

**SUMMARY OF APPRAISAL
HUNT ENTERPRISES, INC. OWNERSHIP
661 NORTH HARBOR BOUEVARD
SAN PEDRO, CALIFORNIA 90731**

VESTEE: Hunt Enterprises, Inc.

PROPERTY ADDRESS: 661 North Harbor Boulevard
San Pedro, California 90731

LOCATION: Southwest corner of SR-47 Vincent Thomas
Bridge and North Harbor Boulevard, in the San
Pedro district of the City of Los Angeles.

ASSESSOR'S PARCEL NO.: 7449-005-010

PROPERTY RIGHTS: The property rights appraised are those of the
unencumbered fee simple interest in the
underlying land, a partial fee taking, and two
temporary construction easements.

LAND AREA: The subject property contains 2.61± acres, or
113,692± square feet of land area.

PRESENT USE: Multiple family residential use; apartment
building development containing 148 units.

ZONING: The subject site is located within the C2-1VL-CPIO
zone district of the City of Los Angeles.

HIGHEST AND BEST USE: Continued multiple family residential use.

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VALUATION:

Inasmuch as the highest and best use of the larger parcel is multiple family residential development, the Sales Comparison Approach is the only approach considered applicable as a reliable indicator of land value.

Sales Comparison Approach:

The Sales Comparison Approach has been applied to the subject larger parcel after an investigation was conducted of comparable vacant land having recently sold in the subject market area. The sales are set forth in chronological order and took place between June 2019 and March 2022. The land sale properties range in size from 13,800 to 49,500 square feet. The rates are within a range of \$112.32 to \$275.87 per square foot of land area.

Land Value Indicators:

<u>Data</u>	<u>Date</u> <u>Address</u>	<u>Zoning</u>	<u>Land Size</u>	<u>Corner</u>	<u>No. of Units</u> <u>Density</u>	<u>Sale Price</u>	<u>\$ Per SF</u> <u>\$ Per Unit</u>
1	6-19 448 W. 5th Street., San Pedro	C2-2D-CPIO	26,010 sf	no	99 1/263	\$3,500,000	\$134.56 \$35,354
2	12-19 1400 Long Beach Blvd., Long Beach	SP-1-TN	49,500 sf	yes	65 1/762	\$6,200,000	\$125.25 \$95,385
3	12-20 631-639 W. 6th St., San Pedro	C2-2D-CPIO	13,800 sf	no	34 1/406	\$1,550,000	\$112.32 \$45,588
4	7-21 448 W. 5th Street., San Pedro	C2-2D-CPIO	26,010 sf	no	99 1/263	\$5,624,000	\$216.22 \$56,808
5	12-21 111 N. Harbor Blvd., San Pedro	[T][Q]RAS4-1L-CPIO	29,905 sf	yes	120 1/249	\$8,250,000	\$275.87 \$68,750
6	3-22 1627 Beacon St., San Pedro	R3-1XL-CPIO	20,503 sf	yes	25 1/820	\$2,650,000	\$129.25 \$106,000

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The sales have been adjusted to reflect the current real estate market. Market conditions (date of sale) adjustments were applied on a quantitative basis based on the following schedule:

January-December 2019: + 6.0% per year, or + 0.50% per month
January-December 2020: + 3.0% per year, or 0.25% per month
January-December 2021: + 6.0% per year, or + 0.50% per month
January-May 2022: + 12.0% per year, or + 1.00% per month

Adjustments for the various elements of comparability were applied on a qualitative basis due to the lack of direct market evidence regarding quantitative adjustments in the subject market.

The market conditions adjustments are applied to each sale property beginning the first full month following the date of sale, through and including May 2022.

Value of Larger Parcel (land):

The overall rate per square foot considered applicable to the larger parcel, as vacant land, and under the existing highest and best use consideration, is estimated at \$155.00 per square foot of land area, as follows:

$$113,692 \text{ SF @ } \$155.00 = \$17,622,260.$$

Partial Fee Taking:

The partial fee taking contains 133 square feet of land area and is located at the northeasterly portion of the site. The northerly portion of the partial fee taking is unimproved (dirt); the southerly portion of the partial fee taking is improved with approximately 60 square feet of asphalt paving. The unencumbered fee simple unit rate applicable to the subject land is \$155.00 per square foot of land area.

Compensation for the acquisition of the partial fee taking (land only), is as follows:

$$\begin{aligned} &\text{Partial Fee Taking (land only):} \\ &133 \text{ SF x } \$155.00 = \$20,615. \end{aligned}$$

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Site Improvements:

Site improvements within the partial fee taking which will be lost are limited to approximately 60 square feet of asphalt paving. Note that existing fencing and a concrete bollard at the northerly portion of the site are located outside (westerly) of the part taken, based on a review of aerial GIS photography. There are no other improvements within the partial fee taking, which will be lost.

Additional compensation for the asphalt paving which will be lost is estimated at \$360 (60 square feet x \$6.00 per square foot).

Temporary Construction Easement:

The purpose of this appraisal study is to estimate the just compensation for the acquisition of two temporary construction easements (TCEs). The TCEs will be utilized to reconstruct existing driveways. The TCEs have a term of three years. Per information provided by the Port of Los Angeles, it is understood that actual construction work required to reconstruct the existing driveways will occur over a period of 2 to 3 days, for each driveway, and that one driveway apron will remain open at all times to insure access to the subject property at all times. While the total construction work will be limited to approximately 4 to 6 days, said work may occur anytime during the larger TCE window of three years. As such, compensation (rent) for the TCEs is based on the entire three year term.

TCE 1 (Driveway 1) is located along the easterly property boundary, at the south-central portion of the site, has a rectangular land configuration, and contains 871 square feet of land area.

TCE 2 (Driveway 2) is located along the easterly property boundary, at the northerly portion of the site, has a rectangular land configuration, and contains 499 square feet of land area.

The project contractor will be responsible to protect in place or replace any improvements within the TCEs (paving, wheel stops, striping, concrete sign, etc.), upon expiration thereof. As such, there are no site improvements which will be lost.

Compensation for the temporary construction easements is based on (1) the land area within the TCE, (2) the land unit rate, (3) a rate of return of 6.0%, and (4) the term of the TCE of three years.

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Temporary Loss of Parking:

The subject property will suffer the loss of parking during the physical construction of each driveway (anticipated to last 2 to 3 days, per driveway). There are a total of 9 parking spaces that will be temporarily lost. During the construction of Driveway 1, 8 spaces will be lost for 2 to 3 days. During the construction of Driveway 2, 4 of the 8 spaces, plus the additional northerly ninth space, will be lost for 2 to 3 days. Compensation for the lost parking is based on a lump sum payment for the rental of parking spaces, during the actual time of loss (4 to 6 days), adjusted upward to a period of one month, as the minimum time in which a parking space would reasonably be rented.

A survey was conducted of rental rates pertaining to on-site residential parking. the rental rates range from \$25 to \$200 per space. Note however, that the garage spaces are at the upper end of the range (\$100 to \$200), while the open spaces are at the lower end of the range (\$25 to \$75). Note that the subject property contains 148 units, of which 140 units are studios. There are, however, only 175 assigned resident parking spaces, plus only 10 visitor spaces. Given that there is limited street parking in the immediate subject area, and considering that any such additional parking is fairly limited at the subject site, a rate at the upper end of the open space parking range, of \$75 per space, is utilized herein. The additional compensation for lost parking, therefore, is \$675 (9 spaces x \$75).

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Conclusion:

The following estimate of compensation for the temporary construction easements (land only), as well as the temporary loss of 9 additional parking spaces outside the TCE areas, is based on the terms previously discussed. The rental value for the temporary construction easements, plus the parking loss, is summarized as follows:

Temporary Construction Easement 1:

Land area:

$$871 \text{ sf} \times \$155.00 = \$135,005$$

TCE Compensation (land rent):

$$\$135,005 \times 6.0\% \div 12 = \$675 \text{ per month}$$

$$\$675 \times 36 \text{ months} = \$24,300$$

Temporary Construction Easement 2:

Land area:

$$499 \text{ sf} \times \$155.00 = \$77,345$$

TCE Compensation (land rent):

$$\$77,345 \times 6.0\% \div 12 = \$387 \text{ per month}$$

$$\$387 \times 36 \text{ months} = \$13,932$$

Temporary loss of parking:

$$9 \text{ spaces} \times \$75.00 = \$675$$

Severance Damages and Benefits:

Neither severance damages nor benefits will accrue to the remainder as a result of the partial fee taking, the TCEs, or construction of the public project in the manner proposed.

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Summary of Total Just Compensation:

Following is a summary of the total just compensation considered applicable in the subject case, as of June 9, 2022.

Summary of Just Compensation:

Fee Taking (land):	\$20,615
Site improvements lost:	360
Temporary Construction Easement 1:	24,300
Temporary Construction Easement 2:	13,932
Temporary Loss of Parking:	675
Permanent severance damages:	0
Benefits:	0
Total:	<u>\$59,882</u>
Adjusted:	\$60,000

DEFINITION OF FAIR MARKET VALUE

The highest price, estimated in terms of money, which would be paid by a willing buyer to a willing seller, allowing sufficient reasonable time to find a buyer, both buyer and seller acting without duress, and both being fully advised as to the purposes to which the property can be best used. Market Value is estimated as of the date of valuation set forth in the appraisal.

The California Code of Civil Procedure, S1263.320, states: "The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."