Ceramic tile
Walls:	Plaster partitions; ceramic tile wainscot
Ceilings:	Plaster or exposed ceilings, taped and painted
Note:	Restrooms are currently exempt from current handicap requirements

Interior Finishes

Interior Finishes- Tenant Areas

Floors:	Carpeting, 1x1 vinyl tile, or exposed concrete.
Walls:	Plaster over steel or wood stud partitions, with some wood paneling in selected areas.
Ceilings:	Exposed ceiling structure or 2x4 Acoustic suspended ceilings, with recessed fluorescent lighting.