

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 14, 2021

CAO File No. 0150-11940-0000

Council File No. 12-1549-S13

Council District: 15

To: The Council

From: Matthew W. Szabo, City Administrative Officer



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

Subject: **PROPOSED DIRECT SALE OF SURPLUS PROPERTY – CITY-OWNED
PROPERTY AT 501 MESA STREET, SAN PEDRO (APN 7449-002-900)**

RECOMMENDATIONS

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

1. Adopt the accompanying ordinance dated June 23, 2021 (*Attachment D*) from the City Attorney authorizing the “As is and with all faults” sale of the real property located at 501 N. Mesa St., Los Angeles, CA 90731 (APN 7449-002-900), including all stated exceptions and reservations, without notice of sale or advertisement of bids, to HOUSING AUTHORITY OF THE CITY OF LOS ANGELES for the negotiated sale price of \$630,000;
2. Request the City Attorney to prepare the purchase and sale agreement based on the terms specified in the ordinance dated June 23, 2021 (*Attachment D*), for the sale of the real property located at 501 N. Mesa St., Los Angeles, CA 90731 (APN 7449-002-900);
3. Instruct the Department of General Services to complete the transactions outlined in the ordinance dated June 23, 2021; process the necessary documentation to execute the sale; retain and deposit funds for GSD closing costs associated with the transaction into the appropriate GSD accounts; deposit one-half of the sale proceeds into Council District 15 Real Property Trust Fund (Schedule 29) and one-half into General Fund No. 100, Department No. 40, Revenue Source No. 5141;
4. AUTHORIZE the City Administrative Officer and Controller to make any necessary technical corrections to implement the intent of the Council and Mayor.

SUMMARY

The Department of General Services (GSD) submitted a report package that requests authority for the direct sale of City-owned surplus property at 501 Mesa Street (Property) in Council District 15 to HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (Buyer) for \$630,000 (*Attachment*

A). The Property, approximately 16,211 square feet, was developed as a one-story commercial structure in 1950. The building was used for various City purposes in subsequent years, such as a radio station and LAPD call center, but is not currently being utilized by the City. The site is located within a residential neighborhood in San Pedro and abuts existing residential property. Determining that the City had no immediate or future plans for this site, the Council approved a Buscaino-Koretz motion in November 2019 (*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 approved the direct sale of 501 Mesa Street in San Pedro to the Buyer.

BACKGROUND

On June 29, 2021, the City Council declared the property, “exempt surplus land” pursuant to the guidelines of AB 1486 (CF 17-1002-S1) (*Attachment B*). The City Council further determined that the Property is no longer required for use by the City and that the public interest is best served by its disposal. The Property was subsequently offered for sale to other governmental agencies. Two agencies expressed interest in the site: Los Angeles County and the Housing Authority of the City of Los Angeles. Los Angeles County decided not to pursue purchase of the site, and the City proceeded with the Housing Authority of the City of Los Angeles.

Appraisal

In May 2021, GSD reports that Norris Realty Advisors completed an appraisal report stating that the fair market value of the Property is \$630,000. Upon the close of escrow, 50 percent of the net proceeds of the sale shall be deposited into Council District 15 Real Property Trust Fund (Schedule 29) and the remaining 50 percent into General Fund No. 100, Department No 40, Revenue Source No. 5141.

Planning: Zoning / Determinations

In a letter dated December 5, 2019, the Planning Department advised that provided the lot is utilized for a use consistent with the current zone, a sale is therefore consistent with the City’s General Plan.

BOE Determinations / Dedications

In a letter dated July 23, 2019, the Bureau of Engineering (BOE) confirmed that the property has no existing easements. The report recommended that an A-permit be obtained in order to complete the listed requirements, including the installation of ADA compliant sidewalks adjacent to the property and repairing any broken curb and gutters as defined by the parameters in the letter.

BOE CEQA Disclosure

BOE determined that the sale of the Property was categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to City of Los Angeles CEQA Guidelines (Article III, Section 1, Class 12) and State Guidelines (Sec 15312).

Compliance with State and Municipal Law

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 and LAAC Section 7.27 Private Sale. 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 501 Mesa Street in Council District 15 to HOUSING AUTHORITY OF THE CITY OF LOS ANGELES for a total price of \$630,000 will have a positive impact on the Council District 15 Real Property Trust Fund and the General Fund. The sales proceeds are unanticipated and net new revenues to the General Fund. Upon the close of escrow, 50 percent of the net proceeds of the sale shall be deposited into the Council District 15 Real Property Trust Fund and the remaining 50 percent shall be deposited into the General Fund after payment of closing costs and administrative fees.

FISCAL 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 a two-thirds vote, authorize the sale of City-owned property, without notice of sale or advertisement for bids, upon review and recommendation by the City Administrative Officer. GSD reports that the sale of the property is in the best interest of the City because it will eliminate costly maintenance of the City parcel and there will be a one-time deposit of \$630,000 split equally between the Council District 15 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 sale price is \$630,000, which is the agreed upon price between the City and the Buyer;
- The Property will be sold in "As Is" condition and without any warranty as to fitness for use, fitness for a particular use, or condition of the Property, and that the City has no obligation to correct any condition of the Property, whether known before or after the date of the sale;
- In accordance with Section 3, 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 his own expense, may obtain any desired survey of the Property;

- The City will reserve all oil, gas, water, and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water, and minerals.
- Subject to covenants, conditions, restrictions, encroachments, reservations, easements, rights, and rights-of-way of record or which are apparent from a visual inspection of the real property and excepting and reserving to the City any interest in the fee to the adjacent streets which would otherwise pass with the conveyance;

3. Property Description / Legal Description

The Property is located at 501 Mesa Street, San Pedro, Los Angeles, with APN 7449-002-900. The Property is zoned R2-1XL-CPIO and lies within Council District 15 and the San Pedro Community Plan. The legal description is Exhibit A and contained in Attachment A to this report.

4. Exempt Surplus Land Declaration

On June 29, 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 C). 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.

Nathan Holmes

Nathan Holmes, Principal Project Coordinator

APPROVED:

Jacqueline L. Vernon Wagner

Jacqueline Vernon Wagner, Chief Administrative Analyst

MWS:YC/JVW/NSH (Doc Id: 15220004)

Attachments

- Attachment A: July 15, 2021 Report Package from GSD to CAO,
- Class "A" Appraisal
- Ordinance with Legal Description (Exhibit A)
- Attachment B: Exempt Surplus Land Report – June 2, 2021
- Attachment C: Buscaino-Koretz Motion - June 28, 2019
- Attachment D: Ordinance from City Attorney – June 23, 2021

FORM GEN. 160 (Rev. 6-80)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: July 15, 2021

TO: Matt Szabo
City Administrative Officer

Attention: Jacqueline Wagner, Chief Administrative Analyst

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

SUBJECT: **REVIEW OF PROPOSED DIRECT SALE OF THE PROPERTY
LOCATED AT 501 N. MESA STREET, SAN PEDRO – CD 15
APN: 7449-002-900**

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 Housing Authority of the City of Los Angeles (HACLA), at the request of Council District 15. 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 HACLA.

The market value of the subject property as of May 2021 is \$630,000 and will be sold to HACLA 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 15 and 50% to the General fund as follows:

- To CD 15: Real Property Trust Account Dept. 14 Fund 697
- 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 to the City Administrative Officer's office for review and recommendation to the City Council for direct sale to HACLA. 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) 922-8559, 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: 7449-002-900

ADDRESS: **501 N. Mesa Street**
San Pedro, CA 90731

1	Assessor Parcel Map Navigate LA Map	Exhibit I
2	54220 Notices	Exhibit II
3	City Title Report	Exhibit III
4	Legal Description	Exhibit IV
5	BOE District Engineer Report BOE Geotechnical Report BOE Environment Report	Exhibit V
6	Planning Approval	Exhibit VI
7	Mayor's Office Notification	Exhibit VII
8	Appraisal Report	Exhibit VIII
9	Ordinance	Exhibit IX



CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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

August 28, 2019

EXHIBIT II

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard
Los Angeles, CA 90057

Attention: Douglas Guthrie, President & CEO

PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY – CD 15
501 NORTH MESA STREET; APN: 7449-002-900

The Real Estate Services Division is processing the City-owned property, 501 North Mesa Street, Los Angeles, CA 90731, referenced above and identified on the attached assessor map to be declared surplus for sale at public auction.

This letter is supplied in advance of the sale, in compliance with the provisions of Sections 54220 through 54232 of the California Government Code (Code) and the City is hereby offering these properties for sale.

Please return a signed copy of the attached form to Room 201, City Hall South, Real Estate Services Division. If we do not hear from you within sixty (60) days from the date of this letter, it will be assumed that your organization is not interested in the property and have no objections to the proposed sale.

Should you need additional information, please contact Enid Gomez, Senior Management Analyst, at 213-922-8547 or via email at enid.gomez@lacity.org.


Melody McCormick, Director
Real Estate Services Division

Attachments



SUBJECT: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY

Property 501 N. Mesa Street (APN: 7449-002-900)

Please check one.

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

Comments: _____

2. I object to the proposed sale and am interested in PURCHASING the property and entering into negotiations.

Comments: HACLA would be interested in purchasing this property.

3. _____ I object to the proposed sale and am interested in LEASING the property and entering into negotiations.

Comments: _____

Jenny SCANLIN
PRINT NAME


SIGNATURE

HACLA
NAME OF ORGANIZATION

RETURN TO:

**Melody McCormick, Director
Real Estate Services Division
City Hall South, Room 201
Los Angeles, CA 90012**

cc: Enid Gomez, Sr. Management Analyst

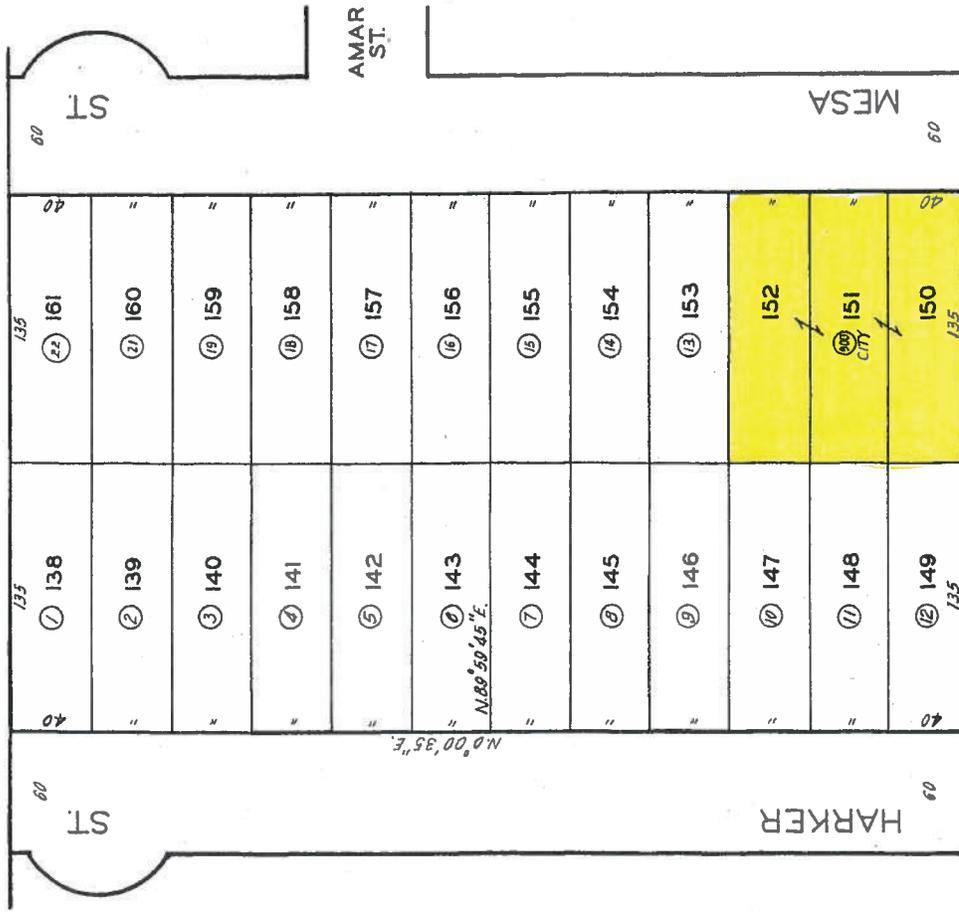
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SCALE 1" = 60'

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TRACT NO. 2818
M.B. 31-7



CODE
13245

FOR PREV. ASSMT. SEE: 208-21

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
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(213) 928-9555
FAX No. (213) 928-9515

August 28, 2019

Chief Executive Office of Los Angeles County
Asset Management Division
500 West Temple, Room 723
Los Angeles, CA 90012

Attention: David Howard, Asst. Chief Executive Officer

**PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY – CD 15
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Melody McCormick, Director
Real Estate Services Division

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Comments: _____

David P. Howard

PRINT NAME



SIGNATURE

County of Los Angeles
Chief Executive Office
Asset Management Branch

NAME OF ORGANIZATION

RETURN TO:

**Melody McCormick, Director
Real Estate Services Division
City Hall South, Room 201
Los Angeles, CA 90012**

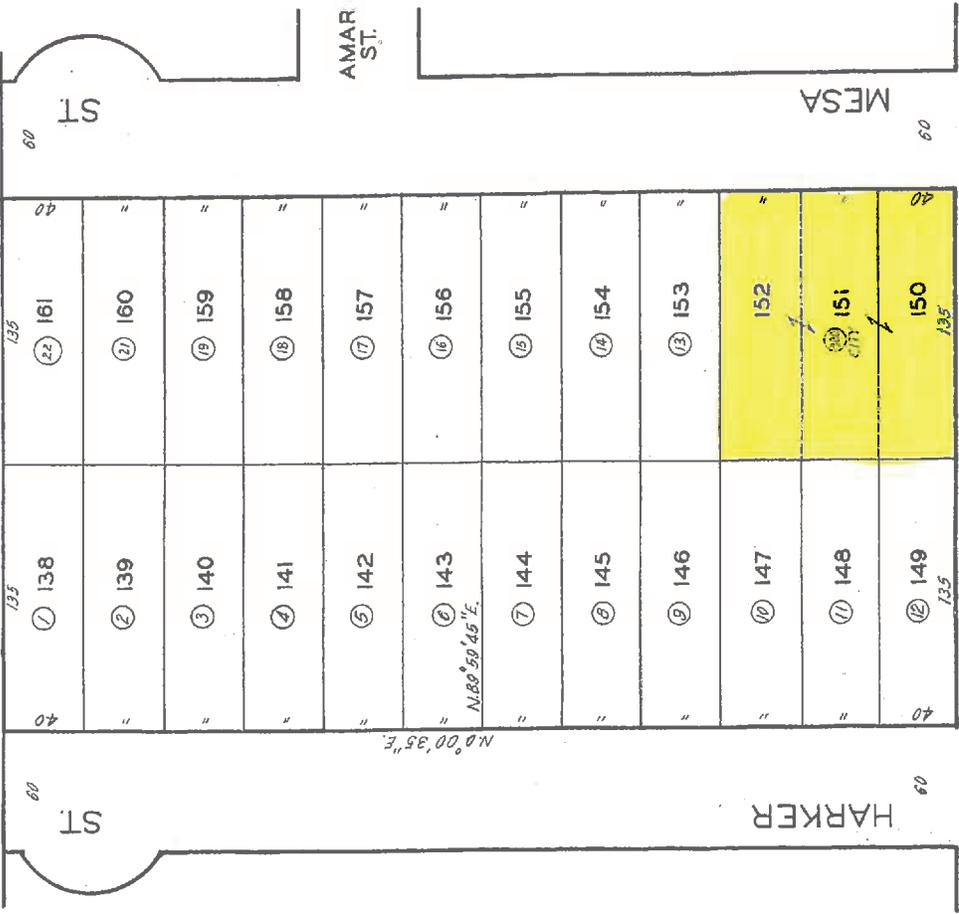
cc: Enid Gomez, Sr. Management Analyst

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FAX No. (213) 928-9515

August 28, 2019

Santa Monica Mountains Conservancy
5750 Ramirez Canyon Road
Malibu, CA 90265

Attention: Paul Edelman, Executive Director

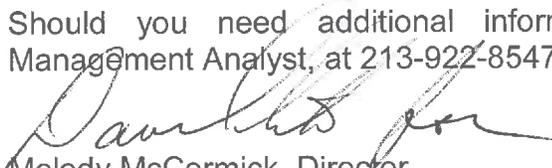
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August 28, 2019

Michael Shull, General Manager
Department of Recreation and Parks
221 N. Figueroa St., 1st Flr., MS 625-13
Los Angeles, CA 90017

Attention: Cid Macaraeg, Senior Management Analyst II

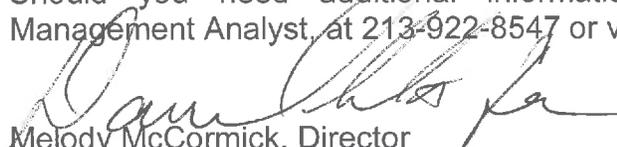
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Melody McCormick, Director
Real Estate Services Division

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cc: Enid Gomez, Sr. Management Analyst

REVISED

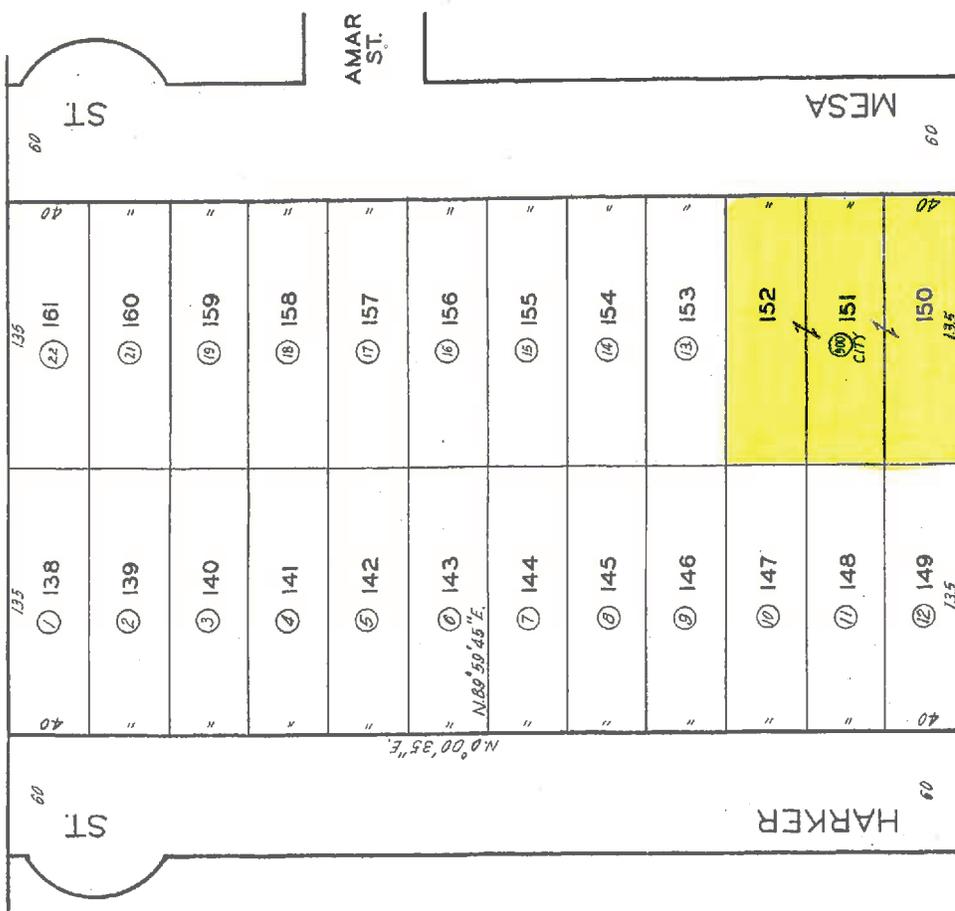
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(213) 928-9555
FAX No. (213) 928-9515

August 28, 2019

Rushmore Cervantes, General Manager
Los Angeles Housing and Community Investment Department
1200 W. 7th Street, 9th Floor, MS 958
Los Angeles, CA 90017

Attention: Doug Swoger, Director

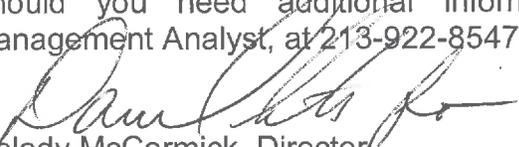
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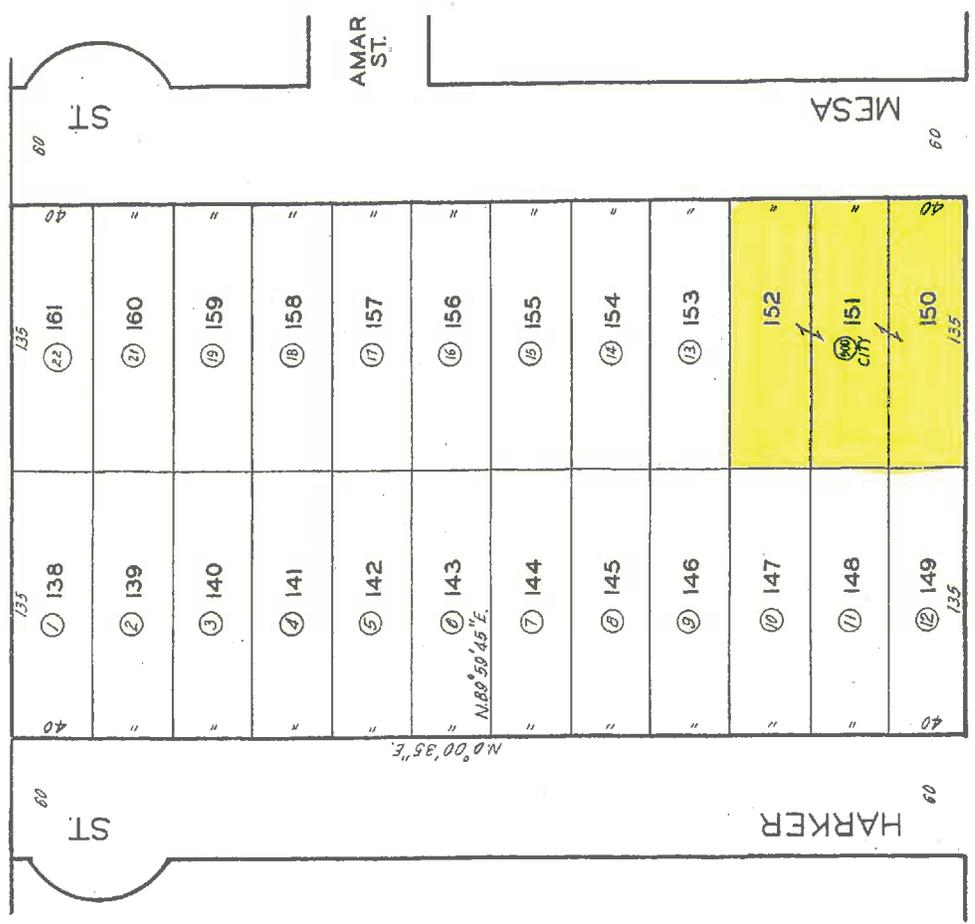
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ERIC GARCETTI
MAYOR

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

August 28, 2019

Jan C. Perry, General Manager
Economic & Workforce Development Department
1200 W. 7th Street, 6th Flr., MS 854
Los Angeles, CA 90017

Attention: Sam Hughes, Assistant General Manager

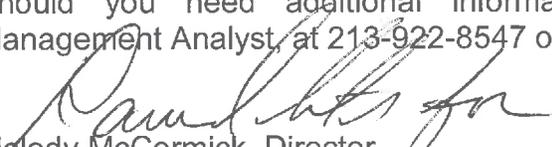
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NAME OF ORGANIZATION

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cc: Enid Gomez, Sr. Management Analyst

REVISED

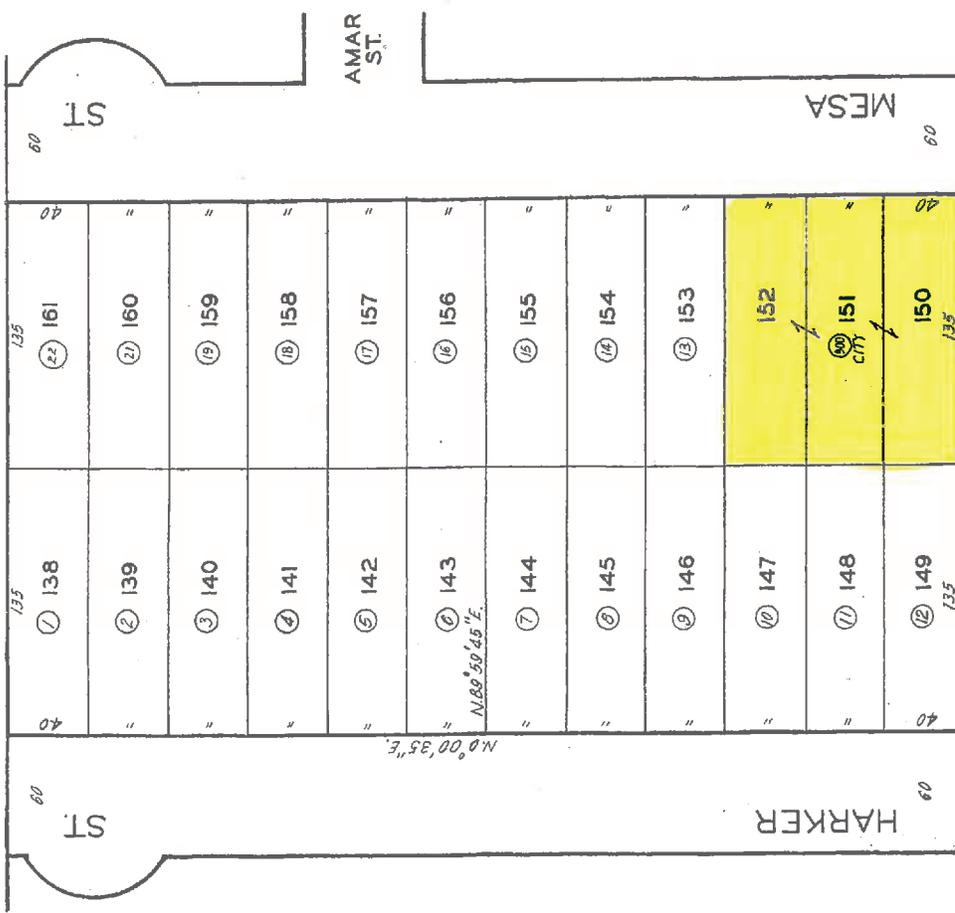
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7449 2

2003

SCALE 1" = 60'

M.M. 454



N 0° 00' 35" E
N 89° 59' 45" E

TRACT NO. 2818

M.B. 31-7



CODE
13245

FOR PREV. ASSM'T, SEE: 208-21

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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

August 28, 2019

Seleta J. Reynolds, General Manager
Department of Transportation
100 S. Main Street, 10th Flr., MS 725
Los Angeles, CA 90012

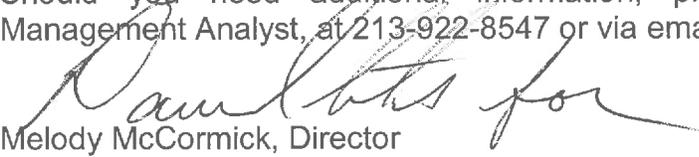
PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY – CD 15
501 NORTH MESA STREET; APN: 7449-002-900

The Real Estate Services Division is processing the City-owned property, 501 North Mesa Street, Los Angeles, CA 90731, referenced above and identified on the attached assessor map to be declared surplus for sale at public auction.

This letter is supplied in advance of the sale, in compliance with the provisions of Sections 54220 through 54232 of the California Government Code (Code) and the City is hereby offering these properties for sale.

Please return a signed copy of the attached form to Room 201, City Hall South, Real Estate Services Division. If we do not hear from you within sixty (60) days from the date of this letter, it will be assumed that your organization is not interested in the property and have no objections to the proposed sale.

Should you need additional information, please contact Enid Gomez, Senior Management Analyst, at 213-922-8547 or via email at enid.gomez@lacity.org.


Melody McCormick, Director
Real Estate Services Division

Attachments



SUBJECT: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY

Property 501 N. Mesa Street (APN: 7449-002-900)

Please check one.

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

Comments: _____

2. _____ I object to the proposed sale and am interested in PURCHASING the property and entering into negotiations.

Comments: _____

3. _____ I object to the proposed sale and am interested in LEASING the property and entering into negotiations.

Comments: _____

PRINT NAME

SIGNATURE

NAME OF ORGANIZATION

RETURN TO:

**Melody McCormick, Director
Real Estate Services Division
City Hall South, Room 201
Los Angeles, CA 90012**

cc: Enid Gomez, Sr. Management Analyst

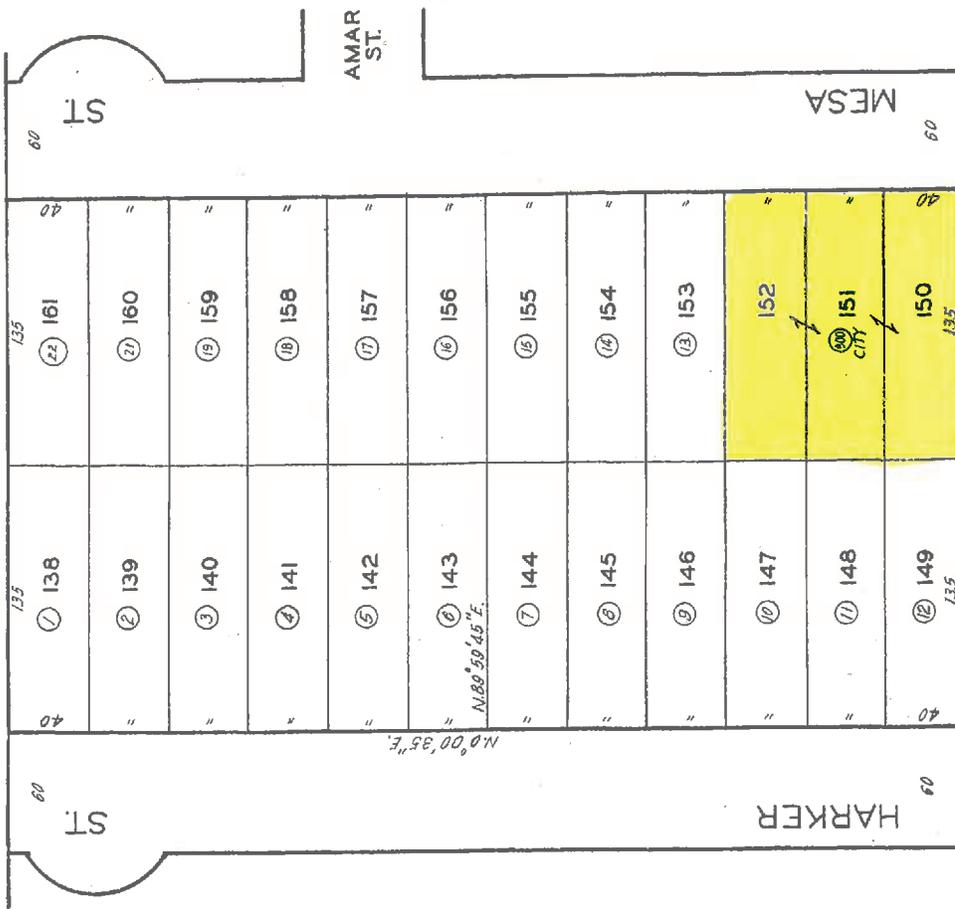
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5-19-85
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7449 2

SCALE 1" = 60'

2003

M.M. 454



TRACT NO. 2818
M.B. 31-7



CODE
13245

FOR PREV. ASSMT. SEE: 208-21

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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

August 28, 2019

Neil Guglielmo, General Manager
LACERS
202 W. 1st St., Ste 500, MS 175
Los Angeles, CA 90012-4207

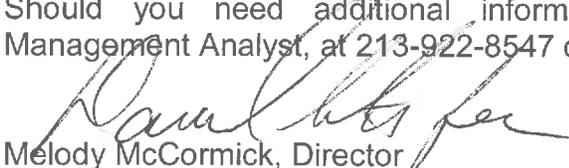
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Melody McCormick, Director
Real Estate Services Division

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NAME OF ORGANIZATION

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Real Estate Services Division
City Hall South, Room 201
Los Angeles, CA 90012**

cc: Enid Gomez, Sr. Management Analyst

REVISED

12-18-64
2-5-65
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2003

7449 2
SCALE 1" = 60'

M.M. 454



TRACT NO. 2818

M.B. 31-7



CODE
13245

FOR PREV. ASSM'T. SEE: 208-21

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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

August 28, 2019

Raymond P. Ciranna, General Manager
Fire & Police Pensions
701 E. 3rd St., Ste 200, MS 390
Los Angeles, CA 90012

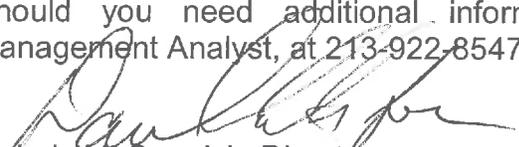
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Melody McCormick, Director
Real Estate Services Division

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Real Estate Services Division
City Hall South, Room 201
Los Angeles, CA 90012**

cc: Enid Gomez, Sr. Management Analyst

7449

2

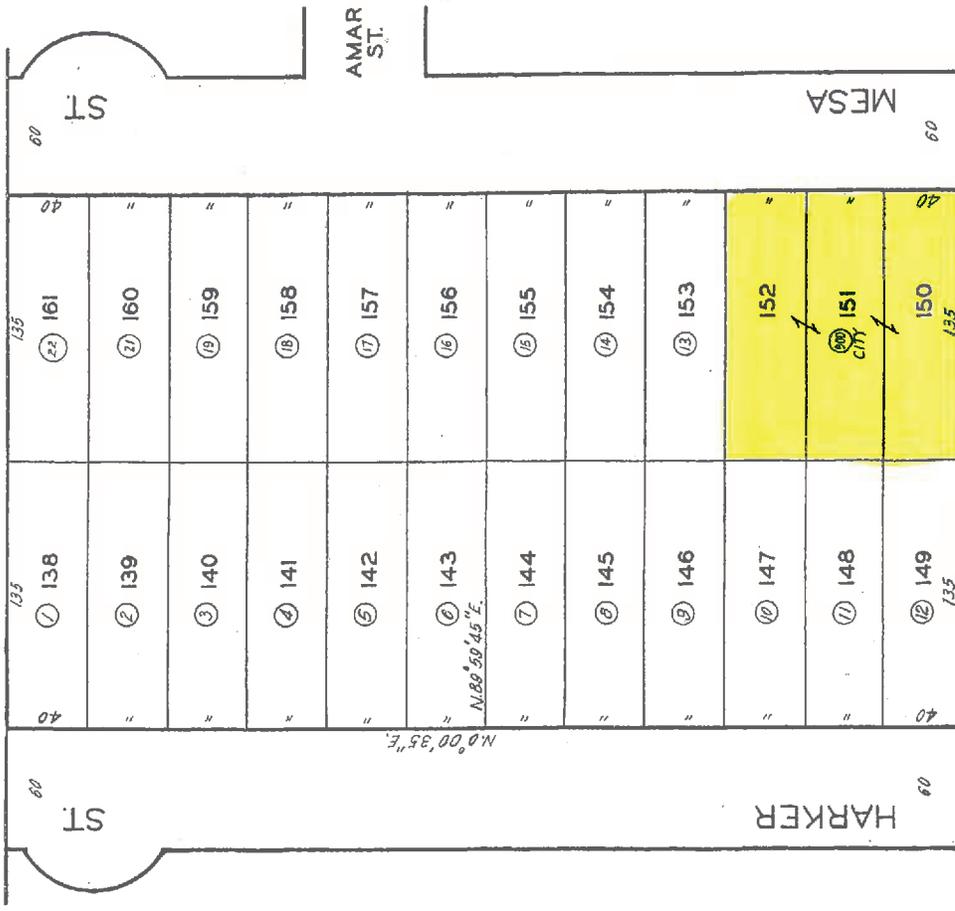
2003

SCALE 1" = 60'

REVISED

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M.M. 454



TRACT NO. 2818

M.B. 31-7



CODE
13245

FOR PREV. ASSM'T. SEE: 208-21

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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

August 28, 2019

Luiseni Pieh, Acting CEO
River LA
525 S. Hewitt Street
Los Angeles, CA 90013

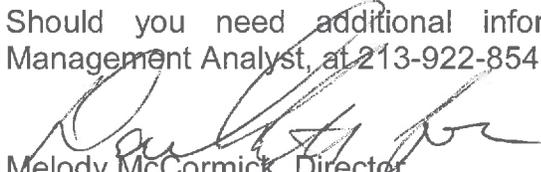
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Melody McCormick, Director
Real Estate Services Division

Attachments



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Property 501 N. Mesa Street (APN: 7449-002-900)

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PRINT NAME

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Real Estate Services Division
City Hall South, Room 201
Los Angeles, CA 90012**

cc: Enid Gomez, Sr. Management Analyst

7449 2

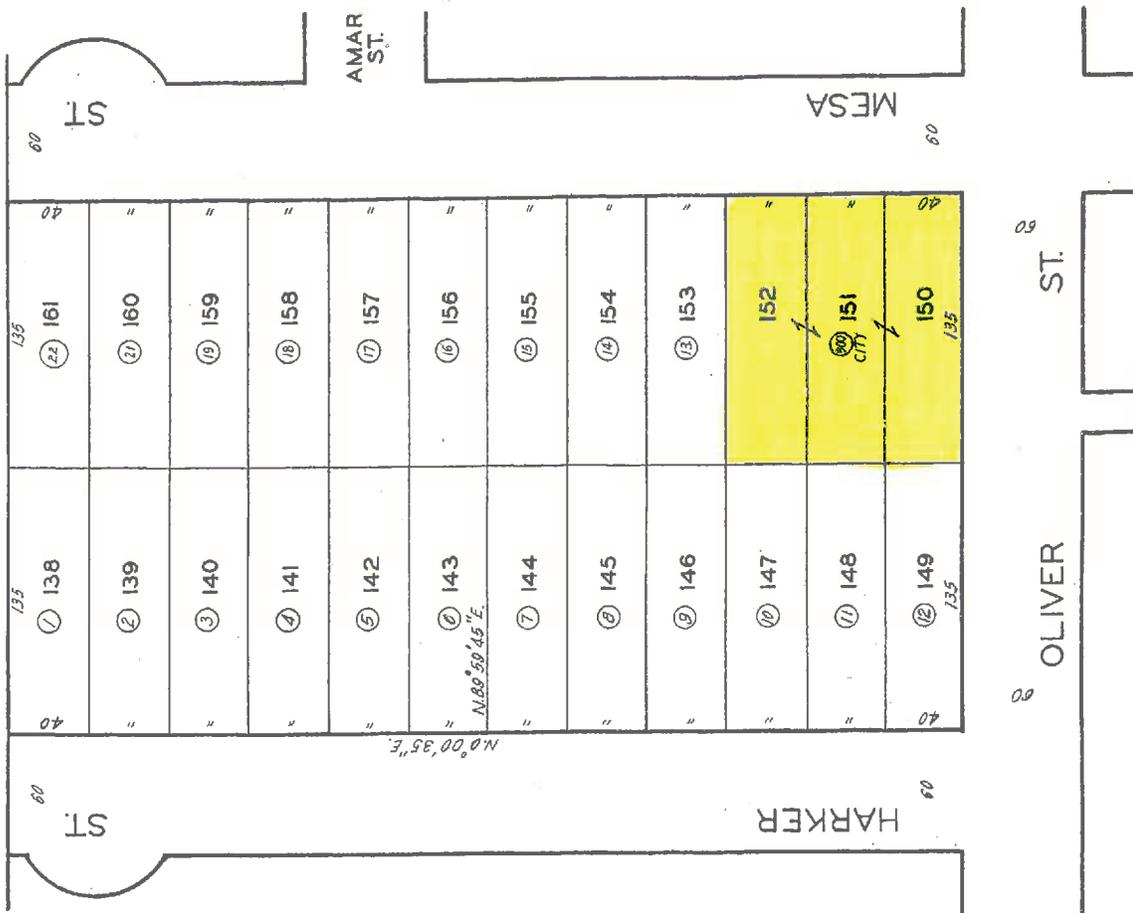
SCALE 1" = 60'

2003

M.M. 454

REVISED

12-18-64
2-3-65
710917
20020804



TRACT NO. 2818

M.B. 31-7



CODE
13245

FOR PREV. ASSMT. SEE: 208-21

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.



Issuing Policies of Chicago Title Insurance Company

ORDER NO.: **00100827-994-LT2-KD**

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

City of Los Angeles
111 E. 1St Street, General Services
Los Angeles, CA 90012
ATTN: Louie Padua
Email: louie.padua@lacity.org
REF: Mesa Street

Title Officer: **Karl Daly (LA/Comm)**
Title Officer Phone: **(213) 612-4157**
Title Officer Fax: **(213) 488-4385**
Title Officer Email: **UnitX59@ctt.com**

PROPERTY: **VACANT LAND, LOS ANGELES, CA**

PRELIMINARY REPORT

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

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

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

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

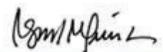
Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be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

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

Chicago Title Company

By: 
Authorized Signature



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



PRELIMINARY REPORT

EFFECTIVE DATE: **November 16, 2018 at 7:30 a.m.**

ORDER NO.: 00100827-994-LT2-KD

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

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

Fee Estate

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

The City of Los Angeles, a municipal corporation

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

See Exhibit A attached hereto and made a part hereof.

EXHIBIT "A"

LEGAL DESCRIPTION

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

PARCEL 1:

LOTS 150 AND 151 OF [TRACT NO. 2818](#), AS PER MAP RECORDED IN [BOOK 31, PAGE 7 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY.

PARCEL 2:

LOT 152 OF [TRACT NO. 2818](#), AS PER MAP RECORDED IN [BOOK 31, PAGE 7 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY.

APN: **7449-002-900**

EXCEPTIONS

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

- A. There were no taxes levied for the fiscal year 2018-2019 as the property was vested in a public entity.
- B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

1. Water rights, claims or title to water, whether or not disclosed by the public records.
2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Santos Bebe and Marcisa Bebe
Purpose: community driveway
Recording Date: October 29, 1946
Recording No: [Book 23891 Page 93 of Official Records](#)
Affects: A portion of said land as more particularly described in said document

3. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately.

In order to close this pending transaction, we will need the following information:

- 1) Completion of the attached Owner's Declaration
- 2) Completed Escrow Owner Information Sheet
- 3) A statement from escrow providing the complete name of the account that proceeds are going to.

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

4. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
6. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
7. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

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

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

EXCEPTIONS
(Continued)

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

END OF EXCEPTIONS

REQUIREMENTS SECTION

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

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

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

Governmental agency: The City of Los Angeles, a municipal corporation

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

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

END OF INFORMATIONAL NOTES

Karl Daly (LA/Comm)/b1c

Wire Fraud Alert

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

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

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

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

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

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

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

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

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

Types of Information Collected

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

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

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

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

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

How Personal Information is Collected

We may collect Personal Information about you from:

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

How Browsing Information is Collected

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

Other Online Specifics

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

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

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

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

Use of Personal Information

FNF uses Personal Information for three main purposes:

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

When Information Is Disclosed

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

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

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

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

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

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

Security of Your Information

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

Choices With Your Information

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

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

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

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

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

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

Information From Children

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

International Users

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

FNF Website Services for Mortgage Loans

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

Your Consent To This Privacy Notice; Notice Changes

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

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

Accessing and Correcting Information; Contact Us

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

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

Notice of Available Discounts

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

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

FNF Underwritten Title Company

CTC - Chicago Title Company

FNF Underwriter

CTIC - Chicago Title Insurance Company

Available Discounts

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

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

DISASTER LOANS (CTIC)

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

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

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

EMPLOYEE RATE (CTC and CTIC)

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

ATTACHMENT ONE

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

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

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

EXCLUSIONS

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

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

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

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

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

LIMITATIONS ON COVERED RISKS

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

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

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

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

(PART I

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

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

PART II

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

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

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

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

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

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

EXCLUSIONS FROM COVERAGE

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

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

Insert Map here

OWNER'S DECLARATION

Escrow No.: 00100827-994-LT2-KD
Property Address: Vacant Land
Los Angeles, CA

The undersigned hereby declares as follows:

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

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

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

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

Signature: _____

EXHIBIT IV

APN: 7449-002-900

ADDRESS: 501 North Mesa Street, San Pedro, CA 90731

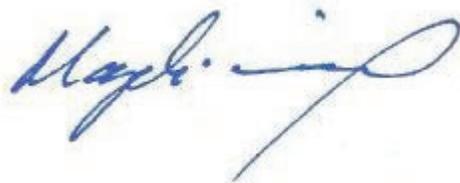
LEGAL DESCRIPTION

Lots 150, 151, and 152 of Tract No. 2818, in the City of Los Angeles, County of Los Angeles, State of California, as shown on map recorded in Book 31 of maps, page 7 of maps, in the office of the County Recorder of said county:

RESERVING for street dedication that portion lying southeasterly of the following described line:

Beginning at the southwesterly corner of said Lot 150; thence easterly along the southerly line of said Lot to the true point of beginning, being the beginning of a tangent curve, concaving northwesterly, having a radius of 15.00 feet and being tangent at its point of ending to the easterly line of said Lot; thence easterly and northeasterly along said curve to said point of ending.

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



CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: July 23, 2019

To: David Roberts, Assistant Director
General Services Department
Real Estate Services Division
111 E 1st Street, Los Angeles, CA 90012

From: Crystal Lee, District Engineer 
Bureau of engineering, Department of Public Works
638 Beacon Street, Suite 402
San Pedro, CA 90731

Subject: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY – CD
501 N. MESA STREET, SAN PEDRO, CA 90731 APN: 7449-002-900

Response:

Per your request regarding city -owned property located at 501 N. Mesa Street, San Pedro, please review following comments and recommendations per our site investigation:

- This Property located at southerly boundary of APN: 7449-002-900 to Northerly boundary of APN: 7449-002-900. There are three available sewer cap laterals in Oliver Street and two active lateral sewer house connections in Mesa Street, related to this property.
- No existing easement found at this property.
- No existing storm drain found at this property.
- Both Mesa and Oliver Street are Local streets. For local streets, dedicate a 15-ft corner radius or a 10-ft by 10-ft cut at the intersection of Mesa and Oliver street.
- Remove and replace non-ADA compliant adjacent to the property with new sidewalk to achieve ADA compliance.
- Repair broken curb and gutter, if any. Broken curb and/or gutter includes segments within existing score lines that are depressed or upraised by more than ¼ inch from the surrounding concert work or are separated from the main body of the concrete pieces by a crack through the entire vertical segment and greater than 1/8 inch at the surface of the section.
- Obtain an A-Permit to complete the listed requirements.

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

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

LEAD CITY AGENCY AND ADDRESS: City of Los Angeles c/o Bureau of Engineering 1149 S. Broadway, MS 939 Los Angeles, CA 90015	COUNCIL DISTRICT 15
--	-------------------------------

PROJECT TITLE: Proposed Sale of City-Owned Property located at 501 North Mesa Street (AKA Mesa St 501 N – Sale)	LOG REFERENCE
--	----------------------

PROJECT LOCATION: The project is located at 501 North Mesa Street in the San Pedro Community Plan. The Project is located at the intersection of North Mesa Street and Oliver Street. The Assessor's Parcel Number is 7449-002-900.
T.G. 824 B4

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT: The City of Los Angeles intends to designate the property located at 501 North Mesa Street as surplus and sell the property. Any future proposed plans for the project or use of the property for a different use would be subject to subsequent California Environmental Quality Act (CEQA) review and compliance. Please see attached narrative.

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

EXEMPT STATUS: (Check One)	CITY CEQA GUIDELINES	STATE CEQA GUIDELINES
<input type="checkbox"/> MINISTERIAL	Art. II, Sec. 2.b	Sec. 15268
<input type="checkbox"/> DECLARED EMERGENCY	Art. II, Sec. 2.a(1)	Sec. 15269(a)
<input type="checkbox"/> EMERGENCY PROJECT	Art. II, Sec. 2.a(2)	Sec. 15269(b)(c)
<input type="checkbox"/> GENERAL EXEMPTION	Art. II, Sec. 1	Sec. 15061(b)(3)
<input checked="" type="checkbox"/> CATEGORICAL EXEMPTION*	Art. III, Sec. 1 Class 12	Sec. 15312
<input type="checkbox"/> STATUTORY*	Art. _____	Sec. _____
* See Public Resources Code Sec. 21080 and set forth state and city guidelines provisions.		

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

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING

SIGNATURE:  Maria Martin	TITLE: Environmental Affairs Officer Environmental Management Group	DATE: 9/30/19
FEE: \$75.00 _____	RECEIPT NO.	REC'D BY
		DATE

CATEGORICAL EXEMPTION NARRATIVE

I. PROJECT DESCRIPTION (Continued)

The City intends declare the property located at 501 North Mesa Street as surplus and sell the property. The property does not have any significant value for wildlife habitat or other environmental purposes. Any other uses which differ from the above listed services, are not covered by this exemption and would be subject to subsequent CEQA review.

The property is currently vacant.

II. PROJECT HISTORY

According to interviews with City personnel and records obtained from the Department of Building and Safety and Fire Department, the property was developed with a commercial structure in 1950 which has been used as a radio station, an LAPD call center, and according to signage on the building, by the City of Los Angeles Housing Department. According to City records, a 500 or 550-gallon underground storage tank used to store gasoline was closed in place at the property in 2008.

III. ENVIRONMENTAL REVIEW

A. Basis for Categorical Exemption

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

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

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

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

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

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

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

circumstances known to this office that would present a reasonable possibility that the project will have a significant effect. Therefore, this exception has no application.

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

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

As of August 19, 2019, the State Department of Toxic Substances Control (DTSC) (Envirostor at www.envirostor.dtsc.ca.gov) has not listed any contaminated sites at or in the vicinity of the project; therefore, this exception does not apply here.

As August 19, 2019, the California Regional Water Quality Control Board (RWQCB) (Geotracker at <https://geotracker.waterboards.ca.gov/>) has not listed any contaminated sites at or in the vicinity of the project; therefore, this exception does not apply here.

6. Historical Resources. This exception applies when a project may cause a substantial adverse change in the significance of a historical resource. The project does not involve a change to any structure or facility. No historical resource is involved in the proposed project so this exception has no application.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: September 30, 2019

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

Attn: Armando Parra, Real Estate Officer

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

Subject: **HAZARDOUS SUBSTANCE DISCLOSURE FOR 501 North Mesa Street**

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

In response to your request, the Department of Public Works Bureau of Engineering has reviewed the city’s records to provide the information required by state law to be disclosed to prospective purchasers of the city-owned commercial property located at 501 North Mesa Street, San Pedro, CA 90731 (the subject property). The subject property’s Assessor’s Parcel Number is 7449-002-900.

The Bureau of Engineering interviewed the General Services Department Real Estate Division about the subject property. No pertinent information to this real estate disclosure was gleaned from the interview with the General Services Department. The contents of the interview questionnaire can be found enclosed with this disclosure. No past owners, operators, nor occupants were interviewed because none was available.

The California Regional Water Quality Control Board’s Geotracker website, Department of Toxic Substances Control Envirostor website, Environmental Protection Agency’s RCRA Envirofacts website, the Los Angeles Fire Department’s CUPA website, and the Bureau of Engineering’s Geotechnical Engineering Division’s records were searched for the following types of sites:

- Records of NPL sites or tribal- and state-equivalent sites (one mile);
- RCRA facilities subject to corrective action (one mile);
- Records of federally-registered, or state-permitted or registered, hazardous waste sites identified for investigation or remediation, such as sites enrolled in state and tribal voluntary cleanup programs and tribal- and state-listed brownfields sites (one-half mile);
- Records of leaking underground storage tanks (one-half mile);
- Records of delisted NPL sites (one-half mile);

- Registries or publicly available lists of engineering controls (one-half mile); and
- Records of former CERCLIS sites with no further remedial action notices (one-half mile).
- Records of RCRA small quantity and large quantity generators (adjoining properties);
- Records of federally-permitted, tribal-permitted, or state-permitted (or registered) landfills and solid waste management facilities (one-half mile); and
- Records of registered storage tanks (adjoining property).

501 North Mesa Street, subject property:

The subject property was listed at 501 North Mesa Street as a RCRA-Small Quantity Generator with LA Harbor Fire Alarm Headquarters listed as the operator. Further discussion of the Subject Property is contained below in discussion of records obtained from the Los Angeles Fire Department.

A search was made of the Los Angeles Fire Department Hazardous Materials and Underground Storage Tank records. The records indicate that in 2008, a 500 or 550-gallon gasoline underground storage tank (UST) was closed in place at the subject property. Soil sampling done at the time of the tank closure did not indicate any subsurface impact in the vicinity of the UST and no further investigation was recommended by the consultant who performed the sampling. No formal closure letter was included with the Fire Department Records. The lack of a formal closure letter for the closed tank represents a Business Environmental Risk (BER) which is defined by the American Society of Testing and Materials (ASTM) as “a risk which can have a material environmental or environmentally-driven impact on the business associated with the current or planned use of a parcel of commercial real estate, not necessarily limited to those environmental issues required to be investigated in this practice (ESA, ASTM E1527-05). Consideration of business environmental risk issues may involve addressing one or more non-scope considerations.”

438 North Mesa Street, adjacent property to the southeast, former Fire Station No. 53:

The adjacent property at 438 North Mesa Street was listed as a transporter of hazardous materials with the City of Los Angeles Department of General Services listed as the operator. Further discussion of the adjacent is contained below in discussion of records obtained from the Los Angeles Fire Department.

Further records searches for the adjacent property at 438 North Mesa Street, former Los Angeles Fire Station 53, indicate that the Los Angeles Fire Department has this site listed as a hazardous materials and UST site, however, the LAFD indicated they did not possess any records for this property. A search of the Bureau of Engineering’s Geotechnical Engineering Division records for this adjacent site revealed that a 550-gallon diesel UST was removed from the site in 1992. During the removal of the UST and one fuel dispenser, soil contamination found at the dispenser location exceeded the Los Angeles Fire Department Action Threshold Limit for soil using EPA Method 8015 (modified for diesel). Boring samples taken from 2.5 feet to 15 feet deep revealed no contamination using EPA 8015 (modified for diesel) and 8020. No discolored soil was seen during the entire drilling operation and organic vapor analyzer readings were non-detect. The

Geotechnical Engineering division concluded in a June 29, 1993 report that the contamination found during the removal of the dispenser was a minor isolated pocket and submitted site assessment and risk assessment as a closure report and recommended no further action for this site. Based on the conclusions of the Geotechnical Engineering Division in their 1993 report, this adjacent site is not anticipated to be of environmental concern to the subject property.

Other than the sites discussed no other listed sites within the specified radius above are anticipated to be of environmental concern to the subject property due to either distance, hydrologic gradient, or regulatory status of the listing.

In addition to the types of facilities listed above, file searches for the property were not made with the South Coast Air Quality Management District nor the Los Angeles County Sanitation Districts.

A search of pertinent records was made with the Los Angeles Department of Building and Safety's online permit search system. No pertinent information was found on the online permit search system.

A search was made of the Los Angeles Fire Department Hazardous Materials and Underground Storage Tank records. The records indicate that in 2008, a 500 or 550-gallon gasoline underground storage tank (UST) was closed in place. Soil sampling done at the time of the tank closure did not indicate any subsurface impact in the vicinity of the UST and no further investigation was recommended by the consultant who performed the sampling. No formal closure letter was included with the Fire Department Records. The lack of a formal closure letter for the closed tank represents a Business Environmental Risk (BER) which is defined by the American Society of Testing and Materials (ASTM) as "a risk which can have a material environmental or environmentally-driven impact on the business associated with the current or planned use of a parcel of commercial real estate, not necessarily limited to those environmental issues required to be investigated in this practice (ESA, ASTM E1527-05). Consideration of business environmental risk issues may involve addressing one or more non-scope considerations."

To the extent there are data gaps (as defined by the Code of Federal Regulations § 312.10) in the information developed as part of the objectives of this disclosure, these data gaps are not considered to be significant and do not alter the findings of the disclosure.

No other records in your department's file contained information pertaining to hazardous materials or hazardous waste. A review of the Los Angeles Fire Department's Hazardous Materials Unit and Underground Storage Tanks Unit online records has revealed no records pertaining to hazardous substances for the property. Records requests that have been sent to the LAFD regarding this property have not been responded too. Findings of a visual exterior inspection indicate that the property is a vacant commercial building. The property is secured, is in poor condition, and general debris (shopping carts, nuisance trash, etc.) were observed in the exterior. The following representation is based solely on the foregoing information and not on any sampling or sub-surface investigation. As a result, it is not a definitive indicator of whether or

not the property has been affected by a release of a hazardous substance. This information is a disclosure and is not intended to be part of any contract between the city and the purchaser.

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

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

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

1. Per the Bureau of Engineering's Geotechnical Engineering division: An EARTHQUAKE FAULT ZONE pursuant to § 2622 of the Public Resources Code?
This information was provided in a memo from the Bureau of Engineering, Geotechnical Engineering Division dated August 8, 2019.

Yes _____ No X__

2. Per the Bureau of Engineering's Geotechnical Engineering division: A SEISMIC HAZARD ZONE pursuant to § 2696 of the Public Resources Code?
This information was provided in a memo from the Bureau of Engineering, Geotechnical Engineering Division dated August 8, 2019.

Yes _____ (Landslide zone) No X__ (Landslide zone) No X__ (Liquefaction zone)

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

Yes _____ No X__

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

Yes _____ No X__

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

Yes _____ No X__

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

David L. Roberts
September 30, 2019
Page 5 of 5

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



Maria Martin
Environmental Affairs Officer, Bureau of Engineering

“I, Maria Martin, declare that, to the best of my professional knowledge and believe, I meet the definition of Environmental Professional as defined in [§ 312.10](#) of the code of federal regulations (CFR). I, Maria Martin, have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in the 40 CFR Part 312”

Disclaimer: This document is not a Phase I Environmental Site Assessment and does not conform to ASTM 1527-13 standards.

Enclosures:
Environmental Survey
Natural Hazards Disclosure Statement, GED File No 19-104

Site QUESTIONNAIRE

Site Name/Address: 501 N. Mesa St. Interviewer: Talmage Jordan Date: _____
 Person Interviewed/Title: Enid Gomez, Sr. Management Analyst
 Signature: *Enid Gomez* Date: 8/30/2019

Question	Owner			Occupants (if applicable)			Observed During Site Visit		
	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
1. Is the property or any adjoining property used for an industrial purpose?	Yes	<input checked="" type="radio"/> No	Unk	Yes	No	Unk	Yes	No	Unk
2. To the best of your knowledge, has the property or any adjoining site been used for an industrial purpose?	Yes	No	<input checked="" type="radio"/> Unk	Yes	No	Unk	Yes	No	Unk
3. Is the property or any adjoining property used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility?	Yes	<input checked="" type="radio"/> No	Unk	Yes	No	Unk	Yes	No	Unk
4. To the best of your knowledge, has the property or any adjoining property been used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility?	Yes	<input checked="" type="radio"/> No	Unk	Yes	No	Unk	Yes	No	Unk
5. Are there currently, or to the best of your knowledge have there been previously, any damaged or discarded automotive or industrial batteries, or pesticides, paints, or other chemicals in individual containers of greater than 5 gal in volume or 50 gal in the aggregate, stored on or used at the property?	Yes	No	<input checked="" type="radio"/> Unk	Yes	No	Unk	Yes	No	Unk
6. Are there currently, or to the best of your knowledge have there been previously, any industrial drums (typically 55 gal) or sacks of chemicals located on the property or at the facility?	Yes	No	<input checked="" type="radio"/> Unk	Yes	No	Unk	Yes	No	Unk
7. Has fill dirt been brought onto the property that originated from a contaminated site or that is of an unknown origin?	Yes	No	<input checked="" type="radio"/> Unk	Yes	No	Unk	Yes	No	Unk
8. Are there currently, or to best of your knowledge have there been previously, any pits, ponds, or lagoons located on the property in connection with waste treatment or waste disposal?	Yes	<input checked="" type="radio"/> No	Unk	Yes	No	Unk	Yes	No	Unk

Question	Owner			Occupants (if applicable)			Observed During Site Visit		
	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
9. Is there currently, or to the best of your knowledge has there been previously, any stained soil on the property?			Unk						
10. Are there currently, or to the best of your knowledge have there been previously, any registered or unregistered storage tanks (above or underground) located on the property?		No	Unk						
11. Are there currently, or to the best of your knowledge have there been previously, any vent pipes, fill pipes, or access ways indicating a fill pipe protruding from the ground on the property or adjacent to any structure located on the property?			Unk						
12. Are there currently, or to the best of your knowledge have there been previously, any flooring, drains, or walls located within the facility that are stained by substances other than water or are emitting foul odors?		No	Unk						
13. If the property is served by a private well or non-public water system, have contaminants been identified in the well or system that exceed guidelines applicable to the water system or has the well been designated as contaminated by any government environmental/health agency?	NA		Unk						
14. Does the owner or occupant of the property have any knowledge of environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property?		No	Unk						
15. Has the owner or occupant of the property been informed of the past or current existence of hazardous substances or petroleum products or environmental violations with respect to the property or any facility located on the property?		No	Unk						
16. Does the owner or occupant of the property have any knowledge of an environmental site assessment of the property or facility that indicated the presence of hazardous substances or petroleum products on, or contamination of, the property or recommended further assessment of the property?		No	Unk						

Question	Owner			Occupants (if applicable)			Observed During Site Visit		
	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
17. Does the owner or occupant of the property know of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property?			Unk						
18. Does the property discharge waste water on or adjacent to the property other than storm water into a sanitary sewer system?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
19. To the best of your knowledge, have any hazardous substances or petroleum products, unidentified waste materials, tires, automotive or industrial batteries or any other waste materials been dumped above grade, buried and/or burned, on the property?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
20. Is there a transformer, capacitor, or any hydraulic equipment for which there are any records indicating the presence of PCB's?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

MEM
7/18/19

Date: July 18, 2019

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

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



Subject: **REQUEST FOR NATURAL HAZARDS DISCLOSURE STATEMENT
INFORMATION, PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY
LOCATED AT 501 N. MESA STREET, LOS ANGELES, CA 90731, CD 15,
(APN: 7449-002-900) W.O. EXX11161 GED FILE NO. 19-104**

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

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

Yes _____ No

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

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

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

Yes _____ No

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

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

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

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

December 5, 2019

TO: David Roberts, Property Manager
General Services Department, Real Estate Services Division
ATTN: Enid Gomez, Senior Management Analyst

FROM: Rebecca Valdez, Principal City Planner *R.V.*
Department of City Planning
Community Planning Division

SUBJECT: **PROPOSED SALE OF SURPLUS CITY-OWNED PROPERTY AT
PUBLIC AUCTION – COUNCIL DISTRICT 15**

We have received your request for comment regarding the proposed sale of City-owned property located at 501 North Mesa Street, Los Angeles, CA 90731, alternately identified as APN: 7449-002-900. The subject property is comprised of three tied lots with approximately 16,210.8 square feet in area. The subject property is currently developed with a one-story building, which was formerly the Harbor Fire Alarm headquarters. The subject property is located at the northeast corner of North Mesa Street and West Oliver Street. The subject property has 120 feet of frontage on North Mesa Street and 135 feet of frontage on West Oliver Street and can be accessed by both streets. Both North Mesa Street and West Oliver Street are designated Local Streets and improved with full sidewalks, sewer and lighting.

The subject property is located within the San Pedro Community Plan area and is assigned a Low Medium I General Plan Land Use designation. The subject property is zoned R2-1XL-CPIO which corresponds to the Low Medium I Land Use Designation. The subject site is located within the Multi-family Residential subarea of the San Pedro Community Plan Implementation Overlay District (ZI No.: 2478) and it is located within a Redevelopment Project Area (ZI No.: 2488). The subject property is located within 1,000 feet of a freeway (State Route 47, Seaside Freeway) and advised for freeway adjacency for sensitive uses (ZI No. 2527).

Provided that the lot will be utilized for a use consistent with the current zone, a sale is therefore consistent with the City's General Plan.

Please contact Alissa Gordon at alissa.gordon@lacity.org if you need any additional information.

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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

July 11, 2019

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

Attention: Ana Guerrero, Chief of Staff

**PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY LOCATED AT
501 N. MESA STREET, SAN PEDRO, CA 90731 APN: 7449-002-900 CD 15**

The Real Estate Services Division is processing the City-owned property, as identified on the attached assessor map, to be declared surplus for sale through a public auction.

Your comments are invited relative to the proposed direct sale. Your response within 30 days of this letter is sincerely appreciated. Please return a signed copy of this letter to: Real Estate Services, Department of General Services, 111 East First Street, Room 201, Los Angeles, CA 90012, attention: Enid Gomez.

If we do not hear from you within this time frame, we will assume you have no objections to the proposed sale.

Should you need additional information please contact David L. Roberts at (213) 922-8546 or by email at David.L.Roberts@lacity.org or Enid Gomez at (213) 922-8547 or by email at Enid.Gomez@lacity.org.

Tony M. Royster
General Manager

Attachments

**SUBJECT: PROPOSED SALE OF CITY-OWNED SURPLUS PROPERTY LOCATED AT
501 N. MESA STREET, SAN PEDRO, CA 90731 APN: 7449-002-900 CD 15**

_____ I have no objections to the proposed sale.

Comments: _____

_____ I have objections to the proposed sale.

Comments: _____

Name and Title

Signature

Date

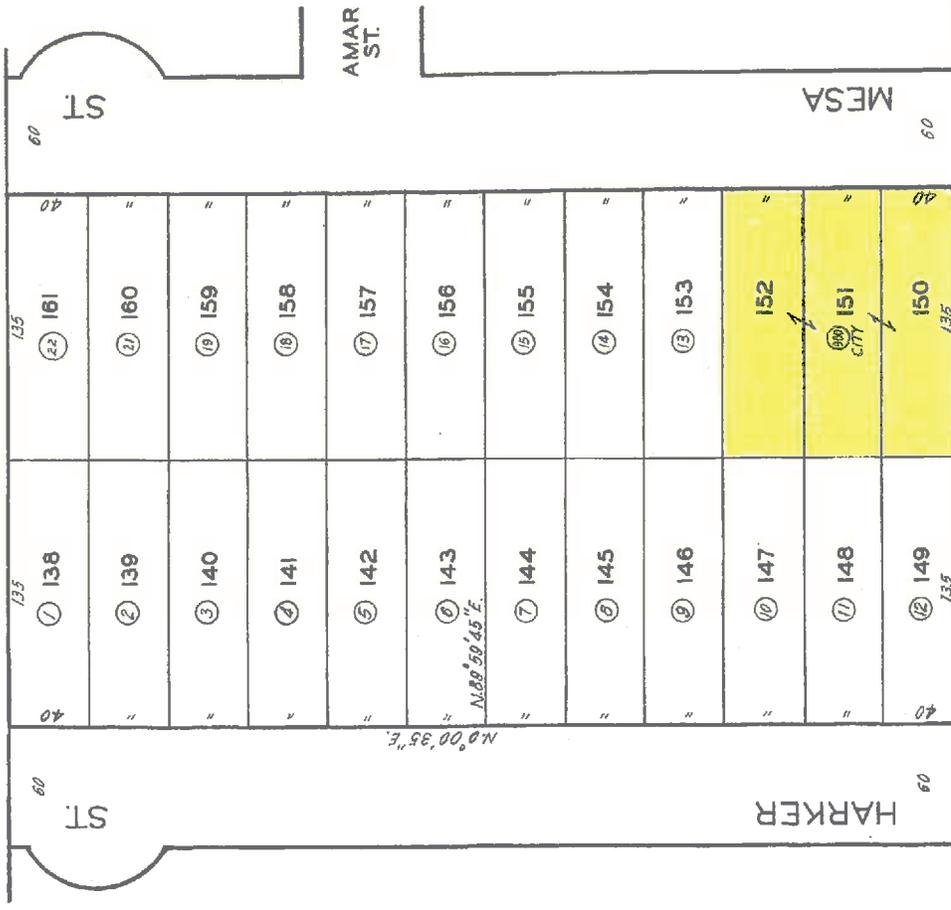
12-19-84
2-9-85
7/09/17
00000009

7449 2

2003

SCALE 1" = 60'

M.M. 454



TRACT NO. 2818
M.B. 31-7



CODE
13245

FOR PREV. ASSMT. SEE: 208-21

MOTION

I MOVE that the Council action on December 14, 2018 relative to instructing the City Administrative Officer, with the assistance of the Chief Legislative Analyst and the Department of General Services, to initiate a review of the City-owned property located at 501 N. Mesa Street in Council District 15 to determine the suitability for development of housing (C.F. 12-1549-S13) BE AMENDED to instead direct the Department of General Services to take the following actions related to the City-owned property:

1. Declare the property located at 501 N. Mesa Street, San Pedro, 90731 (APN: 7449002900) a surplus asset;
2. Initiate the Surplus Property Process and conduct a Class "A." appraisal of the parcel;
3. Prepare the parcel for sale at a public auction; and
4. Direct GSD, with the assistance of the CAO, the City Attorney, and any other relevant departments, to take all necessary steps and prepare all required documents to effectuate the potential sale of the parcel.

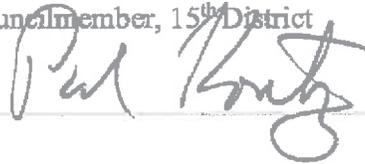
PRESENTED BY:



JOE BUSCAINO

Councilmember, 15th District

SECONDED BY:



ORIGINAL

cbs

JUN 28 2019



MARKET VALUE APPRAISAL
LAND VALUATION
501, 509, 515 NORTH MESA STREET
SAN PEDRO, CA 90731

PREPARED FOR
ARMANDO PARRA
SENIOR REAL ESTATE OFFICER
CITY OF LOS ANGELES
REAL ESTATE SERVICES DIVISION
111 EAST FIRST STREET, ROOM 201
CITY HALL SOUTH
LOS ANGELES, CA 90012

PREPARED BY
NORRIS REALTY ADVISORS
101 EAST GREEN STREET, SUITE 9
PASADENA, CALIFORNIA 91105

MAY 2021
FILE NO. 3787

NORRIS REALTY ADVISORS
REAL ESTATE APPRAISERS & CONSULTANTS
101 EAST GREEN STREET, SUITE 9
PASADENA, CA 91105

STEVEN R. NORRIS, MAI, CRE
PETER MILIO

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June 3, 2021

Armando Parra
Senior Real Estate Officer
City of Los Angeles – Real Estate Services Division
111 East First Street, Room 201
City Hall South
Los Angeles, Ca 90012

Re: Fair Market Value Appraisal – Land Valuation
501, 509, 515 North Mesa Street, San Pedro, CA 90731
Our File No. 3787

Dear Mr. Parra:

In accordance with your request and authorization, we have appraised the above-referenced property and have formed an opinion of value. The subject property consists of one assessor's parcel of land, containing 0.372 acres and zoned R2-1XL-CPIO, located in the City of San Pedro. The site is currently improved with a vacant former City maintenance structure containing approximately 4,000 square feet.

The purpose of this letter is to set forth the Fee Simple "As Is" Market Value of the subject as of May 17, 2021. This appraisal report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). This is an appraisal report presented in a narrative report format. The Market Value, as estimated herein, is premised upon our Assumptions and Limiting Conditions and our Extraordinary Assumptions section of this report that are integral to the valuation of the property.

Based upon a careful inspection of the subject environs and all discoverable factors that influence value, it is our conclusion that the Market Value of the Fee Simple Interest, as described in the report, according to the Assumptions and Limiting Conditions contained herein, based on conditions as of May 17, 2021, is:

SIX HUNDRED THIRTY THOUSAND DOLLARS
\$630,000

We appreciate the opportunity to be of service to you, and we look forward to future consultations at your request.

Sincerely,



Steven R. Norris, MAI, CRE
California Certification No. AG001677



Peter H. Milio, SCREA
California Certification No. AG032257

TABLE OF CONTENTS

CERTIFICATION.....	4
ASSUMPTIONS AND LIMITING CONDITIONS.....	5
SUMMARY OF SALIENT FACTS	7
INTRODUCTION	9
REGIONAL AND AREA ECONOMIC OVERVIEW	11
MULTI-FAMILY MARKET OVERVIEW	19
DESCRIPTION OF THE SITE.....	23
DESCRIPTION OF IMPROVEMENTS.....	29
HIGHEST AND BEST USE	30
METHODOLOGY.....	31
SALES COMPARISON APPROACH.....	32
ADDENDA	42

CERTIFICATION

The appraisers certify, to the best of their knowledge and belief, that:

- 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.
- The appraisers have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
- The appraisers 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.
- Receipt of the appraisal assignment was not based upon a requested minimum value, a specific value or approval of a loan.
- The appraisers' analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP).
- 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 value, Steven R. Norris has completed the requirements of the continuing education program of the Appraisal Institute for Designated Members.
- Peter H. Milio, personally inspected the exterior of the subject property on May 17, 2021. Steven R. Norris, MAI, CRE has not personally inspected the property, but has contributed to the report and concurs with the value opinions stated herein.
- The appraisers have not provided any service relating to the subject property in the period of three years immediately preceding acceptance of this assignment, as an appraiser or in any other capacity.
- Our firm's analyses, opinions and conclusions were developed and this report is intended to comply with the appraisal related mandates within Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA).
- The appraisers have extensive experience appraising properties similar to the subject.



Steven R. Norris, MAI, CRE
California Certification No. AG001677



Peter H. Milio
California Certification No. AG032257

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. All maps and exhibits in this report are intended to be visual aids and should not be construed as surveys or engineering reports.
4. All information in this report has been obtained from reliable sources. The appraisers cannot, however, guarantee or be responsible for the accuracy of information furnished by others.
5. This opinion of value applies to land and improvements only. Unless otherwise stated in this report, the value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
6. Possession of this report or a copy thereof does not imply the right of publication or use for any purpose by any other than the addressee without the written consent of the appraisers.
7. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance relative to such additional employment. This report has been completed for asset monitoring purposes only and may not be used for any further purposes by the client without our express written permission.
8. The distribution of the total valuation in this report between land and improvements applies only to the existing utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
9. The land and particularly the soil of the area under appraisal appears firm and solid. Subsidence in the area is unknown or uncommon, but the appraisers do not warrant against this condition or occurrence.
10. Subsurface rights (minerals and oil) were not considered in making this appraisal.
11. Data relative to both land and improvement areas were obtained from sources considered to be reliable. We reserve the right to amend our value indications should further information regarding land or building dimensions be made available.
12. The comparable sales data relied upon in this appraisal are believed to be from reliable sources; however, it was not possible to inspect the comparables completely and it was necessary to rely on information furnished by other as to said data, therefore, the value conclusions are subject to the correctness and verification of said data.
13. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraisers or firm with which they are connected or any reference to the Appraisal Institute.

14. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation or other hazardous substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, not for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.
15. The appraisers are not considered experts with regard to compliance with the Americans with Disabilities Act (ADA) of 1990. Unless otherwise stated, no responsibility is assumed for any noncompliance with the provision of the ADA. The client is urged to retain an expert in the field of ADA assessment impacts upon real estate is so desired.

Extraordinary Assumptions

The use of these assumptions might have affected the assignment results.

We have not been provided with an ALTA Land Survey for the subject property from the client. The Los Angeles County Assessor's Office indicates the total site contains 16,211 square feet or 0.372 acres. For this report, we have chosen to use the information from the Assessor's office when referencing the size of the land area. We reserve the right to amend our value estimate, should further information be provided for our review that indicates a significantly different land area than what is used in this report.

The Title Report for the subject property references the existence of an easement on the northerly portion of the site for a "community driveway" (see notation from Title Report below). It is an assumption of this report that this easement will be retired, and the entire land area noted above will be available for redevelopment of the site. We reserve the right to amend our value conclusion should further information regarding this easement be made available for our review.

2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to:	Santos Bebe and Marcisa Bebe
Purpose:	community driveway
Recording Date:	October 29, 1946
Recording No:	Book 23891 Page 93 of Official Records
Affects:	A portion of said land as more particularly described in said document

SUMMARY OF SALIENT FACTS

Client: City of Los Angeles, Real Estate Services Division

Owner of Record: The City of Los Angeles, a municipal corporation

Property Location: 501, 509, 515 North Mesa Street, San Pedro, CA 90731

APN#s 7449-002-900

Land Area: Total: 0.372 acres / 16,211 square feet

Zoning: R2-1XL-CPIO – Two-Family Dwellings, City of Los Angeles

Purpose and Intended Use of Appraisal: The purpose of this assignment is to determine the As Is Fee Simple Market Value of the subject. The intended use of this appraisal for internal decision making of the client, which could include the possible sale of the subject.

Intended Users: The intended user of this report is the City of Los Angeles Real Estate Services Division.

Interest Appraised: Fee Simple Estate

Date of Value: May 17, 2021

Improvements: The site consists of a land parcel that contains a vacant structure containing approximately 4,000 square feet.

Highest and Best Use: Redevelopment for multi-family housing.

VALUE CONCLUSION

“As Is” Market Value as of May 17, 2021:

Concluded As Is Market Value (Rounded) \$630,000

Subject Photographs



View of subject east elevation from Mesa Street.



South elevation of the subject property taken from Oliver Street.



View of the northeast elevation of the subject property from Mesa Street, cell tower structure on roof.



Oliver Street looking west subject on the right.



Mesa Street looking north subject on the left.

INTRODUCTION

Identification of the Property

The subject property consists of one assessor's parcel totaling 0.372 acres or 16,211 square feet. The property (APN 7449-002-900) is located on the west side of Mesa Street and on the north side of Oliver Street. The subject parcel has postal addresses of 501, 509 & 515 North Mesa Street, San Pedro, CA 90731.

Legal Description

Legal description for the subject property parcel is presented in the Addenda.

Purpose of the Appraisal

The purpose of the appraisal is to determine the Fee Simple "As Is" Market Value of the subject as of the date of value, May 17, 2021.

Intended Use and User of the Appraisal

The intended use of the appraisal for internal decision-making purposes which could include the sale of the subject. The intended user of this report is the City of Los Angeles Real Estate Services Department.

Definition of Market Value

The term "market value," as used in this report, is defined as follows:

"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 own best interest;
- 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."

Source: Comptroller of Currency Insurance Regulation 563.17-1a(b)(2).

Property Rights Appraised

The property rights appraised represent the Fee Simple Interest.

Definition of Fee Simple Interest

According to the Appraisal Institute, Dictionary of Real Estate Appraisal, 6th Edition, the term "fee simple interest," as used in this report, is defined as, *"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."*

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th edition, page 90. (Chicago: Appraisal Institute, 2015).

Market Value As Is

Market Value As Is reflects an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection.

Current Ownership

The subject parcel is owned by *The City of Los Angeles, a municipal corporation*. To the best of our knowledge, the subject has not transferred ownership within the past three years and is not listed for sale.

Date of Value/Date of Report

The date of this report is found in the Transmittal Letter. The Date of Value is May 17, 2021, corresponding to the date of our inspection.

Scope of the Appraisal

The scope of the appraisal encompasses the necessary research and analysis to prepare the report in accordance with the intended use, the *Standards of Professional Practice of the Appraisal Institute*, and the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Foundation. Regarding the subject property, this involved the following steps:

1. The exterior of the subject property was personally inspected by Peter H. Milio on May 17, 2021.
2. Regional and local information was based on our research of the area and data in the files of Norris Realty Advisors. Data on the commercial/residential market in the area of the subject was obtained from our field research and conversations with numerous commercial and residential real estate brokers and consultants familiar with the subject property type.
3. Physical data pertaining to the subject was based information supplied to us by the client, as well as public records.
4. In estimating the Highest and Best Use of the property, an analysis was made of data compiled in the steps noted above. In addition, our study of the commercial real estate marketplace was referenced in order to determine the economic feasibility of the subject property in light of present development requirements.
5. In developing the approaches to value, data from the files of Norris Realty Advisors was referenced, as well as our research into the sales and operation of other commercial properties in the area. Commercial real estate consultants, leasing agents and brokers, and professionals familiar with the subject property type were also contacted.
6. After assembling the market data, final estimates of value were made.

REGIONAL AND AREA ECONOMIC OVERVIEW

The commercial real estate sector of the economy is influenced by factors that are global, national, and regional in nature. In order to understand the local conditions which affect the ever-changing value of individual assets, the larger economic forces which drive those conditions must be considered.

Developments in the Global and National Economy

The International Monetary Fund's (IMF) World Economic Outlook January 2021 Update reports that recovery started to take place in the 3rd Quarter 2020 and is expected to strengthen over the course of 2021. The global growth was estimated at -3.5 percent in 2020. This is a less severe forecast than in June which was -4.9%. The more advanced economies began to improve quicker than expected after lockdowns lifted.

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. The 2021 forecast is revised up 0.3% relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

The projected growth recovery this year follows a severe collapse in 2020 that has had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. The global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected in the previous forecast (reflecting stronger-than-expected momentum in the second half of 2020). The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.

State of California

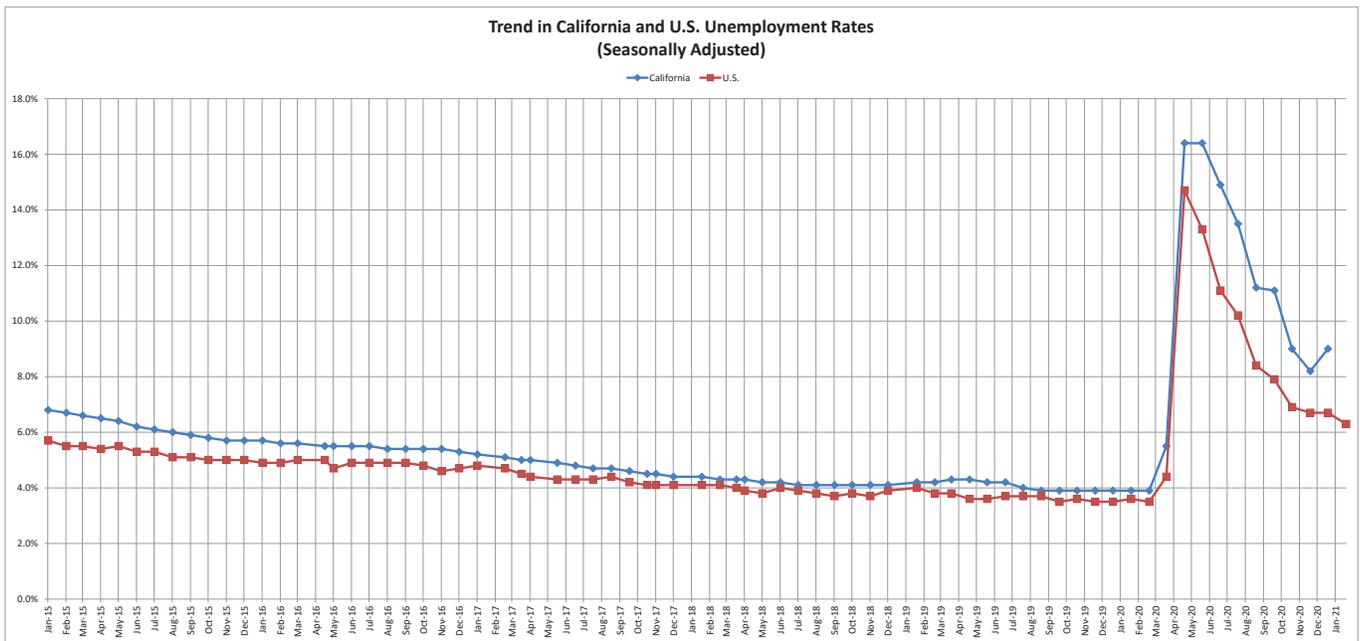
California is the most populous state in the nation, with roughly 39.5 million residents as of July 2019 estimates. The U.S. Census Bureau reports that between the 2010 Census and July 2019, California's population increased by 6.1%.¹ According to the Los Angeles County Economic Development Corporation's 2021 Economic Forecast & Industry Outlook report, California's economic situation is termed "A Tale of Two Recoveries".

The economic impact of COVID-19 is highly variable depending on the segment of the population and economy involved. Low-income workers are experiencing job loss at disproportionately high rates, small businesses are closing at higher levels due to drastically decreased revenues and low levels of liquidity, and non-essential service industries that rely on person-to-person interaction are faring worse than essential industries and knowledge-based industries which were able to transition to remote work. Women are leaving the labor force at a higher rate, likely to care for and oversee the education of their children engaged in online learning at home.

¹ <https://www.census.gov/quickfacts/table/PST045216/06>

By the end of September 2020, low-income employment was still down by about 29% compared to January levels, while high-income employment was only down by about 4 percent. While longer-term impacts of increased inequalities between low- and high-income earners are certainly unpredictable right now, the sustained loss of income felt mainly by low-income workers may contribute to even worse housing accessibility in the future.

The extent of unemployment, economic displacement and business failures will have ramifications beyond the end of the pandemic; and while our current projections suggest we should still be feeling the impacts of this economic shock well into the future, Los Angeles County will hopefully see an abundance of activity once public gatherings are safe again. The county is a hub for entertainment, sporting, and live events, and households who have not been negatively impacted during the pandemic will likely have increased savings (reduced consumption) and pent-up demand for entertainment after nearly a year of quarantines and social distancing. Once herd immunity is reached at the national, state, and county level, Los Angeles is expected to once again be a vibrant center of food, culture, and economic activity.



The chart above, created with data from the United States Bureau of Labor Statistics, provides a snapshot of ten-year trends in unemployment rates for California and the nation. This chart shows that California’s unemployment rate steadily declined over the past nine years from a high of 6.8% in January 2015 to 3.9% observed in December 2019. This decline reflects a gradual recovery from the recession of 2008-2009 and does not suggest that the unemployment rate will continue to decrease as cyclical and unpredictable economic fluctuations are to be expected. Moreover, California’s unemployment rates are still slightly higher than the nation-wide rates, but the gap has narrowed over the years. Due to the recent corona virus pandemic the national unemployment rate had risen in April 2020 to 14.7% and began to steadily decline to 6.7% in December 2020 in the United States. California’s unemployment rate has dropped from a high of 16.4% in April 2020 to 9.03% in January of 2021.

Commercial Real Estate Markets

Deloitte's 2021 Commercial Real Estate Industry Outlook surveys 500 global investors who provide insights on factors influencing their commercial real estate investment decisions. Moving forward, nontraditional assets such as mixed-use properties and new business models such as properties with flexible leases and spaces are expected to attract an increased allocation of investment dollars. Fundamentally, commercial real estate companies should gain a thorough understanding of the changing usage pattern of the built space.² The Deloitte Outlook indicates the following key findings:

- The unprecedented impact of COVID-19 on the global economy and the commercial real estate (CRE) industry continues to challenge leaders.
- Digital transformation of the business and tenant experience could become a business imperative. More than one-half of respondents (56%) believe that the pandemic exposed shortcomings in their organizations' digital capabilities.
- The pandemic is disrupting the value proposition of CRE, especially for offices, retail, and hotels, causing most CRE companies to reevaluate existing portfolios. Meanwhile, CRE companies face cost pressures due to softening operating fundamentals: Respondents plan to reduce costs by 20% on average.
- CRE organizations are feeling the financial impact of the current economic environment—36% of North American respondents, compared to 25% European and 23% APAC counterparts, expect rental collection declines of more than 20% in the next year.
- More than 50% of respondents acknowledge that their ability to succeed in the post pandemic world will be hampered in the near term by employee concerns about returning to work.

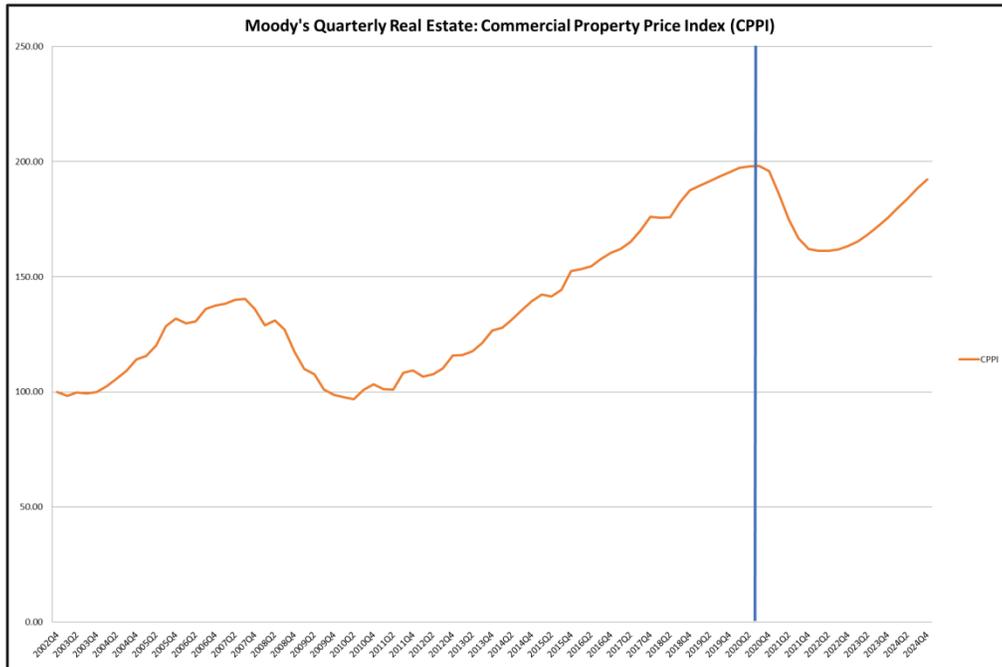
The Moody's/RCA Commercial Property Price Index measures price changes in commercial real estate based on completed sales of the same commercial properties over time. U.S. commercial property prices held a steady pace of growth in July, shored up by industrial sector price gains. The National CPPI increased by 0.7% from June to July 2019 and gained 6.3% year-over-year, even as transaction volume posted a sharp decline for the month.³

However, momentous change is now looming in commercial real estate markets, as illustrated by the latest Moody's Commercial Property Price Index, presented below. The CPPI is based on commercial real estate transactions across property types collected and verified by REIS. The forecasts are based on economic scenarios by Moody's Economics and Business analytics group. This data was provided to our office by Victor Calanog, PhD, CRE, who is the Head of Commercial Real Estate Economics at Moody's Analytics, and Chief Economist at REIS.

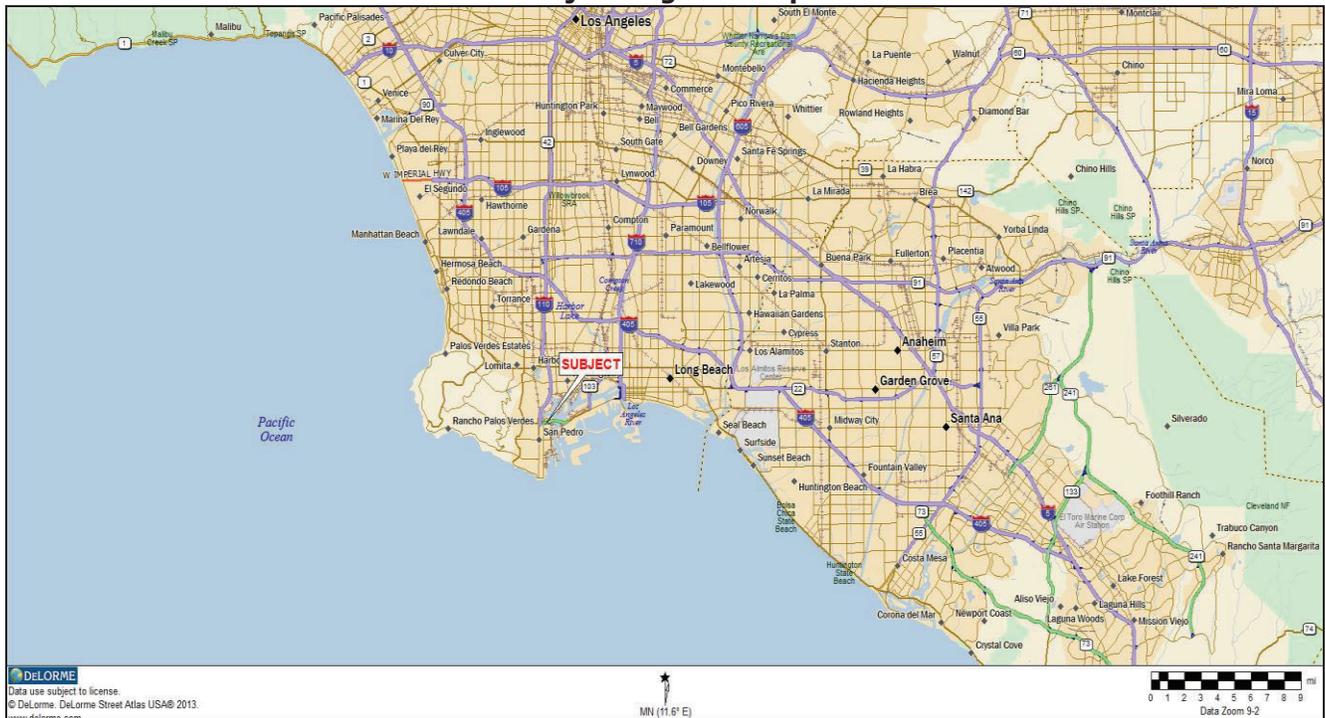
Data contained with this chart alludes to the potential for a significant contraction in commercial real estate markets nationwide that may last for as much as two years before a sustained recovery begins.

² <https://www2.deloitte.com/us/en/insights/industry/financial-services/commercial-real-estate-outlook.html>

³ https://www.rcanalytics.com/our-data/rca_cpqi/



Subject Regional Map



City of Los Angeles

The subject is located in San Pedro, which is a community within the City of Los Angeles, a major city in Southern California, the second largest city in the United States and the most populous city in California. Los Angeles covers a total area of 502.7 square miles with 468.7 square miles of land and 34 square miles of water and extends for 44 miles. According to the U.S. Census Bureau, in 2010, the City of Los Angeles had an estimated population of 3,792,621 and in 2020 that number increased to 3,967,152. In 2010, there were approximately 8,092.30 persons per square mile compared to 239.1

persons per square mile in the state of California.⁴

Los Angeles is divided into over 80 districts and neighborhoods, many of which were incorporated places or communities that merged into the city. The city is divided into nine primary areas which include: Downtown Los Angeles, East Los Angeles, Northeast Los Angeles, South Los Angeles, Harbor Area, Greater Hollywood, Wilshire, the West Side and the San Fernando and Crescenta Valleys. The major highways that connect Los Angeles to the rest of the nation include Interstate 5, Interstate 10 and U.S. Route 101.



The city is the focal point of the larger Los Angeles metropolitan area and the Greater Los Angeles Area region. The city is often referred to as a global city, with strengths in business, international trade, entertainment, culture, media, fashion, science, sports, technology, education, medicine and research. Los Angeles includes Hollywood and leads in the creation of television productions, video games, recorded music and motion picture production.

Transportation

Los Angeles has 27 intertwining freeways and is also accessible via a light rail, subway, and bus system. Major freeways include the Santa Monica Freeway (I-10), the San Diego Freeway (I-405), the Harbor Freeway (I-110), and the San Diego Freeway (I-5). These freeways provide convenient access to all of Southern California. In addition to the freeways, the Metrolink provides passenger rail.

Population

According to the 2010 Census, the population in the City of Los Angeles was 3,792,621 with a 2020 estimate of 4,053,152, representing a 6.87% increase from 2010. According to ESRI, the 2015-2020 5-year projected annual rate of growth is 0.43%.

San Pedro

The San Pedro neighborhood fronts on the Pacific Ocean to the south and is bounded inland by Harbor City and Torrance on the north, Wilmington and Long Beach on the east and Rancho Palos Verdes and Lomita on the west. The Port of Los Angeles is partially in San Pedro. The community has grown from being dominated by the fishing industry, to a working-class community, to a rapidly gentrifying community.

Neighborhood Demographics

To provide insight into the general area, we have obtained demographic information for areas within ½, 1, and 3 miles of the subject site. The table to the right provides a snapshot of the demographics for these radii.

⁴ <http://quickfacts.census.gov/qfd/states/06/0644000.html>

According to ESRI, the estimated population in 2020 within a ½ mile radius is 10,100 persons and 3,201 households. The broader area is somewhat more densely populated, with 26,062 persons and 8,846 households in the 1-mile radius, and 133,051 persons and 46,139 households in the 3-mile radius. This is due to the fact that the Port of Los Angeles is located to the east of the subject and with the industrial nature of the area as well as the Pacific Ocean limits the population.

Residents in the immediate area are generally less educated, with approximately 12.9% in the ½-mile radius of adults over the age of 25 having a Bachelor’s degree or higher. This percentage increases to 18.6% in the 1-mile radius and 28.6% the 3-mile radius. In the ½ mile radius 37.4% of the population have not graduated high school, this decreases to 30.0% in the one-mile radius and to 21.2% in the three-mile radius.

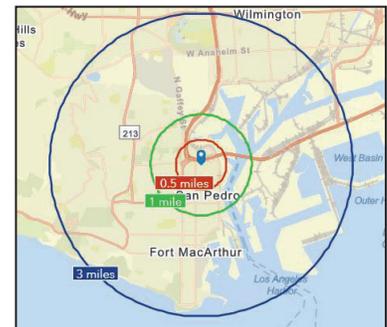
Household incomes tend to be higher in the 1 and 3-mile radius, with the ½-mile average, median, and per capita household incomes at \$51,473, \$33,336, and \$16,291, respectively. In the three-mile radius, the average, median and per capita incomes are \$103,699, \$70,966, and \$36,246 respectively. For comparison, the average, median, and per capita incomes in the City of Los Angeles are \$97,592, \$62,212, and \$33,921, respectively.

Additionally, households in the ½-mile radii had the highest average household size of 3.14 persons and approximately 75.3% of the residents in the area rent and 18.9% own their homes. Home ownership increases to 41.3% in the 3-mile radius.

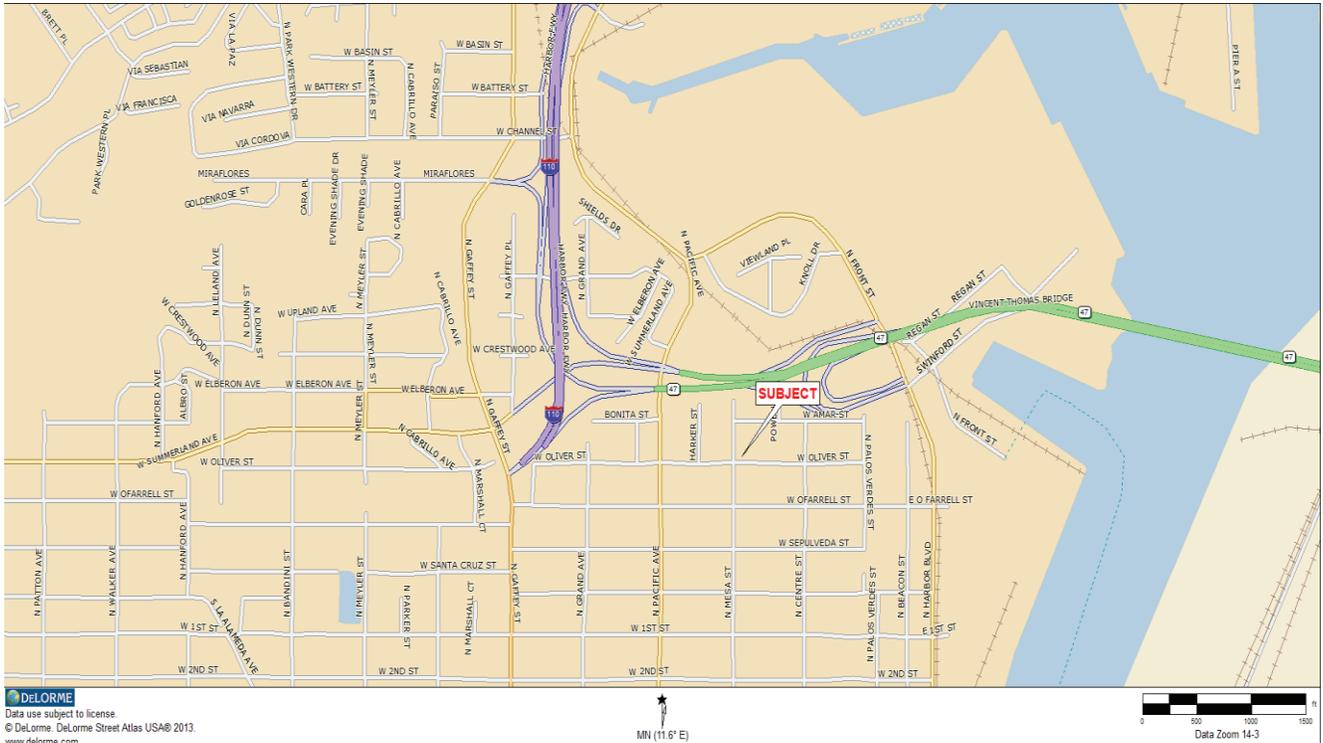
Conclusion

The subject is located within an area next to the Port of Los Angeles with single-family development and multi-family properties in the nearby vicinity and the port area to the north and east. The longer-term outlook for this market is considered to be stable.

DEMOGRAPHIC PROFILE			
501, 509 & 515 North Mesa Street			
	.5 Mile:	1 Mile:	3 Miles:
Population			
2010 Census	9,641	24,793	129,161
2020 Estimate	10,100	26,062	133,051
2025 Projection	10,408	26,837	134,325
Households			
2010 Census	3,077	8,438	45,307
2020 Estimate	3,201	8,846	46,139
2025 Projection	3,730	9,199	46,448
Total Housing Units			
Owner-Occupied	18.9%	23.1%	41.3%
Renter-Occupied	75.3%	68.5%	51.8%
Vacant	5.9%	8.4%	6.9%
Average Household Size	3.14	2.85	2.81
Household Income			
Average Household Income	\$51,473	\$66,714	\$103,699
Median Household Income	\$33,336	\$43,821	\$70,966
Per Capita Income	\$16,291	\$23,292	\$36,246
Educational Attainment			
Total	6,087	16,719	88,643
Less than 9th Grade	21.7%	15.8%	10.9%
9th - 12th Grade, No Diploma	15.7%	14.2%	10.3%
High School Graduate	28.4%	24.1%	22.4%
Some College/Associates Degree	21.3%	27.2%	27.9%
Bachelor's Degree or Higher	12.9%	18.6%	28.6%
Source: ESRI			



Subject Neighborhood Map



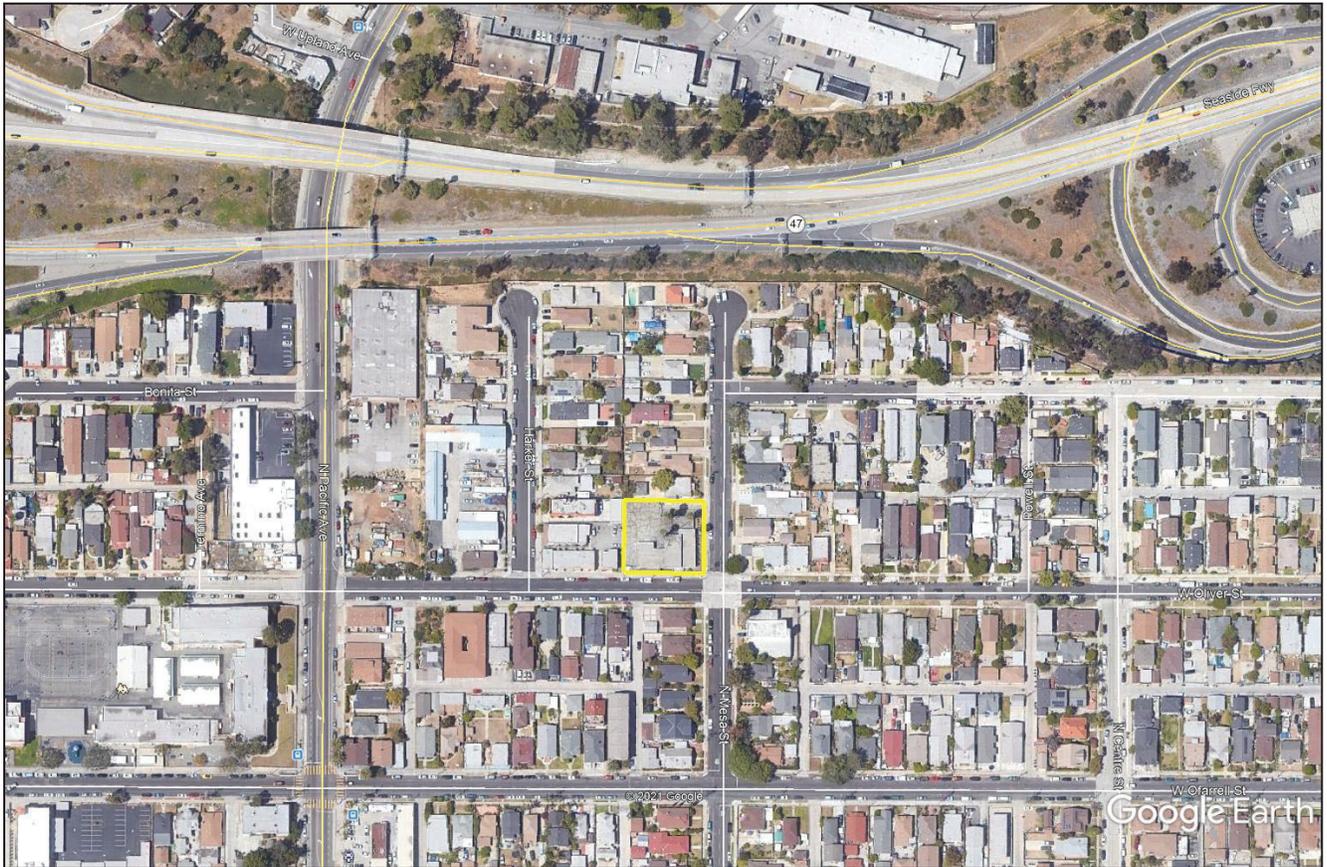
Subject Neighborhood

The subject property is located in San Pedro, a community within the City of Los Angeles approximately 20 miles southwest of Downtown Los Angeles on the west side of Mesa Street and on the north side of Oliver Street.

Below is a summary of the improvements within the immediate vicinity of the subject:

- North:** Directly north of the are single and multi-family residences to the end of the block followed by the Seaside Freeway (Vincent Thomas Bridge). North of the freeway are several commercial/industrial buildings, a sports park, and several docks at the Port of Los Angeles. Beyond the Port are several truck storage areas and a large oil tank area.
- South:** South of the subject across Oliver Street are more single and multi-family homes in a neighborhood that stretches for about one mile. Following that are several large apartment buildings and the San Pedro downtown area. This is followed by a large single-family neighborhood that stretches to Hamilton Avenue. There is a large marina to the southeast and several parks. The Pacific Ocean is approximately 3 miles to the south of the subject.
- East:** Directly east of the subject across Mesa Street are several blocks of single and multi-family housing leading to Beacon Street which is lined with commercial properties. This is followed by the Harbor Freeway and the Port of Los Angeles. The Port of Long Beach and the City of Long Beach are to the northeast.
- West:** Directly west of the subject is a multi-family property and across Harker Street are some industrial properties followed by some residential properties extending to Gaffey Street. Beyond is a park and more residential properties. Palos Verdes is approximately two miles west and the Pacific Ocean is 5 miles west of the subject.

Aerial Neighborhood Photograph (Subject Outlined in Yellow)



MULTI-FAMILY MARKET OVERVIEW

Greater Los Angeles Area

As the highest and best use of the site is for multi-family development, we have provided an overview of the multi-family housing market. In providing apartment data for the subject's broader market area, we have relied on Marcus and Millichap's Multifamily Market Report for 1st Quarter 2021 and CoStar's Long Beach/Ports Multi-family Report. According to Marcus & Millichap, the metro's vacancy rate is 4.5% and the average effective rent is \$2,221 per month. Year over year, the monthly rent decreased by 4.8%. According to Marcus & Millichap, the subject is in the South Bay/Long Beach Submarket.

CoStar places the subject in the Long Beach/Ports Submarket and states that evidence suggests that Long Beach is weathering the coronavirus storm better than most L.A. job hubs. After slowing in the early months of the outbreak, apartment demand looks to have stabilized. The area's affordability relative to central and Westside submarkets is appealing to renters who are looking to cut costs and minimize risk. There is a busy development pipeline centered around Downtown Long Beach, so new supply will continue to add pressure as the economy stabilizes.

Long Beach was an overlooked submarket for much of the last decade, with investors and developers focused on Downtown and the Westside. As the cycle matured, however, rent growth was strongest in more affordable, peripheral parts of the Metro area. Increasingly cost-burdened renters continue to look farther afield in search of housing, and that has helped boost demand in Long Beach, where rents remain well below the metro average.

KEY INDICATORS							
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	4,907	10.0%	\$2,678	\$2,639	63	0	952
3 Star	9,642	5.5%	\$1,824	\$1,809	48	0	98
1 & 2 Star	44,152	4.0%	\$1,298	\$1,291	14	0	0
Submarket	58,701	4.8%	\$1,614	\$1,600	125	0	1,050
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.4%	4.3%	4.5%	5.8%	2020 Q2	2.7%	2000 Q2
Absorption Units	786	88	483	752	2003 Q3	(665)	2002 Q1
Delivered Units	554	208	346	1,114	2020 Q2	0	2019 Q1
Demolished Units	0	50	34	539	2010 Q2	0	2021 Q1
Asking Rent Growth (YOY)	2.3%	2.4%	2.8%	8.1%	2001 Q1	-6.1%	2009 Q4
Effective Rent Growth (YOY)	2.3%	2.4%	2.9%	8.1%	2001 Q1	-6.1%	2009 Q4
Sales Volume	\$605M	\$403.3M	N/A	\$1.1B	2018 Q2	\$81M	2010 Q3

The chart above indicates a vacancy rate of 4.8% and an asking rent of \$1,614 per month, lower than Los Angeles Metro area of 5.0% according to Marcus and Millichap. The submarket covers a wide swath of the Los Angeles metro from Bellflower to the north, Los Alamitos to the east and San Pedro to the west and the Pacific Ocean to the south. As noted above approximately 550 units were delivered in Q2 2020.

Vacancy

Unlike most other regional job hubs, demand has held up well in Long Beach during the pandemic. The

port and logistics operations that form the backbone of the local economy weren't impacted quite as heavily as office employers. And the city's affordability relative to other parts of L.A. is a powerful draw for renters looking to cut costs or find a bigger unit. That helped stabilize demand after the early months of the outbreak, and vacancies are around 4.8%.

Rent

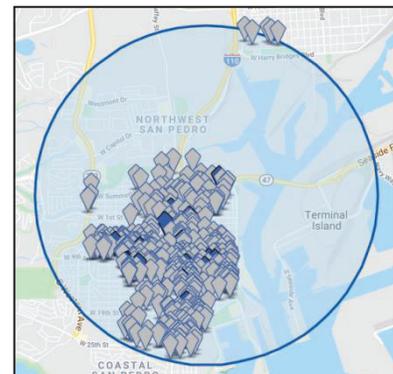
average and slightly below those in the South Bay, which borders Long Beach/Ports to the north. Shipping-centric Long Beach is by far the least expensive coastal submarket in the region. In contrast, the ritzier Westside beachfront submarkets command some of the highest rents in L.A. The region is home to a diverse renter base, which is reflected in local rent trends. Working-class families tend to reside west of I-710 or in North Long Beach, where rents are most affordable. Meanwhile, white-collar households favor the coastal neighborhoods between Belmont Shore and Downtown Long Beach. Higher average rents reflect these demographics but communities here are just a small portion of local apartment inventory.

Conclusion

The uptick in development was weighing on rent growth even before the COVID-19 outbreak, but the area's affordability is a powerful draw in L.A., where so many tenants are cost-burdened. Rents fell here in the early months of the outbreak but growing steadily now and are above pre-pandemic highs.

Local Market – Apartments

The subject property is located on Mesa Street, which is a collector street in the San Pedro area. According to CoStars' data sources, there are 416 apartment properties containing between 2 and 40 units within a two-mile radius the subject property, comprising a total of approximately 3,509 units. A map of these local apartment properties is presented to the right.



The vacancy rate in 1st Quarter 2021 was 4.4% which was similar to the previous quarter. For the most part, since 2011, the vacancy rate has varied between 3.7% and 4.9%. In 3rd Quarter 2013 vacancy decreased to 4.5%, dipped to 3.7% in 3rd Quarter 2015 then rose to 4.3% in 1st Quarter 2018 then dropped and went up again to 4.6% in 2nd Quarter 2020 before settling at 4.4% in 1st Quarter 2021. Asking lease rates were at a low in Q1 2011 at \$1,080 per month and rose to a high of \$1,334 in Q1 2020 and Costar estimates rent will stay flat through 2021 then climb to \$1,450 in Q1 2023. The chart below displays vacancy and lease rates for the past ten years and a forecast for the next three years.

As can be seen in the chart below, vacancy did increase from approximately 4.0% to 4.7% during the pandemic but has recovered well in recent months.



The chart below details the historic absorption, delivery, and vacancy statistics for the subject’s apartment market and a three-year market forecast based on the prior five year averages. Absorption has fluctuated since 2011 but has generally been positive except in 2016 and the first half of 2017. Then there was positive absorption until 4th Quarter 2019 and has returned to positive in 3rd Quarter 2020. There were few deliveries in the past few years and 30 units expected in 2023. The forecast shows the probability of negative absorption through 2022 and vacancy decreasing in 2023.



Conclusion

The pandemic has significantly impacted the housing market in the region, but locally the effect has been muted. The immediate area around the subject is heavily influenced by the Ports and has attracted new renters due to the lower relative cost of the area compared to other parts of Los Angeles.

DESCRIPTION OF THE SITE

Location

The subject includes one assessor's parcel totaling 16,211 square feet (0.372 acres), located on the west side of Mesa Street and the north side of Oliver Street. The addresses of the subject parcel are 501, 509 & 515 North Mesa Street, Los Angeles CA 90731.

Shape and Size

The subject's Assessor's Parcel Number is 7449-002-900 with a total site area of 0.372 acres or approximately 16,211 square feet. The parcel is generally rectangular in shape. Reference should be made to the Assessor's Parcel Map presented on the preceding page.

Topography and Drainage

The majority of the subject site is relatively level and at street grade on the western side of the property and above street grade on the eastern side of the property. There are retaining walls on both the south and eastern sides of the property. Drainage to the surrounding streets is assumed to be adequate.

Soil

We have not reviewed a soils report for the subject property. Based upon the surrounding development and the lack of physical evidence suggesting otherwise, it appears that the soils are of adequate load-bearing capacity to accommodate any development, should it be permitted in the future.

Streets

Mesa Street is a collector street that travels in a north-south direction with one lane on each side and a stop sign at the intersection with Oliver Street. This street is fully improved with asphalt paving, curbs, gutters, light poles, and sidewalks. Parking is allowed on either side of the street at the subject location. According to the County of Los Angeles Assessor's Parcel Map, Mesa Street spans a width of 60 feet where fronting the subject. The street ends at the north end of the block in a cul du sac.

Oliver Street is a local collector street that travels in an east-west direction with one lane on each side. This street is fully improved with asphalt paving, curbs, gutters, light poles, and sidewalks. Parking is allowed on either side of the street at the subject location. According to the County of Los Angeles Assessor's Parcel Map, Oliver Street has a width of 60 feet where it fronts the subject.

Access

Access to the property is via one curb cut entrance located on Mesa Street and one curb-cut entrance on Oliver Street on the southwest portion of the site.

Visibility

The subject property has good visibility from both Oliver Street and Mesa Street.

Utilities

All the necessary public utilities including water, electricity, gas, and sewers are available to the site.

Hazards

Flood

According to information obtained by Flood Source Data, the subject is located in a Zone X low flood risk zone as determined by Map Number 06037C2031G, dated April 4, 2021. Flood zone X indicates minimal risk areas flood insurance rate zones that correspond to areas outside the 100-year floodplains, areas of 100-year sheet flow flooding where average depths are less than 1 foot, areas of 100-year stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 100-year flood by levees. No BFEs or depths are shown within this zone. A copy of the flood map is included in the Addenda.

Earthquake

According to the California Geological Survey, this parcel is not within an Earthquake Fault Zone. The parcel is not within a Liquefaction Zone but there are Liquefaction Zones to the north and east. In addition the subject is not in a Landslide Zone. A map of the subject’s location in relation to nearby Alquist-Priolo zones is included in the addenda.

Environmental

The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of any hazardous substances or detrimental environmental conditions. The appraisers’ limited inspection of and inquiries about the subject property did not reveal any information that indicated any apparent hazardous substances or environmental conditions that would negatively affect the property.

It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value. It is recommended that the client satisfy themselves regarding the existence of such conditions by employing a qualified expert in this field to conduct a study.

Assessments and Taxes

The subject ownership is referenced under parcel number 7449-002-900. The parcel is currently owned by the City of Los Angeles which is a governmental agency, and no property taxes are due.

Subject's 2020/2021 Tax Information								
APN	Land	Imp.	Total Assessed	Tax Rate	Base Taxes	Direct Assessment	Total Taxes	Tax Rate Area
7449-002-900	\$37,653	\$0	\$37,653	1.200129%	\$0.00	\$0.00	\$0.00	13245
Total	\$37,653	\$0	\$37,653		\$0	\$0	\$0	

In a hypothetical sale, the subject property is located in Tax Rate Area 13245, which has a tax rate in 2020/2021 of 1.200129%. Under the provisions of California law, real property assessed values are allowed a maximum increase of 2% per year. This law provides for reassessment of a property to current market value upon sale. The parcel listed above is owned by a government agency and has no property taxes associated with the property.

Easements

We have been provided with a Title Report for the subject property from Chicago Title Company dated November 16, 2018, the latest available. In addition to Property Taxes that would be due, there is an easement for a community driveway dated October 29, 1946.

As noted in the Extraordinary Assumptions, the Title Report for the subject property references the existence of an easement on the northerly portion of the site for a “community driveway” (see notation from Title Report below). It is an assumption of this report that this easement will be retired, and the entire land area noted above will be available for redevelopment of the site. We reserve the right to amend our value conclusion should further information regarding this easement be made available for our review.

2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to:	Santos Bebe and Marcisa Bebe
Purpose:	community driveway
Recording Date:	October 29, 1946
Recording No:	Book 23891 Page 93 of Official Records
Affects:	A portion of said land as more particularly described in said document

We assume no liability for clear title to the subject.

Zoning

According to the City of Los Angeles Planning Department, the subject is zoned R2-1XL-CPIO – Two-Family Residential Zone, Community Plan Implementation Overlay District. The subject is in the San Pedro Community Plan area, and the Redevelopment Project Area: Pacific Corridor.

Zone R2-1XL-CPIO – Two-Family Residential, Community Plan Implementation Overlay District

R2- According to the City of Los Angeles Planning Department, the R2 zone allows uses in the R1 One-Family Zone. The zoning allows a two-family dwelling or two single-family dwellings at the rate of one unit for each 2,500 square feet of lot area. Apartment houses, boarding or rooming houses, or multiple dwellings are allowed on lots having a side lot line adjoining a lot in a commercial or industrial zone. Home occupations are allowed in this zone. In addition parks, community centers, playgrounds and truck gardening are allowed uses.

CPIO - The subject is in the San Pedro CPIO District and according to planners, the CPIO ensures that development enhances the unique architectural, environmental, and cultural qualities of each Community Plan area, integrates improvements and enhancements to the public right-of-way, and maintains compatible land uses, scale, intensity, and density; and create an approval process to enable infill development that will positively impact communities.

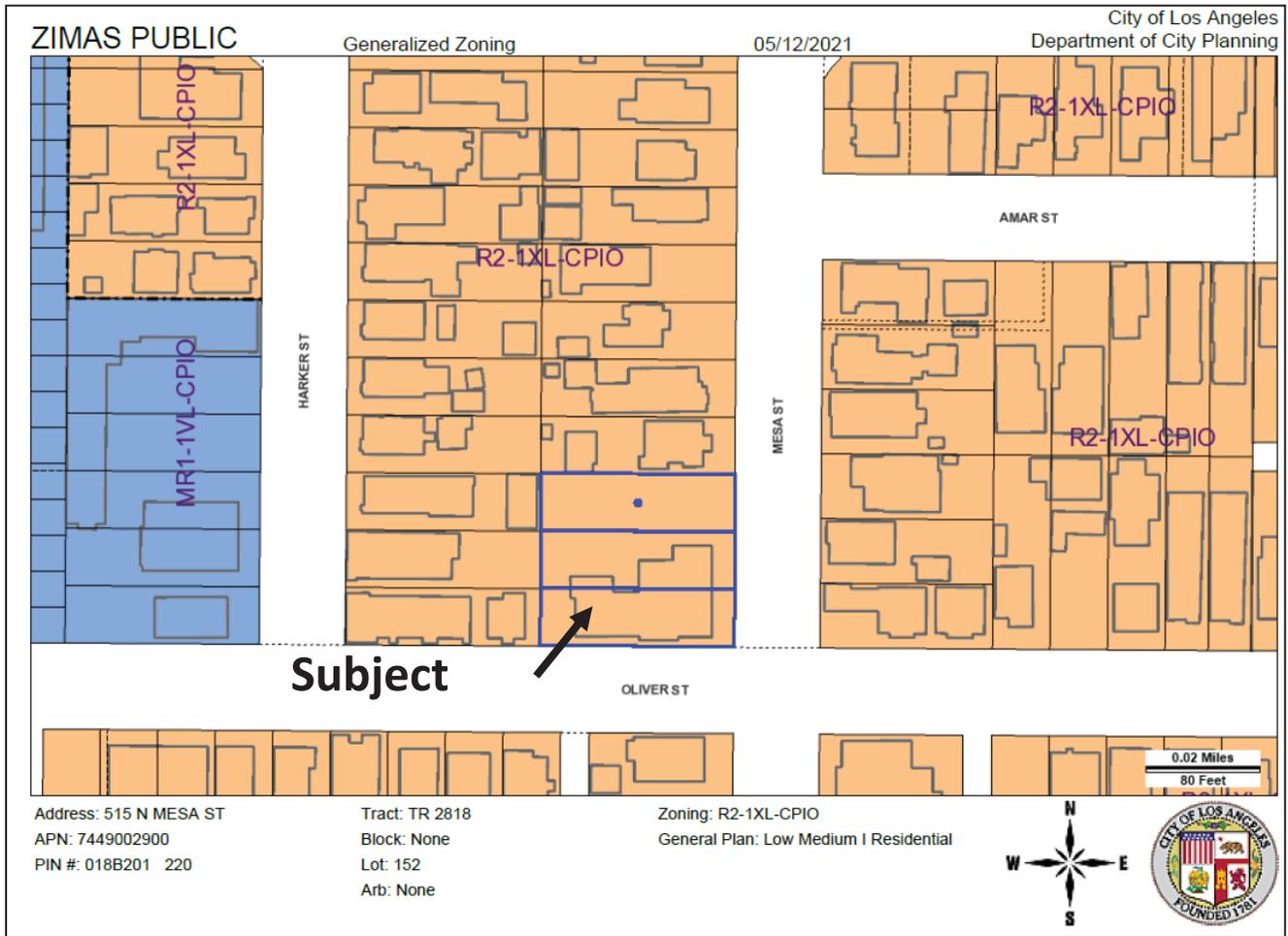
All projects in this area must obtain an Administrative Clearance to demonstrate compliance with the plan. The subject is in the Multi-Family Residential Subarea. If there are any conflicts between the provisions of the San Pedro CPIO and LAMC Section 13.14 or any other LAMC provision, the San Pedro CPIO will prevail and supersede those provisions.

Development Standards (R2-1XL-CPIO)

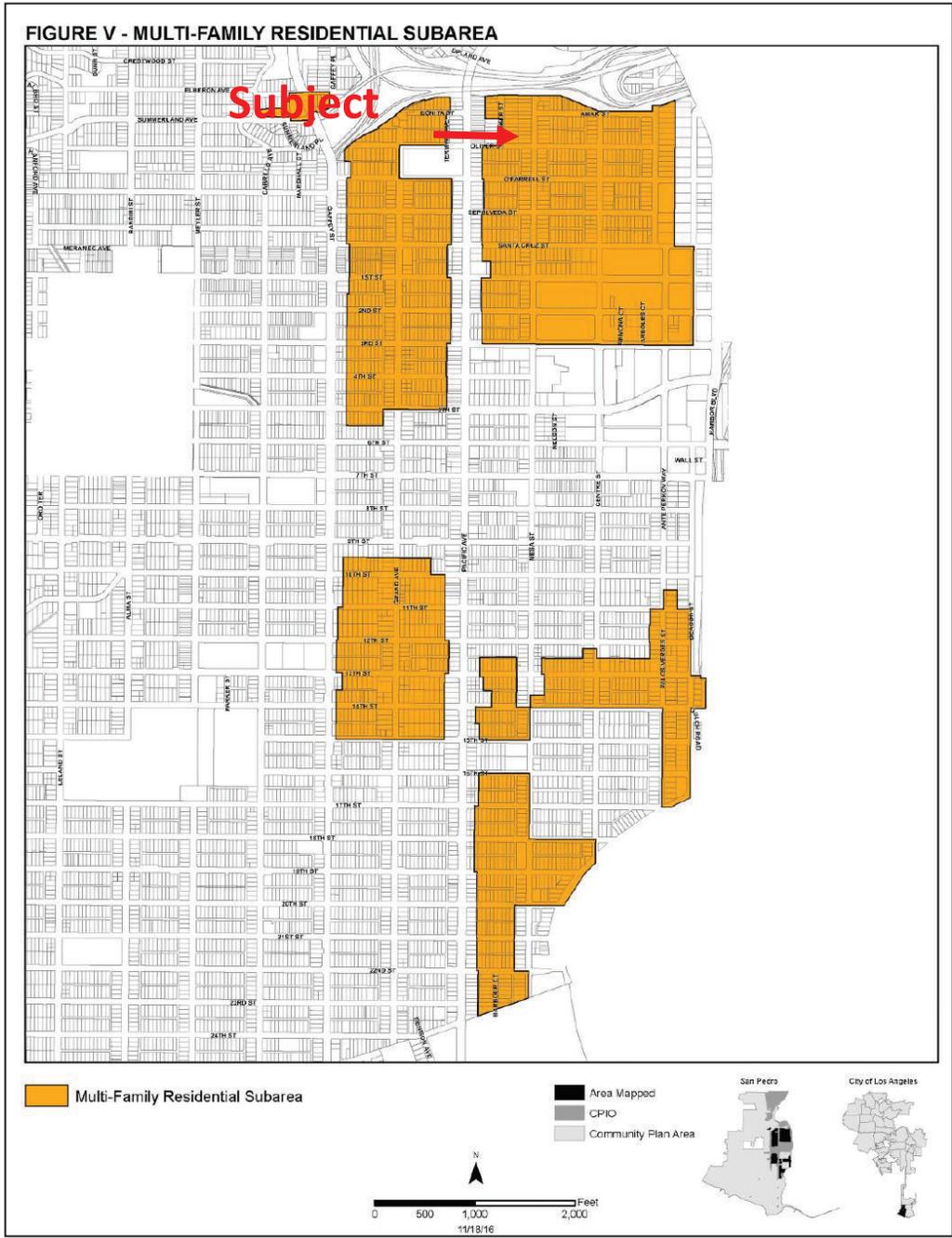
Minimum Lot Size:	<i>5,000 square feet. The minimum lot area per dwelling unit shall be 2,500 square feet.</i>
Maximum Residential Density:	17 Units per Acre (one for each 2,500 SF of site area)
Front Setback:	20% lot depth; 20 ft max, but not less than prevailing
Side Setbacks:	5 ft; or 10% lot width where lot is < 50 ft wide; 3 ft min (7); additional 5 ft offset required for side walls >45 ft long & >14 ft height
Rear Setback:	15 ft
Height Limit (1XL):	30 feet, 2+ stories
FAR (1XL):	3.0:1
Parking Residential:	units > 3 habitable rooms (such as a typical 2 bedroom unit) – 2 Spaces per unit units = 3 habitable rooms (such as a typical 1 bedroom unit) - 1.5 Spaces per unit units < 3 habitable rooms (such as a typical Single unit) – 1 Space per unit

Review of the zoning designation indicates that the site could hold *6 residential units "by right"*, per the present code with a height limit of 30 feet and an FAR of 3.0:1. Our value opinion will utilize a development level of 6 units for the subject site.

Zoning Map



San Pedro Community Plan Area



DESCRIPTION OF IMPROVEMENTS

The subject property is improved with a one-story building containing approximately 4,000 square feet, according to a representative of the client. Information on the building was not found in public records. We did not inspect the interior of the building as it was fully boarded up at the time of our inspection.

The building appears to be constructed with brick and painted concrete blocks. There is a concrete block/chain link fence that surrounds the building and parking area. The parking area had asphalt covering which is in disrepair. The roof appears to have asphalt sheeting and there is a cell tower structure on top of the roof that is no longer in use. Review of aerial photos indicates that the building has likely been unoccupied for up to 20 years.

It is our opinion that the existing structure does not contribute any value to the property more than the value of the land itself.

HIGHEST AND BEST USE

Definition of Highest and Best Use

The term "Highest and Best Use," as used in this report, is defined as: *"The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. "*

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th edition, page 109. (Chicago: Appraisal Institute, 2015).

There are two distinct types of Highest and Best Use. The first is the Highest and Best Use of the site As Though Vacant. The second is the Highest and Best Use As Improved. The subject property is improved with a small, abandoned structure that adds no value to the property, and we will only discuss the Highest and Best Use As Vacant.

As Vacant

In the analysis of Highest and Best Use As Vacant, the probable uses must meet four criteria. Each use must be physically possible, legally permissible, financially feasible, and maximally productive.

Physically Possible

The subject property consists of a 0.372 acre site. There were no apparent drainage problems evident during our inspection. All utilities are available to the site. Further, it is assumed that the existing soil is of adequate capacity to support any future improvements. As a result, any structure that meets the other criteria outlined below and will fit the physical attributes of the site can theoretically be built.

Legally Permissible

To be legally permissible, the use must meet the test of private restrictions, including zoning and building codes. The subject property is zoned R2-1XL-CPIO – Two-Family Residential, Community Plan Implementation Overlay District, which provides for residential uses at the rate of 17 units per acre (the rate of one unit for each 2,500 square feet of site area). Given this density factor, the site could hold 6 units "by right".

Financially Feasible and Maximally Productive

The parcel is improved with an abandoned building and a parking lot in disrepair. Our review of the current market trends stated in the Multi-Family Market Overview section of this report indicates that multi-family residential development is the most financially feasible option at this time, due to low vacancy rates, high demand, and the lack of sufficient multi-family housing stock in the market area and region.

Highest and Best Use As If Vacant Conclusion

Given the factors noted above and the site's zoning designation, our conclusion of the Highest and Best Use of the subject As Though Vacant would be for a multi-family housing project that could include up to 6 units "by right" in terms of the present zoning.

METHODOLOGY

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

The Cost Approach is based upon the proposition that the informed purchaser would pay no more than the cost to produce a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised 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 and for which there exist no comparable properties on the market.

The Sales Comparison Approach utilizes prices paid in actual market transactions of similar properties to estimate the market value of the subject. This appraisal technique is dependent upon utilizing truly comparable sales data that have occurred near enough in time to reflect market conditions relative to the time period of the subject appraisal. In essence, all approaches to value are market data approaches, since the data input is from current conditions.

The Income Capitalization Approach is widely applied in appraising income-producing properties. Anticipated present and future income, as well as any future reversions, are discounted to the present worth figure through the capitalization process. This approach also relies upon market data to establish current economic rents and expense levels to arrive at an expected net income.

Summary

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject. This report was prepared in conformance with the requirements of the *Uniform Standards of Professional Appraisal Practice* (USPAP). The appraisal was based on an application of one approach to value.

The appraisal is based on an application of the Sales Comparison Approach. The Income Approach is not used for the valuation of the land as there are currently no income streams associated with the property. Because we are only valuing land, the Cost Approach is not appropriate and was not utilized. In the Sales Comparison Approach, sales and listings of recent similarly zoned sites will be examined to determine the As Is Market Value of the subject property. The subject property was not entitled as of our Date of Value and as we are determining the "As is" Fee Simple Market Value of the land, we will value the site assuming 6 units can be developed on the site, as noted above.

SALES COMPARISON APPROACH

Value is estimated through the use of the Sales Comparison Approach by comparing the subject property to similar properties that have sold or are currently available for sale (subject to offer) or currently in escrow in the surrounding market. For the purpose of this approach to value and in keeping with our Highest and Best Use conclusion, we have chosen to use the *price per unit* method of comparison, which is commonly used in valuing land that can be used for multi-family housing.

The subject property consists of a site containing a total of 0.372 acres that is zoned R2-1XL-CPIO. In deriving land value, we researched and obtained the most recent available similarly zoned commercial and residential land sales within the subject market area. Due to the limited density zoning for the subject, our search area has been expanded to the southern portion of Los Angeles County. Below is a table summarizing the sales chosen for comparison as well as a brief discussion of each comparable. This is followed by a comparable map and a discussion of the elements of comparison.

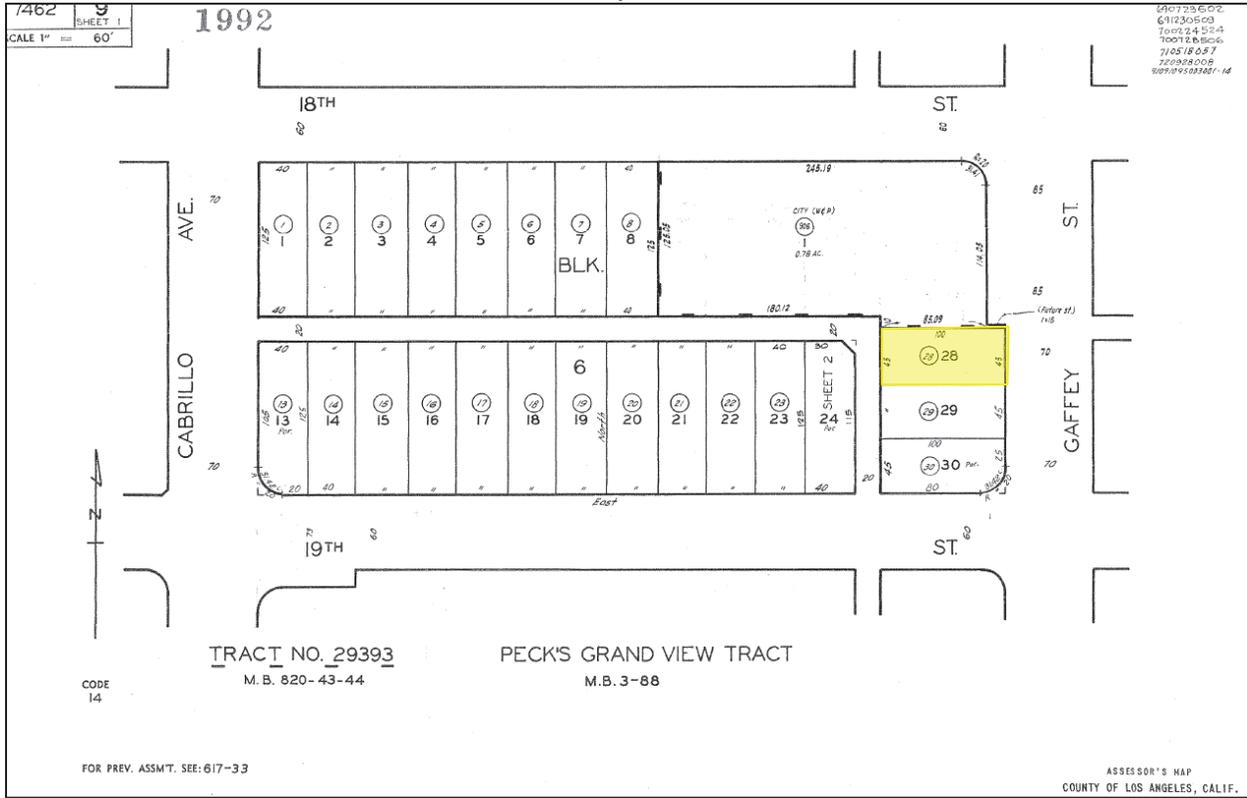
Comparable Land Data

Survey May 2021

Comparable Land Sales						
No.	Location	Sale Date	Lot Size		Sale Price	
			SF/Acre	# Units	Zoning	Total
1	1825 South Gaffey Street San Pedro, CA 90731 7462-009-028	Mar-21	4,502 0.10	3	RD1.5-1XL City of Los Angeles	\$430,000 \$95.51 \$143,333
2	717 West Cherry Street Compton, CA 90222 6153-003-017	Oct-20	12,486 0.29	4	R-M City of Compton	\$350,000 \$28.03 \$87,500
3	3580 East Pacific Coast Highway Long Beach, CA 90804 7259-003-038	Dec-19	23,291 0.53	23	CO (CCN) City of Long Beach	\$2,500,000 \$107.34 \$108,696
4	16705 South Berendo Avenue Gardena, CA 90247 6111-009-029	Apr-20	7,006 0.16	2	R3 City of Gardena	\$225,500 \$32.19 \$112,750
5	1647 259th Street Harbor City, CA 90710 7411-004-029	Oct-19	10,000 0.23	6	[Q]RD1.5-1XL City of Los Angeles	\$700,000 \$70.00 \$116,667
Sub	501, 509 & 515 North Mesa Street San Pedro, CA 90731 7449-002-900		16,211 0.372	6	R2-1XL-CPIO City of Los Angeles	

LAND COMPARABLE NO. 1

**1825 South Gaffey Street
San Pedro, CA 90731**



APN: 7462-009-028

PHYSICAL DATA

Sale Date:	March 5, 2021	Lot Size:	4,502 SF/0.10 Ac
Sale Price:	\$430,000	Zoning:	RD1.5-1XL, City of Los Angeles
Price/SF:	\$95.51	Shape/Topography:	Rectangular/ Level
Price/Unit:	\$143,333	Corner Lot:	No
Financing Terms:	Cash to New Loan	Access:	Average
Intended Use:	N/A	Entitlements:	No
Seller:	Nizich Family Intervivos et. al.		
Buyer:	Roshinie Samantha Kankanamalage et. al.		

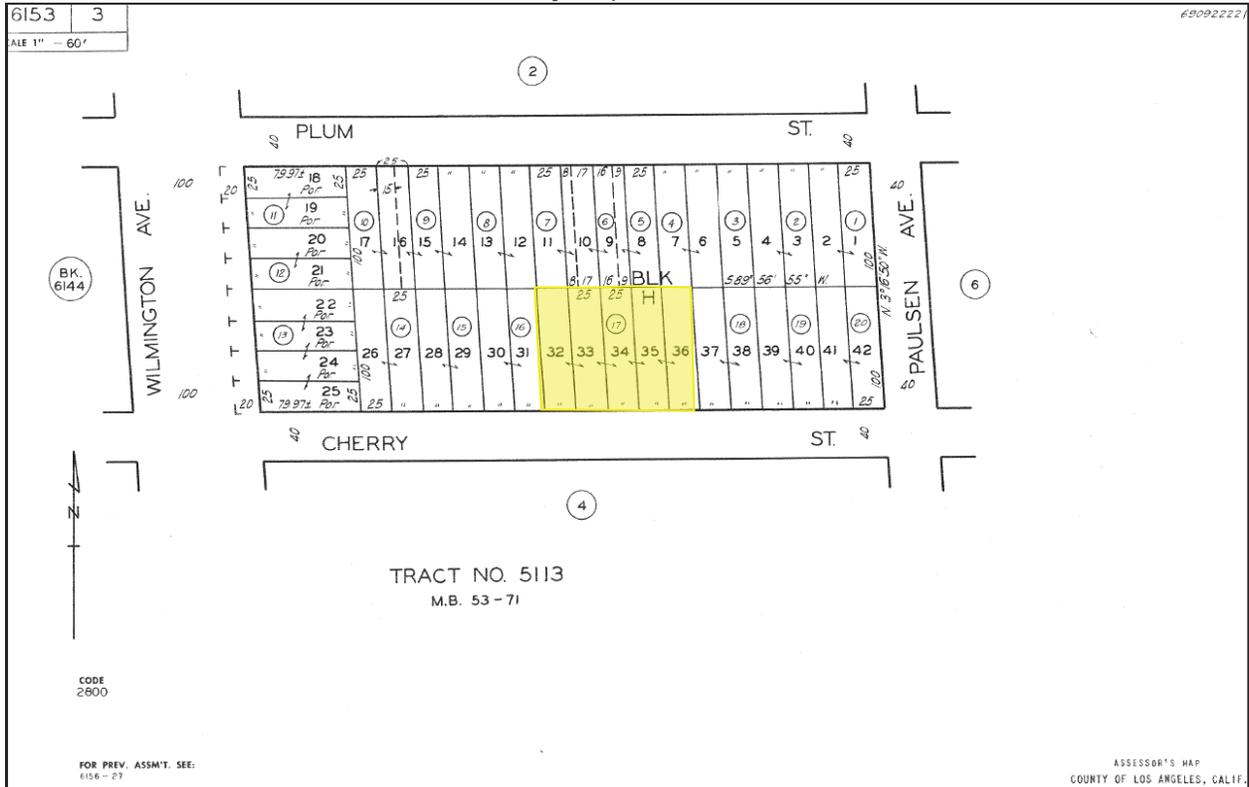
COMMENTS

This property is 1.5 miles southwest of the subject on Gaffey Street on the south side of Downtown San Pedro. The zoning is RD1.5-1XL which allows 29 units per acre or one unit for each 1,500 square feet, superior to the subject. A 3.0:1 FAR is allowed for multi-family development, and 30' height limit. On this site 4 units are allowed by right. There was no information about what the buyer will do with the property and it was not entitled at the time of the sale. This property is not eligible for the TOC bonus program.

Data Source: Grant Deed, MLS, ZIMAS, Los Angeles County Assessor

LAND COMPARABLE NO. 2

**717 West Cherry Street
Compton, CA 90222**



APN: 6153-003-017

PHYSICAL DATA

Sale Date:	October 9, 2020	Lot Size:	12,486 SF/0.29 Ac
Sale Price:	\$350,000	Zoning:	RM City of Compton
Price/SF:	\$28.03		
Price/Unit:	\$87,500		
Financing Terms:	Cash to New Loan	Shape/Topography:	Rectangular/Level
Intended Use:	Multi-Family	Corner Lot:	No
		Access:	Average
Seller:	International Church of the Foursquare Gospel	Entitlements:	No
Buyer:	Peter Properties LLC		

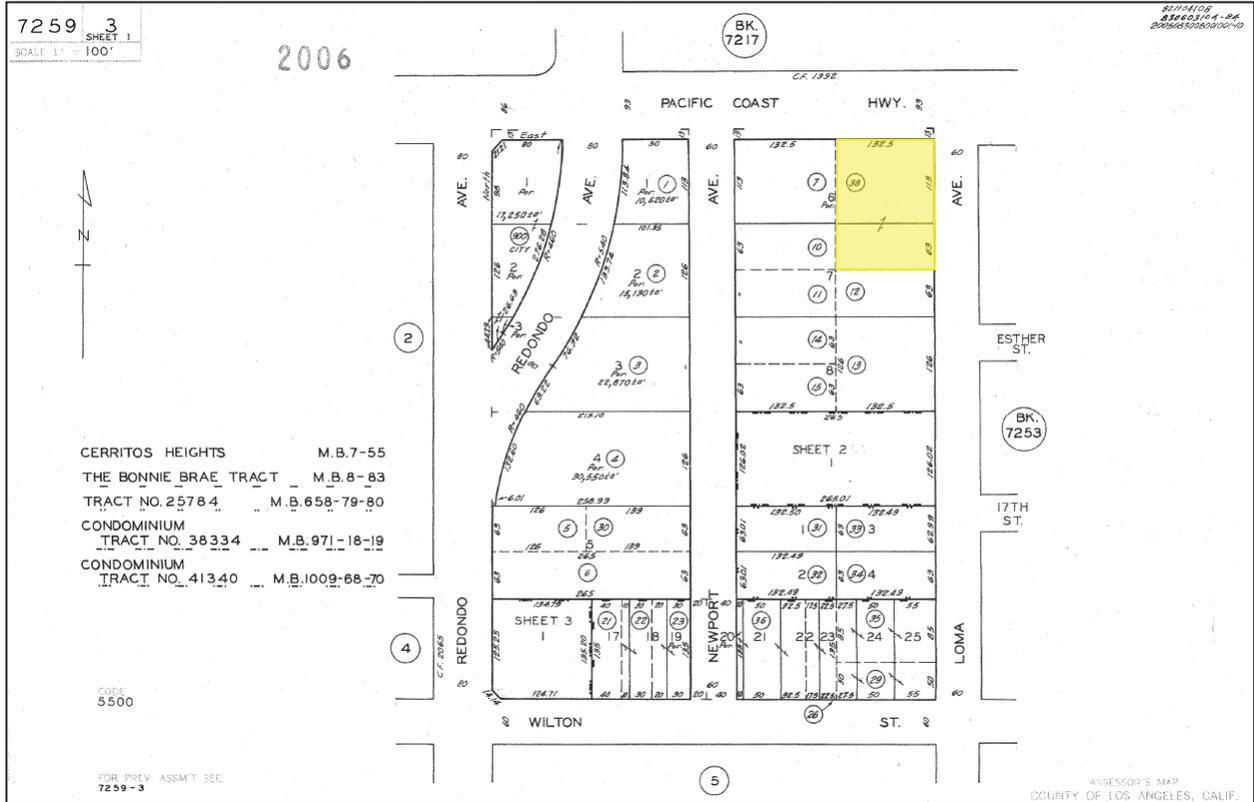
COMMENTS

This property is located approximately 11 miles north of the subject in an inferior residential market area. The property is zoned R-M which allows residential units at the rate of one unit for each 2,500 square feet of site area, similar to the subject. The zoning allows residential units at the rate of 17 per acre, no FAR and 35' height limits. The property was originally listed for \$475,000 and sold after 696 days on the market for \$350,000 or \$87,500 per allowed unit. The property was not entitled at the time of the sale. In addition the property is not eligible for the TOC bonus plan.

Data Source: Grant Deed, CoStar, Marketing Brochure, Los Angeles County Assessor

LAND COMPARABLE NO. 3

**3580 East Pacific Coast Highway
Long Beach, CA 90804**



APN: 7259-003-038

PHYSICAL DATA

Sale Date:	December 20, 2019	Lot Size:	23,291 SF/ 0.53 Ac
Sale Price:	\$2,500,000	Zoning:	CO (CCN), City of Long Beach
Price/SF:	\$107.34	Shape/Topography:	Rectangular/Level
Price/Unit:	\$108,696	Corner Lot:	Yes
Financing Terms:	Cash To New Loan	Access:	Good
Intended Use:	Multi-Family	Entitlements:	No
Seller:	Santo & Antonietta Laferrara et. al.		
Buyer:	26.2 Apartments LP		

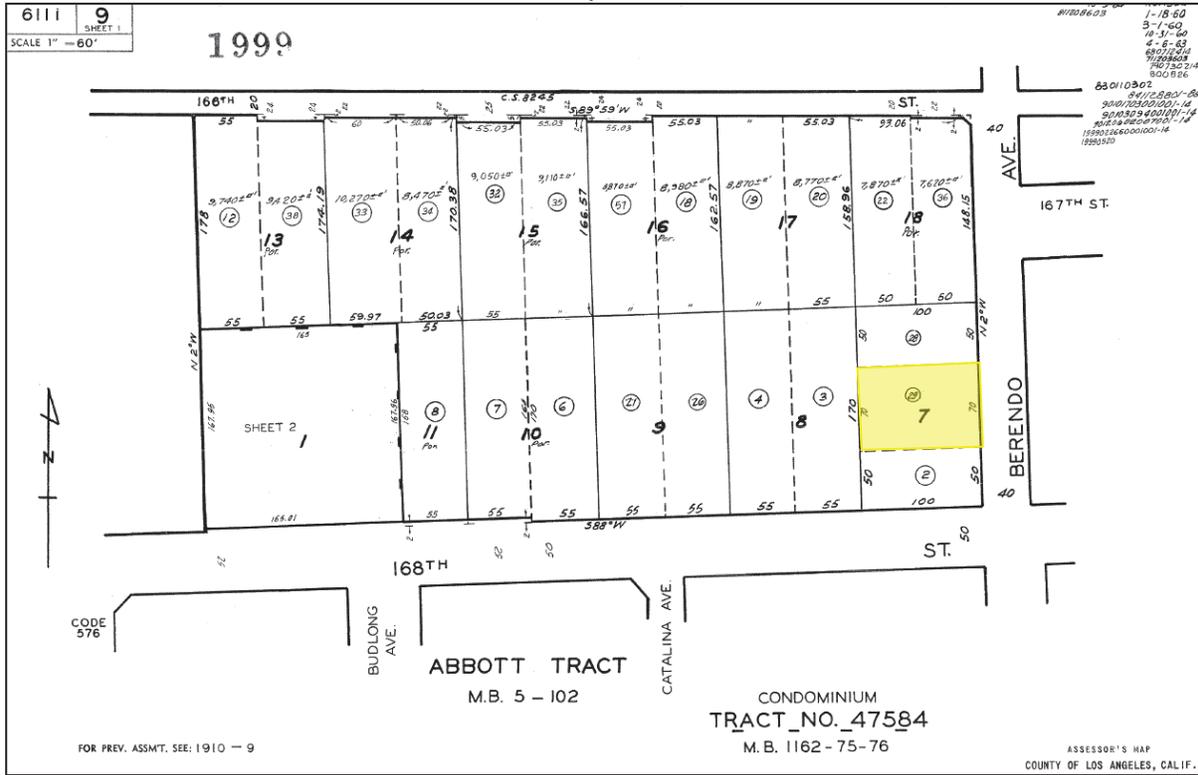
COMMENTS

This property is located on the southwest corner of Pacific Coast Highway and Loma Avenue in a somewhat similar market location compared to the subject, approximately 8 miles northeast of the subject and on Pacific Coast Highway. The lot contains 23,291 square feet in one parcel and has the zoning designation CO Commercial Office, that was recently changed to CCN – Community R-4-N Commercial. This zoning allows residential uses at the rate of one for each 975 square feet of lot area or 44 units per acre, superior to the subject. Approximately 23 units are allowed by right on this parcel yielding a price per unit of \$108,696. The property was sold with a two-story 9,612 square foot office building on site that will need to be cleared to redevelop the property.

Data Source: Grant Deed, CoStar, Los Angeles County Assessor

LAND COMPARABLE NO. 4

**16705 South Berendo Avenue
Gardena, CA 90247**



APN: 6111-009-029

PHYSICAL DATA

Sale Date:	April 7, 2020	Lot Size:	7,006 SF/0.16 Ac
Sale Price:	\$225,500	Zoning:	R3, City of Gardena
Price/SF:	\$32.19	Shape/Topography:	Rectangular/Level
Price/Unit:	\$112,750	Corner Lot:	No
Financing Terms:	All Cash	Access:	Average
Intended Use:	Multi-family	Entitlements:	No
Seller:	R & M Real Estate Investments & Renovators INC		
Buyer:	Legend Properties Inc.		

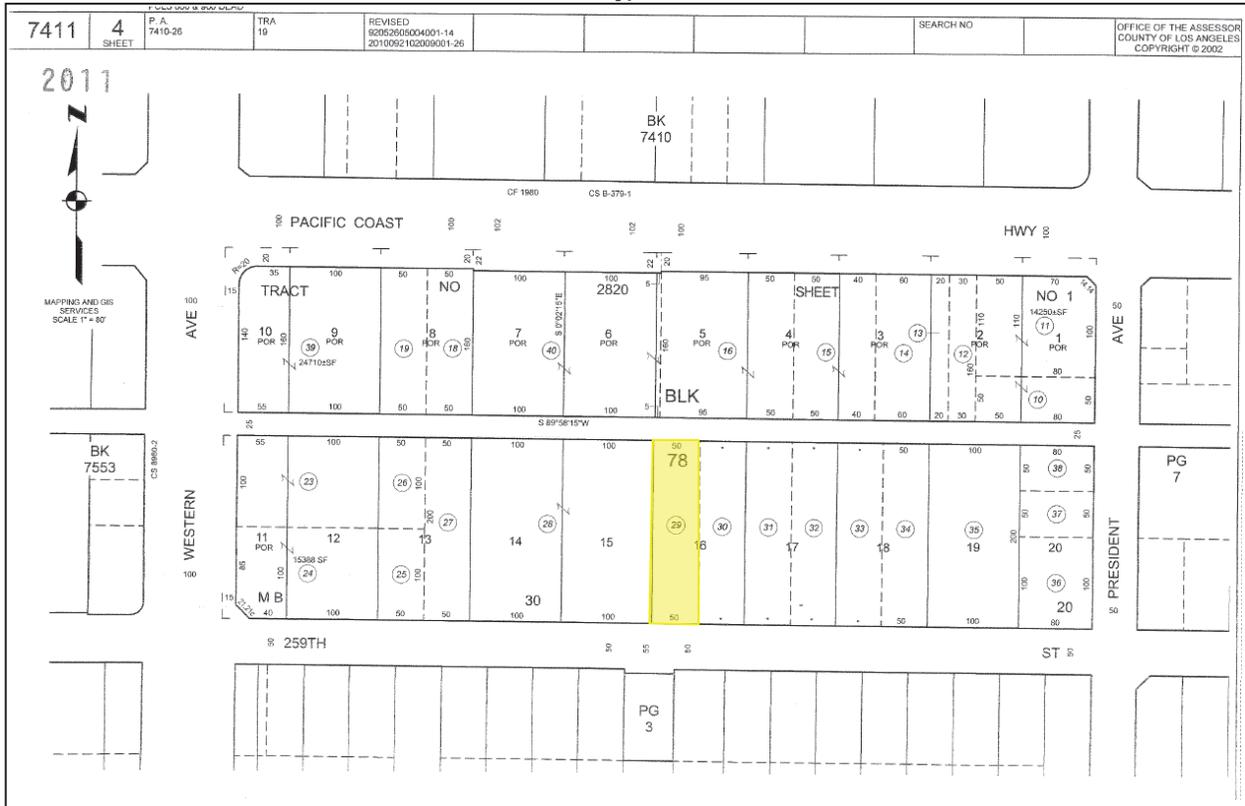
COMMENTS

This property is located on the west side of Berendo Avenue and north of 168th Street approximately 9 miles north of the subject and 1/2 mile west of the 110 Harbor Freeway in a somewhat similar market location. The zoning allows one unit for each 2,562 square feet of site area, or 17 units per acre somewhat similar to the subject. The zoning allows a 35' height limit and has no FAR restrictions. The property was vacant at the time of the sale. The lot is somewhat smaller than the subject and allows 2 units by right.

Data Source: Grant Deed, CoStar, Clarity First, Los Angeles County Assessor

LAND COMPARABLE NO. 5

**1647 259th Street
Harbor City, CA 90710**



APN: 7411-004-029

PHYSICAL DATA

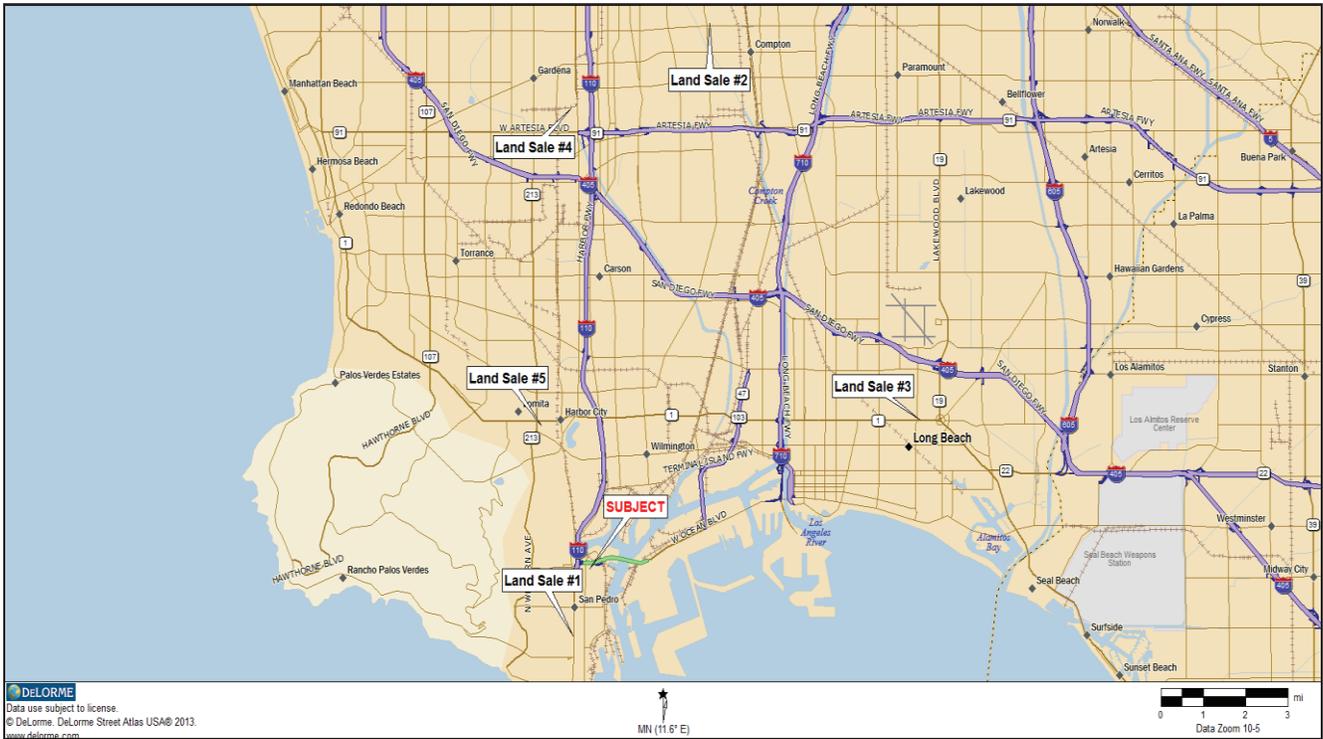
Sale Date:	October 30, 2019	Lot Size:	10,000 SF/0.23 Ac
Sale Price:	\$700,000	Zoning:	[Q]RD1.5-1XL City of Los Angeles
Price/SF:	\$70.00	Shape/Topography:	Rectangular/Level
Price/Unit:	\$116,667	Corner Lot:	No
Financing Terms:	Cash to New Loan	Access:	Average
Intended Use:	Multi-family	Entitlements:	None
Seller:	Melchor N. Palting et.al.		
Buyer:	Valora Properties LLC		

COMMENTS

This property is located three miles northwest of the subject on the west side of the 110 Harbor Freeway south of Pacific Coast Highway in a somewhat similar market area. The property is zoned RD-1.5-1XL which allows residential units at the rate of one unit for each 1,500 square feet of site area, superior to the subject. The zoning allows residential units at the rate of 29 per acre, an FAR of 3.0:1 and a height limit of 30'. This previously developed lot was sold vacant and has utilities on the site but no improvements. Although the property is in the City of Los Angeles it is not eligible for the TOC program.

Data Source: Grant Deed, MLS, Clarity First, ZIMAS, Los Angeles County Assessor

Sale Comparables Map



As Is Value Analysis

Review of the sales data presented above indicates an *unadjusted* range between \$87,500 and \$143,333 per unit. The high end of the range on a per unit basis reflects the sale of a smaller sized parcel that is zoned RD1.5 that allows a higher density by right. The low end of the range is a property in Compton, an inferior market area, with zoning that allows a somewhat similar density as the subject.

In order to further quantify the adjustments to the comparables, we have prepared an adjustment grid. Presented below is a discussion of the factors considered in our analysis, followed by a presentation of the adjustment grid.

Elements of Comparison

Financing Terms	The valuation of the subject is based on a cash equivalent basis. Comparable properties are sometimes sold with non-market financing arrangements. In these cases, an adjustment may be required to attain the cash equivalent price. To the best of our knowledge, all of the properties represented “cash to seller” transactions. For this analysis, no adjustment was made for financing.
Conditions of Sale	Adjustments for this element usually reflect the motivations of the buyer and seller. If a party to a transaction was under duress or if atypical motivations affected the price, an adjustment is required. None of the sales required adjustments for condition of sale.
Market Conditions	The properties were acquired between October 2019 and March 2021, a relatively compressed time frame that is useful in estimation of present market value for the subject.

We have queried the market and reviewed multi-residential and commercial land sales in Los Angeles County since 3rd Quarter 2019 containing between 5,000 and 50,000 square feet. There were sales per quarter ranging between 23 and 78, a good sample to determine a trend. Over the time period studied the average price per square foot went down by 7.3% year over year while the median price went up by approximately 0.5% year over year. Given these factors, and the effects of the pandemic, we have adjusted the sale comparables that are more than three months from our date of value downward by a modest 3.0% per year, compounded monthly for market conditions.

Location	The desirability of each location was compared to that of the subject. The subject property is located in an average residential market, with below average incomes and lower housing prices than seen in other parts of Los Angeles. Comparable 2 is in an inferior residential market area in Compton and given an upward adjustment. The remaining comparables are located in somewhat similar residential market areas and are not adjusted.
Zoning	The subject property is zoned R2-1XL-CPIO which allows residential development at the rate of one unit for each 2,500 square feet of site area. In addition, the 1XL designation allows for 3.0:1 FAR and a height limit of 30 feet. However, the CPIO designation specifies some design regulations and height setbacks for upper stories. The comparables allow development at rates between 975 and 2,562 square feet per unit; height limits that vary between 30 and 38 feet, and FARs of 3.0:1 and no FAR restrictions. Our adjustments for zoning are noted in the chart below.
Entitlements	None of the properties were entitled at the time of the sale and no adjustment was made for this section.
Improvements	The subject and comparables 2 and 3 have improvements that will need to be removed for development. The subject has approximately 4,000 square feet of improvements and we will make a deduction for their removal after we have developed the market value. Comparables 2 and 3 had improvements of 3,930 and 9,612 square feet, respectively, that would need to be demolished to be ready for redevelopment. We have given these comparables varying upward adjustments to account for the cost to demolish and remove the improvements based on \$7.00 per square foot from Marshall & Swift. The adjustment is made for the removal cost as a percent of their sales price per unit. These adjustments are noted in the chart below.
Parcel Size	The subject contains 16,211 square feet of site area. The comparables contained between 4,502 and 23,291 square feet of site area. Typically, comparables with a significantly smaller size are given downward adjustments for the generally higher pricing per square foot for smaller sites. Those comparables with significantly larger site areas as compared to the subject were adjusted upward due to the lower pricing per square foot for larger sites.

The adjustment grid for the comparables is presented below:

Comparable Sale Adjustment Grid						
Sale No.	1	2	3	4	5	Subject
Date of Sale	Mar-21	Oct-20	Dec-19	Apr-20	Oct-19	May-21
Lot Size	4,502	12,486	23,291	7,006	10,000	16,211
Number of Units	3	4	23	2	6	6
Price Per Unit	\$143,333	\$87,500	\$108,696	\$112,750	\$116,667	
Adjustments:						
Financing Terms	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	
Adjusted Price	\$143,333	\$87,500	\$108,696	\$112,750	\$116,667	
Conditions of Sale	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	
Adjusted Price	\$143,333	\$87,500	\$108,696	\$112,750	\$116,667	
Market Conditions	<u>0.0%</u>	<u>-1.8%</u>	<u>-4.2%</u>	<u>-3.3%</u>	<u>-4.6%</u>	
Adjusted Price	\$143,333	\$85,908	\$104,133	\$109,004	\$111,294	
Location	0%	15%	0%	0%	0%	
Zoning	3%	0%	5%	0%	3%	
Entitlements	0%	0%	0%	0%	0%	
Improvements	0%	8%	3%	0%	0%	
Parcel Size	<u>-5%</u>	<u>0%</u>	<u>5%</u>	<u>-5%</u>	<u>0%</u>	
Total Net Adjustment	-2%	23%	13%	-5%	3%	
Adjusted Price	\$140,467	\$105,667	\$117,670	\$103,553	\$114,633	

After adjustment, the indicated *adjusted* value range for the subject is between \$103,553 and \$140,467 per unit. The average adjusted price is \$116,398, while the median adjusted price is \$114,633 per unit; these calculations are provided for information purposes and do not form the basis of our value opinion.

In our valuation of the subject, we have considered its location on a secondary residential street, just west of the Harbor Freeway in an area of one and two-unit residential developments. Comparable sales 1, 4 and 5 are given the most weight as they are the most similar to the subject and required the fewest adjustments. Comparables 2 and 3 are given secondary weight in our analysis, while the remaining comparable is given little weight.

Based on our analysis our conclusion of land value for the subject is presented below. We are using the number of units allowed by right, as the subject is not currently entitled. Six units are allowed by right.

We have made a deduction to the value conclusion below for the cost of demolishing and removing the existing 4,000 square foot structure. According to Marshall & Swift, it costs approximately \$7.00 per square foot to remove the existing improvements. The cost to remove is \$7.00 X 4,000 square feet or \$28,000.

“As Is” Fair Market Value Conclusion – Market Value as of May 17, 2021

Based on the analysis conducted herein, we are concluding the As Is Market Value of the subject property to be based on the unit rate noted below:

6 Units x \$110,000 Per Unit.....	\$660,000
Less Demolition Costs.....	(\$28,000)
Indicated Market Value	\$632,000
Concluded As Is Market Value (Rounded)	\$630,000

ADDENDA

Exhibit I

Legal Description of the property

LEGAL DESCRIPTION

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

PARCEL 1:

LOTS 150 AND 151 OF [TRACT NO. 2818](#), AS PER MAP RECORDED IN [BOOK 31, PAGE 7 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY.

PARCEL 2:

LOT 152 OF [TRACT NO. 2818](#), AS PER MAP RECORDED IN [BOOK 31, PAGE 7 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY.

APN: **7449-002-900**

Exhibit II FEMA Flood Map



QUALIFICATIONS OF STEVEN R. NORRIS, MAI, CRE

Norris Realty Advisors
101 E. Green Street, Suite 9
Pasadena, California 91105
(626) 405-9922

EDUCATION

University of California at Los Angeles - Bachelor of Arts, Majoring in Economics 1980

PROFESSIONAL DESIGNATIONS

Member - Appraisal Institute (No. 7716)
Counselor of Real Estate – CRE
State of California General Certification No. AG001677

EXPERIENCE

Thomas W. Erickson, MAI – Santa Monica, California	1980 - 1985
CB Richard Ellis Appraisal and Consultation – Los Angeles, California	1985 - 1991
CRW Associates – Pasadena, California	1991 – 1999
Principal, Norris Realty Advisors	2000-Present

SIGNIFICANT ASSIGNMENTS

Commercial

Commercial assignments completed over the last 30 years include the valuation of an extensive variety of major mid and high-rise office towers (ranging in size from 100,000 to over 2,800,000 square feet); the appraisal of a new 100,000+ square-foot health club facility; and the valuation of a wide variety of major medical office buildings. Appraisal of numerous larger neighborhood, subregional and regional shopping centers, involving detailed cash flow analysis for lending, securitization, and public finance. The completion of numerous absorption, market demand, fair rent studies, highest and best use analyses, and computer cash flow studies relating to commercial development, portfolio analysis, and asset review. Thorough experience with Argus lease-by-lease cash flow program.

Industrial

Industrial assignments include valuation and consultation on a 51 acre major manufacturing facility in urban Los Angeles, improved with 1,100,000 square feet of improvements; the appraisal of over 700 acres for acquisition and development of a solar/gas-fired power plant in Victorville, California; valuation of a number of highly specialized aerospace research and development facilities (500,000 to over 1,000,000 square feet) in several states; the appraisal of a wide variety of mid- and larger-sized freestanding industrial and manufacturing facilities; valuation of numerous master planned business parks, and oversight of numerous land-use and development studies.

Residential

The valuation of a number of larger (300+ units) luxury apartment complexes in the western United States; affordable housing in urban areas, and the appraisal of a number of single-family housing developments. The valuation of a variety of congregate care senior housing facilities throughout the western U.S.

Other

Assignments also include a wide variety of "specialized use" properties, including numerous specialized use government and military facilities including realigned air force bases; a 1,300 acre Air Force weapons plant; consultation on the master planned redevelopment of the 3,700 acre El Toro military facility in Orange County, California; extensive experience in national pension fund portfolio advising. Experience in California, Nevada, Arizona, Hawaii, Alaska, Texas, Florida, Virginia, Idaho, Montana, Utah, Colorado, Connecticut, Pennsylvania, and Illinois.

Qualified as an expert witness in numerous depositions, Los Angeles County Superior Court, and in US Bankruptcy Court. Current Board Member of the Southern California Chapter of the Appraisal Institute. Current member, Counselors of Real Estate National Ethics Committee and National Education Committee. Member Standards Setting Committee for the International Ethics Standards Coalition (IESC). Prior service in Regional Ethics Administration for the Appraisal Institute. Board Member and Past President (2015), Southern California Chapter of the Appraisal Institute. Speaker at local, regional and national valuation and consulting events. UCLA Extension Instructor in Argus Enterprise discounted cash flow analysis software and Commercial Real Estate Market Analysis.



QUALIFICATIONS OF PETER H. MILIO

Norris Realty Advisors
101 East Green Street, Suite 9
Pasadena, California 91105
(626) 405-9922

EDUCATION

University of Illinois - Bachelor of Arts, Majoring in Marketing 1980

PROFESSIONAL DESIGNATIONS

State of California General Appraisal Certification No. AG032257

EXPERIENCE

Norris Realty Advisors	2005-Present
R. F. Crowell Appraisal– Santa Clarita, California	2003 – 2006
Franklin Appraisal – Arcadia, California	2003 - 2006
Harte-Hanks Shoppers – Brea, California	1993 - 2003
St. Luke Medical Center – Pasadena, California	1990 - 1993

SIGNIFICANT ASSIGNMENTS

Commercial

Commercial assignments completed over the last six years include the valuation of an extensive variety of assets including a portfolio of retail banks, mid- and high-rise office towers ranging between 80,000 and 350,000 square feet. The appraisal of a variety of proposed, new and existing medical office buildings; and the valuation of a wide variety of retail properties including large shopping centers and retail centers containing up to 500,000 square feet and as many as 600 tenants. Also, a specialty in valuing charter school, private school and college developments in Southern California including acquisitions, conversions and new developments. Appraisal of various properties involving eminent domain for redevelopment agencies in the Southern California Region. The completion of absorption, market demand, fair rent studies, highest and best use analyses, and computer cash flow studies relating to commercial development, portfolio analysis, and asset review.

Industrial

Industrial assignments include the appraisal of a wide variety of mid- and large-sized freestanding industrial and manufacturing facilities; valuation of master planned business parks, cold storage facilities and participation in numerous land-use and development studies.

Residential

The valuation of completed and proposed housing developments, both for-sale and for-rent units including mixed-use properties throughout Southern California. The valuation of affordable housing projects containing up to 100+ units. The valuation of a number single-family, duplex, 1-4 unit residential and mid- and large-size apartment complexes in the Southern California area. Appraisal of high-value single-family residential properties in Los Angeles County with values up to \$10,000,000.

Other

Assignments completed throughout California, with concentration in Los Angeles, Orange, San Bernardino and Riverside Counties. Also, significant pension fund and triple net investment portfolio work throughout the greater San Francisco Bay Area and the greater San Diego Area.



ORDINANCE NO. _____

An ordinance of the City of Los Angeles (“City”) authorizing and providing for the sale of a certain City-owned real property that is no longer required for use by the City, and the public interest or necessity requires the sale thereof without calling for bids, to the Housing Authority of the City of Los Angeles (“HACLA”) for the sum of SIX HUNDRED AND THIRTY THOUSAND DOLLARS (\$630,000).

**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 and located at the address and/or location set forth hereinafter, is no longer required for the use of the City and that the public interest, convenience and necessity require the sale. It is hereby ordered that such real property be sold, pursuant to certain conditions hereinafter set forth and without notice of sale or advertisement for bids to HACLA for the sum of SIX HUNDRED THIRTY THOUSAND DOLLARS (\$630,000) in accordance with the provisions of Section 385 of the City Charter and Division 7, Chapter 1, Article 4 of the Los Angeles Administrative code.

Location:

- 501 N. Mesa Street, Los Angeles, CA 90731, APN 7449-002-900.

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 purchaser 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 HACLA for affordable housing purposes.

Sec. 2. The Mayor of the City of Los Angeles in the name of and on behalf of the City is hereby authorized and directed to execute a grant deed conveying said City parcel described in Section 1 of this ordinance to HACLA; The City Clerk of the 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 15's Real Property Trust Fund Number 697, Department 14, Revenue Source No. 5141 and into General Fund Number 100, Department 40, Revenue Source 5141 in equal amounts. The purchaser, HACLA, shall pay 1/2 (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. Purchaser, at his 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 
EDWARD YOUNG
Deputy City Attorney

Date June 23, 2021

File No. 12-1549-S13

m:\real prop_env_land use\real property_environment\ordinances\la21-02997\la21-02997 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

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

CLERK.LACITY.ORG

When making inquiries relative to
this matter, please refer to the
Council File No.: [12-1549-S13](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

November 27, 2019

Council File No.: [12-1549-S13](#)

Council Meeting Date: November 27, 2019

Agenda Item No.: 57

Agenda Description: INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to amending Council action of December 4, 2018 to declare 501 North Mesa Street a surplus asset and take steps to effectuate the potential sale of the parcel.

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

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

HOLLY L. WOLCOTT
CITY CLERK

Adopted Report(s)

Title

Report from Information, Technology, and General Services Committee

Date

11/13/2019

MOTION

I MOVE that the Council action on December 14, 2018 relative to instructing the City Administrative Officer, with the assistance of the Chief Legislative Analyst and the Department of General Services, to initiate a review of the City-owned property located at 501 N. Mesa Street in Council District 15 to determine the suitability for development of housing (C.F. 12-1549-S13) BE AMENDED to instead direct the Department of General Services to take the following actions related to the City-owned property:

1. Declare the property located at 501 N. Mesa Street, San Pedro, 90731 (APN: 7449002900) a surplus asset;
2. Initiate the Surplus Property Process and conduct a Class "A" appraisal of the parcel;
3. Prepare the parcel for sale at a public auction; and
4. Direct GSD, with the assistance of the CAO, the City Attorney, and any other relevant departments, to take all necessary steps and prepare all required documents to effectuate the potential sale of the parcel.

PRESENTED BY: Joe Buscaino
JOE BUSCAINO

Councilmember, 15th District

SECONDED BY: Paul Krutz

ORIGINAL

cbs

JUN 28 2019

[Handwritten signature]

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 29, 2021

CLERK.LACITY.ORG

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

Council File No.: 12-1549-S13

Council Meeting Date: June 29, 2021

Agenda Item No.: 36

Agenda Description: COMMUNICATION FROM THE MUNICIPAL FACILITIES COMMITTEE (MFC) relative to declaring that the City-owned property located at 501 North Mesa Street is Exempt Surplus Land.

Council Action: COMMUNICATION FROM THE MUNICIPAL FACILITIES COMMITTEE - 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	YES	Price
YES	Raman	YES	Ridley-Thomas	YES	Rodriguez

HOLLY L. WOLCOTT
CITY CLERK

Adopted Report(s) Title
Report from Municipal Facilities Committe dated 6-02-21

0220-05858-0000

T R A N S M I T T A L

TO City Council	DATE 06-02-21	COUNCIL FILE NO. 12-1549-S13
FROM Municipal Facilities Committee	COUNCIL DISTRICT 15	

At its regular meeting held on May 27, 2021, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted to Council for consideration. Adoption of the report recommendations would declare that the City-owned property located at 501 N. Mesa St., Los Angeles, CA 90731 (APN 7449-002-900) in Council District 15 is "exempt surplus land" pursuant to the guidelines of AB 1486 due to the City's transferring of the property to another local, state or federal agency for the agency's use. Furthermore, adoption of the report recommendations would find and determine that the subject property is no longer required for use by the City and that the public interest is best served by its disposal.

Fiscal Impact: There is no fiscal impact on the General Fund based on the recommendations in this report. The City will receive fair market value for the eventual sale of the property.


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

Attachment – May 27, 2021 GSD Report to the MFC

RHL:YC:JVW:AY:15210082

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



ERIC GARCETTI
MAYOR

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

May 27, 2021

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

Attention: Michael Espinoza, Legislative Assistant

**REQUEST FOR “EXEMPT SURPLUS LAND” DECLARATION
501 N. MESA STREET
IN COMPLIANCE WITH STATE LAW**

The Department of General Services (GSD) requests that the City Council declare the property listed in the “Property Description” section of this report and depicted in Attachment A as “exempt surplus land” in order to satisfy certain relevant requirements of the new State law promulgated through AB-1486.

BACKGROUND

Under direction authorized by Council Motion, Council File 12-1549-S13, approved on November 27, 2019, GSD began processing the sale of 501 N. Mesa. As part of that process, two governmental agencies indicated interest in purchasing the property in response to the 54220 Notifications sent by GSD. In April 2021, one agency relinquished their interest to purchase, so the property will be sold to the LA Housing Authority, a governmental agency.

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



FINDINGS

City finds the Property below is no longer required for use by the City and find and determine that the public interest is best served by its disposal. The property is “exempt surplus land” under AB 1486 due to the City’s transferring of this surplus land *“to another local, state, or federal agency for the agency’s use.”*

PROPERTY DESCRIPTIONS

ADDRESS/LOCATION	APN	LOT SIZE	CD
501 North Mesa Street	7449-002-900	16,212	15

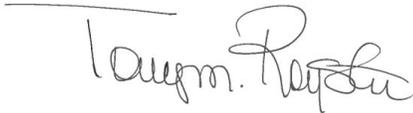
FISCAL IMPACT

None.

RECOMMENDATION

That the City Council, subject to Mayoral approval:

1. Declare that 501 N. Mesa, depicted in Attachment A is “Exempt Surplus Land”, as supported by the findings set forth in this report.



Tony M. Royster
General Manager

Attachment: Map of Property

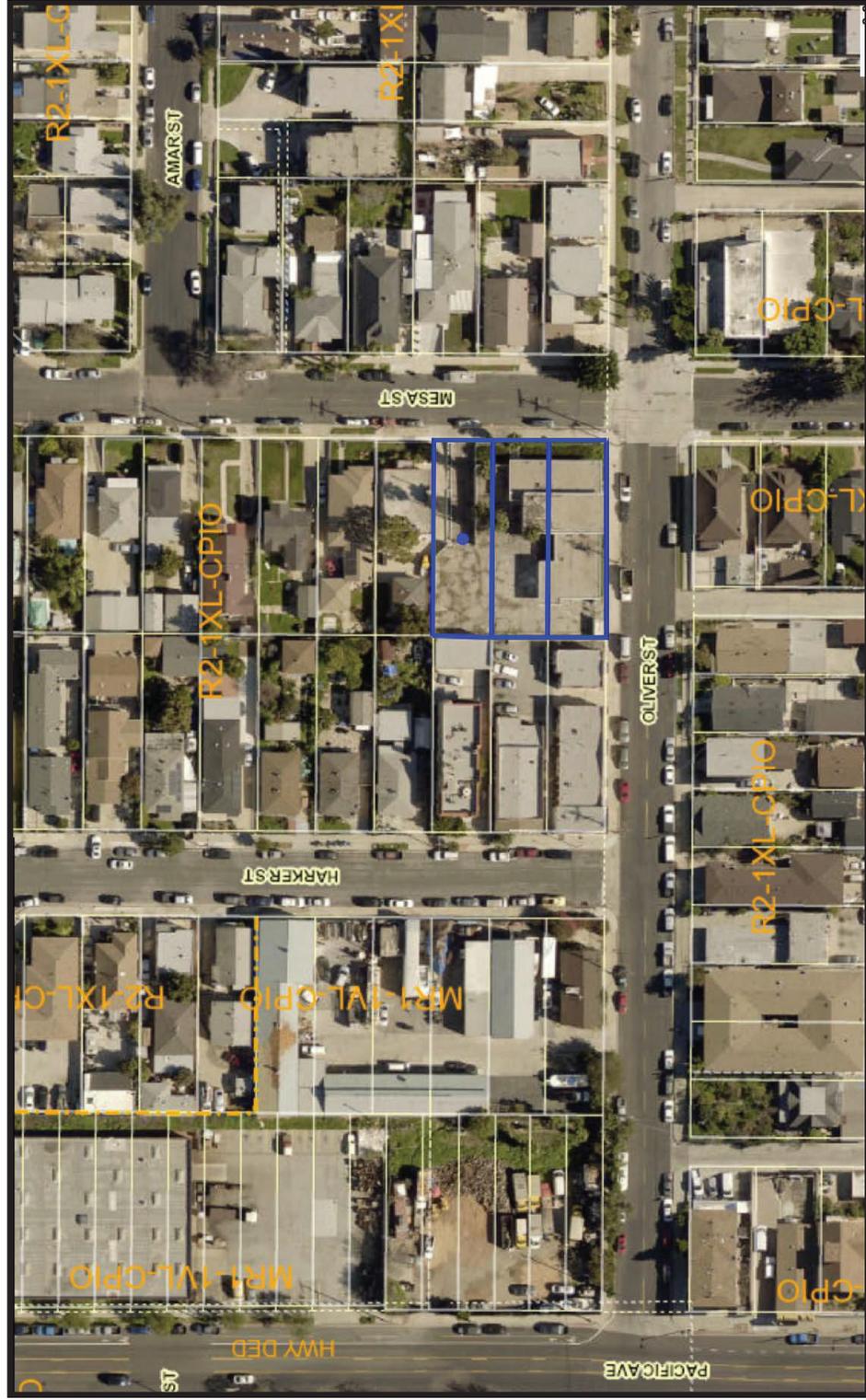
501 N. Mesa, APN: 7449-002-900

Attachment A



501 N. Mesa, APN: 7449-002-900

Attachment A



ORDINANCE NO. _____

An ordinance of the City of Los Angeles ("City") authorizing and providing for the sale of a certain City-owned real property that is no longer required for use by the City, and the public interest or necessity requires the sale thereof without calling for bids, to the Housing Authority of the City of Los Angeles ("HACLA") for the sum of SIX HUNDRED AND THIRTY THOUSAND DOLLARS (\$630,000).

**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 and located at the address and/or location set forth hereinafter, is no longer required for the use of the City and that the public interest, convenience and necessity require the sale. It is hereby ordered that such real property be sold, pursuant to certain conditions hereinafter set forth and without notice of sale or advertisement for bids to HACLA for the sum of SIX HUNDRED THIRTY THOUSAND DOLLARS (\$630,000) in accordance with the provisions of Section 385 of the City Charter and Division 7, Chapter 1, Article 4 of the Los Angeles Administrative code.

Location:

- 501 N. Mesa Street, Los Angeles, CA 90731, APN 7449-002-900.

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 purchaser 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 HACLA for affordable housing purposes.

Sec. 2. The Mayor of the City of Los Angeles in the name of and on behalf of the City is hereby authorized and directed to execute a grant deed conveying said City parcel described in Section 1 of this ordinance to HACLA; The City Clerk of the 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 15's Real Property Trust Fund Number 697, Department 14, Revenue Source No. 5141 and into General Fund Number 100, Department 40, Revenue Source 5141 in equal amounts. The purchaser, HACLA, shall pay 1/2 (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. Purchaser, at his 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 
EDWARD YOUNG
Deputy City Attorney

Date June 23, 2021

File No. 12-1549-S13

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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 _____