

**ANDERSON & BRABANT, INC.**

REAL ESTATE APPRAISERS AND CONSULTANTS  
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ESCONDIDO, CALIFORNIA 92025  
TELEPHONE (760) 519-1400

April 24, 2023

Elizabeth Wagner Hull, Partner  
Best Best & Krieger LLP  
18101 Von Karman Avenue, Suite 1000  
Irvine, California 92612

**RE: Appraisal of 2.80 acre commercial site  
North side of the 1600 Block of West Imperial Highway  
La Habra, California 90631  
Assessor Parcel Number 018-381-64**

Dear Ms. Hull:

As requested, we have appraised the above-referenced, 2.80 acre property located in the City of La Habra, California on the north side of the 1600 block of West Imperial Highway. The parcel is held in fee title by the Redevelopment Agency of the City of La Habra, yet it is an integral part of an existing retail center known as La Habra Marketplace. Per an effective deed restriction, the site is limited to a surface parking lot use for the benefit of the retail complex. The intent of this appraisal is to estimate the market value of the parcel to the underlying fee owner based on a valuation date of February 6, 2023 for potential disposition purposes.

The following is recognized as an Appraisal Report under the Uniform Standards of Professional Appraisal Practice (USPAP). As such, our report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the USPAP and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

In accordance with our analysis of applicable market data, we have arrived at the following opinion of market value for the fee interest in the subject parcel, as of the indicated valuation date.

**THIRTY THOUSAND DOLLARS**

**(\$30,000)**

The opinion of value expressed herein is subject to certain assumptions and limiting conditions as set forth in the attached report (please refer to comments on pages 2 through 4 of this appraisal).

Respectfully submitted,

ANDERSON & BRABANT, INC.

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David C. Ottley, MAI  
State Certification No. AG002149

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William B. Anderson, MAI, SRA  
State Certification No. AG002315

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    Aerial Photographs – Market Data

    Preliminary Title Report

    Qualifications of the Appraisers

**EXECUTIVE SUMMARY**

**Subject Property Location:** North side of the 1600 block of West Imperial Highway  
La Habra, California 90631

**Legal Description:** Lot 3 of Tract No. 13828, as shown by Map on file in Book  
700, Pages 1 through 6, of Maps, Records of Orange  
County, California.

**Owner of Record:** Redevelopment Agency of the City of La Habra

**Assessor Parcel No.:** 018-381-64

**Land Area:** 2.80 acres

**Zoning:** C-2sH, Planned Unified Shopping Center  
City of La Habra

**General Plan:** Community Shopping Center 2  
City of La Habra

**Flood Zone:** According to FEMA Flood Insurance Rate Map (FIRM)  
No. 06059C0037J, dated December 3, 2009, the subject is  
within Zone X, a 500-year floodplain.

**Earthquake Fault Zone:** No

**Toxic Hazards:** None noted

**Interest Appraised:** Fee, subject to easements of record

**Highest and Best Use:** Retail shopping center parking lot (see text)

**Date of Valuation:** February 6, 2023

**Date of Report:** April 24, 2023

**Estimated Deed Restricted  
Market Value:** \$30,000

**Special Assumptions:** (see page 3)

**ASSUMPTIONS AND LIMITING CONDITIONS**

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

1. This Appraisal Report is intended to comply with the reporting standards set forth by the Uniform Standards of Professional Appraisal Practice (USPAP). It presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinions of fair market value. In some instances, supporting documentation concerning data, reasoning, and analyses has been retained in the appraisers' file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for the unauthorized use of this report.
2. It is assumed that the existence of significant cultural resources, if any, discovered within the subject parcel will not create any abnormal hardship nor measurably impact market value in conjunction with our determination of highest and best use.
3. In this appraisal, it is assumed that there are no hidden or unapparent hazardous or other toxic subsoil conditions that would render the site more or less valuable. No responsibility is assumed for such conditions or for engineering that might be required to discover such factors and we have assumed that the sites could be developed to their highest and best use.
4. We were provided with a preliminary title report relating to the subject property that was prepared by First American Title Insurance Company. The report is dated January 12, 2023, and it can be identified by reference to Order No. NCS-1162921-ONT1. Three easements for utility easements were noted, but no plat was provided that clearly illustrates the locations of the encumbrances. For purposes of this appraisal, the assumption is made that these easements are typical of a property such as the subject and do not negatively impact its use or value in accordance with the estimated highest and best land use.
5. The subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. A representative of the City of La Habra informed us that the parcel was sold by the developer to the City in June 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property "solely for a surface level public parking lot and no other use shall be allowed thereon." The restriction further states that the area cannot be used as a "Park and Ride" location or for long term parking or vehicle storage and that the "covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor" (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex. We discussed the preceding with a representative of the City of La Habra to ascertain what uses the City retains per the deed restriction. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area). Our estimate of value is based on the extraordinary assumptions that 1) the

parcel, in fact, is limited solely to a parking lot use for the benefit of the adjacent shopping center, 2) that it will continue to serve as a parking lot, at least over the foreseeable future, 3) the only allowed remaining uses to the underlying fee land owner are restricted to brief annual events lasting an accumulation of no more than one to three days similar to how the site has reportedly been used in the past, and 4) that the appraised site could not be sold to a third party for any use other than what is allowed by the parking use covenant. Should it later be determined that the allowed uses specifically available to the fee land owner vary from that which is described in this appraisal, we reserve the right to alter our analysis and final conclusion of value.

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

1. It is assumed that information furnished to us by our client, including maps, and legal descriptions, is substantially correct.
2. No responsibility is assumed for matters legal in character, nor do we render an opinion as to title, which is assumed to be held in full fee interest, subject to all easements and encumbrances of record, as of the date of valuation unless otherwise specified.
3. It is assumed that the property is readily marketable, free of all liens and encumbrances except any specifically discussed herein, and under responsible ownership and management.
4. Exhibits furnished in this report and prepared by the appraiser or a third party are to assist the reader in visualizing the property. No surveys of the property have been made and no responsibility has been assumed in this matter.
5. It is assumed that there are no legitimate environmental or ecological reasons that would prevent the continued use of the property or orderly development of the land as though vacant to its highest and best use under economically feasible conditions.
6. We are not qualified to detect hazardous waste and/or toxic materials. Any comment by us that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property.  

Our value estimates are predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. Our descriptions and resulting comments are the result of the routine observations made during the appraisal process.
7. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may be used for any purpose or by any person other than the party to whom it is addressed without the written consent of Anderson and Brabant, Inc., and in any event, only with proper written qualification and only in its entirety.
8. Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially reference to the Appraisal Institute or the MAI designation) shall be disseminated to the

public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval of Anderson and Brabant, Inc.

9. The submission of this report constitutes completion of the services authorized. It is submitted on the condition that the client will provide the appraiser customary compensation relating to any subsequent required depositions, conferences, additional preparation or testimony.
10. The valuation estimate is of surface rights only and the mineral rights, if any, have been disregarded.
11. No warranty is made as to the seismic stability of the subject property.
12. It is assumed that all required licenses, or other legislative or administrative permits from any local, state, or national governmental or private entity or organization can be obtained for any use on which the value estimate contained in this report is based.

**APPRAISER'S SIGNED CERTIFICATION**

**I do hereby certify that, to the best of my knowledge and belief ...**

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective future interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding acceptance of this assignment.
5. I have no bias with respect with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this appraisal report.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of April 24, 2023, the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

---

David C. Ottley, MAI  
Certified General Real Estate Appraiser  
BREA Appraiser No. AG002149

**APPRAISER'S SIGNED CERTIFICATION**

**I do hereby certify that, to the best of my knowledge and belief ...**

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective future interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding acceptance of this assignment.
5. I have no bias with respect with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I did not make a personal inspection of the property that is the subject of this report during the course of the current appraisal.
10. No one provided significant real property appraisal assistance to the persons signing this appraisal report.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of April 24, 2023, the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

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William B. Anderson, MAI, SRA  
Certified General Real Estate Appraiser  
BREA Appraiser No. AG002315



## **INTRODUCTION**

### **IDENTIFICATION OF THE SUBJECT PARCEL**

The subject is comprised of a 2.80 acre parcel of commercially zoned land utilized as a parking lot for an existing retail center known as La Habra Marketplace located on the north side of the 1600 block of West Imperial Highway, La Habra, California.

### **Legal Description**

The subject property is legally described as *Lot 3 of Tract No. 13828, as shown by Map on file in Book 700, Pages 1 through 6, of Maps, Records of Orange County, California*. The legal description is also shown in a preliminary title report that is included in the addenda to this report. Additionally, the subject parcel can be identified by reference to Assessor Parcel Number 018-381-64.

### **Ownership**

As of the date of value, legal title to the subject property is held as follows:  
**REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA.**

### **PURPOSE OF THE ASSIGNMENT**

The purpose of this appraisal is to provide an opinion of market value for the subject property. Market value is a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraisers as applicable in an appraisal. As used in this report, Market Value is defined as:

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

The appraised market value reflects a reasonable exposure time for the subject property estimated at six to 12 months. According to the Uniform Standards of Professional Appraisal Practice, Exposure Time reflects the appraisers' opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

### **EFFECTIVE DATE OF VALUE OPINION**

The effective date of the value opinion expressed herein is February 6, 2023.

### **DATE OF REPORT**

This date of the appraisal report is April 24, 2023.

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<sup>1</sup> *The Appraisal of Real Estate*, 15<sup>th</sup> ed. (Chicago: Appraisal Institute, 2020), p. 48

**INTENDED USE AND USERS**

The intended use of this report is to provide a basis for the client, the City of La Habra, to determine the value of the subject for potential disposition purposes. Any other party who may receive this report other than the client and their legal representatives (Best Best & Krieger LLP) is not an intended user, and we are not responsible for unauthorized use of this report.

**PROPERTY RIGHTS APPRAISED**

We have estimated the market value of the fee interest in the herein described subject parcel, subject to any easements and encumbrances of record.

**EXTRAORDINARY ASSUMPTIONS**

An extraordinary assumption is defined as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraisers' opinions or conclusions. As discussed in length in this appraisal, there is a restriction in place that restricts the subject parcel to a parking lot use in conjunction with an adjoining retail center. Our estimate of value is based on the extraordinary assumptions that 1) the parcel, in fact, is limited solely to a parking lot use for the benefit of the adjacent shopping center, 2) that it will continue to serve as a parking lot, at least over the foreseeable future, 3) the only allowed remaining uses to the underlying fee land owner are restricted to brief annual events lasting an accumulation of no more than one to three days similar to how the site has reportedly been used in the past, and 4) that the appraised site could not be sold to a third party for any use other than what is allowed by the parking use covenant. Should it later be determined that the allowed uses specifically available to the fee land owner vary from that which is described in this appraisal, we reserve the right to alter our analysis and final conclusion of value. No other extraordinary assumptions were considered in this analysis; nevertheless, this appraisal is subject to certain special and general assumptions as outlined on pages 2 through 4 of this report.

**HYPOTHETICAL CONDITIONS**

A hypothetical condition is defined as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. No hypothetical conditions were considered in our analysis.

**SCOPE OF WORK**

Critical elements to this appraisal assignment are the identification of the client, intended use and user, type and definition of value, the effective date of the appraisal, and assignment conditions. These were addressed previously in this report. Another important element is to include relevant characteristics pertaining to the subject property, which are outlined in detail in a later section of the appraisal.

In preparing this appraisal, the following steps were taken.

- Legal aspects of the subject were investigated regarding potential uses of the property within the context of the surrounding area. As such, we reviewed portions of the City of La Habra land use summaries and requirements.
- We reviewed a preliminary title report and other documents provided by the client, including a deed that describes restrictions as to allowed uses of the land (see text).
- David C. Ottley, MAI of Anderson and Brabant, Inc. conducted an onsite inspection of the subject property on February 6, 2023.
- The three traditional approaches to value include the Cost, Sales Comparison, and Income Approaches. Of these three, only the Sales Comparison Approach was considered to have specific applicability in the valuation of the subject property. Upon determination of highest and best use, available and pertinent market data were analyzed on the basis of their overall degree of comparability to the appraised property.
- The final step entailed the organization and drafting of the Appraisal Report.

#### **REPORT OPTION**

This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). It presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value.

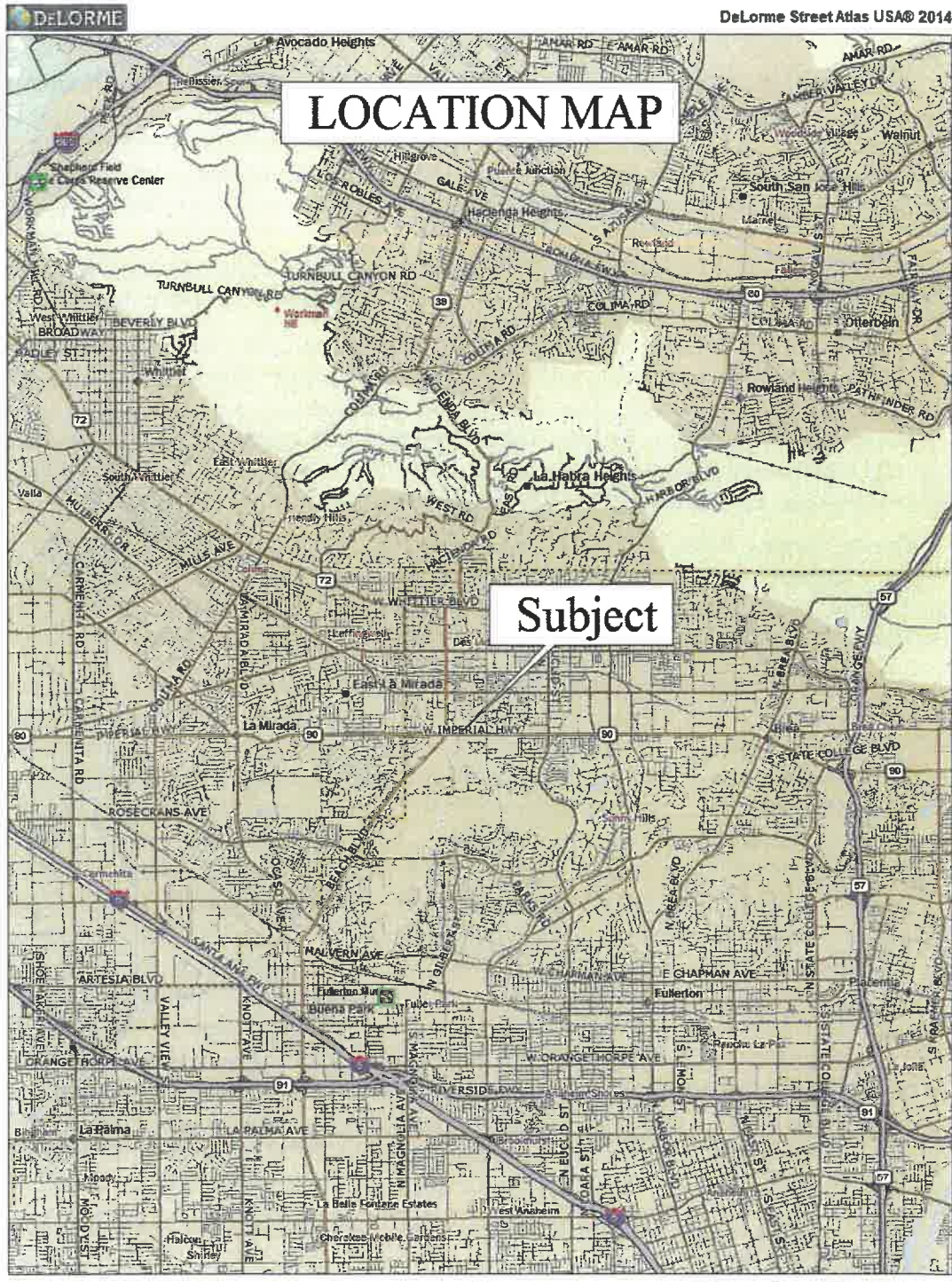
#### **SALES HISTORY OF THE SUBJECT PROPERTY**

According to public records, the subject property has been held in title by the current owner for more than 30 years. The site is not currently offered for sale.

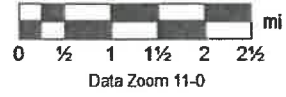
#### **PRIOR APPRAISAL SERVICES**

We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding the agreement to perform this assignment.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA



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www.delorme.com



**LOCATION DESCRIPTION**

**Region**

The subject property is located in the City of La Habra, toward the northwest corner of Orange County in Southern California. Orange County is located along the Pacific Ocean, south of Los Angeles County, southwest of San Bernardino County, west of Riverside County, and north of San Diego County. It consists of 798.3 square miles and has 34 incorporated cities. Major north-south traffic arteries include Interstates 405 and 5, and State Highways 55 and 73 (Toll Road), while east-west arteries include State Highways 22 and 91. However, traffic congestion continues to be a problem for the County, especially during commuting hours. Air transportation is available at John Wayne Airport near Interstate 405 and State Route 55.

Orange County was established in 1889. Since that time, the County was mostly seen as a collection of bedroom communities with people commuting northward to work in Los Angeles. However, that picture has changed dramatically, and the County is now a major national market with a diversified economy in its own right. Employment opportunities abound in Orange County, and approximately three-quarters of the residents are employed within the County which also attracts workers from Los Angeles, Riverside, and San Bernardino counties.

Orange County is the third most populous county in the State, behind Los Angeles and San Diego Counties. According to the California State Department of Finance, the population of Orange County, as of January 1, 2022, was estimated at 3,162,245. This is a slight decrease of approximately 0.2 percent below the January 2021 population estimate of 3,169,542.

An important factor needs to be addressed that has impacted national, state, and local economic conditions, at least over the short-term. The outbreak of the coronavirus in China in December 2019 and January 2020 spread as a worldwide pandemic and severely impacted the United States, including the State of California. The term “social distancing” became familiar to everyone, and the wearing of face covering masks became common. As a result of the pandemic, many industries were hit hard with some severely impacted including, among others, entertainment, travel, lodging, restaurants, and other types of retail businesses. Millions of employees in the country lost their jobs, much of which can be attributed to businesses being forced to close to comply with social distancing restrictions. The Federal Reserve stepped up in an attempt to offset the economic impact of the virus that began with an emergency half-percentage-point rate cut in early March 2020, and the government later approved stimulus bills into law aimed at relieving workers and businesses hurt by the pandemic. It is clear that the short-term impact of the virus on the economy has been very significant, yet there is little data on how it will be impacted over time. It should be noted that the unemployment rate appears to be steadily improving over the past 12+ month period. As for real estate, there is limited empirical evidence of an immediate impact on the local market for vacant parcels with the subject characteristics, and it remains to be seen what the long-term impacts might be for that market.

More recently, there have been several other factors that have come into play that, although they may not have had an immediate impact, could affect the market in the future. These include a volatile stock market, high inflation rates, supply chain shortages, and a reduction in the labor market. Although incomes, in general, have increased over the past year or so, the increase has not kept pace with rising prices of real estate, fuel, and general goods and

services. In an effort to curb inflation, which has been the highest in nearly 40 years, the Federal Reserve has raised interest rates multiple times since the beginning of 2022, with additional increases potentially anticipated. The readers of this appraisal are cautioned and reminded that the value conclusions presented herein apply only as of the effective valuation date. The appraisers make no representation as to any impacts on the subject property that could result due to any unforeseen events subsequent to the date of value.

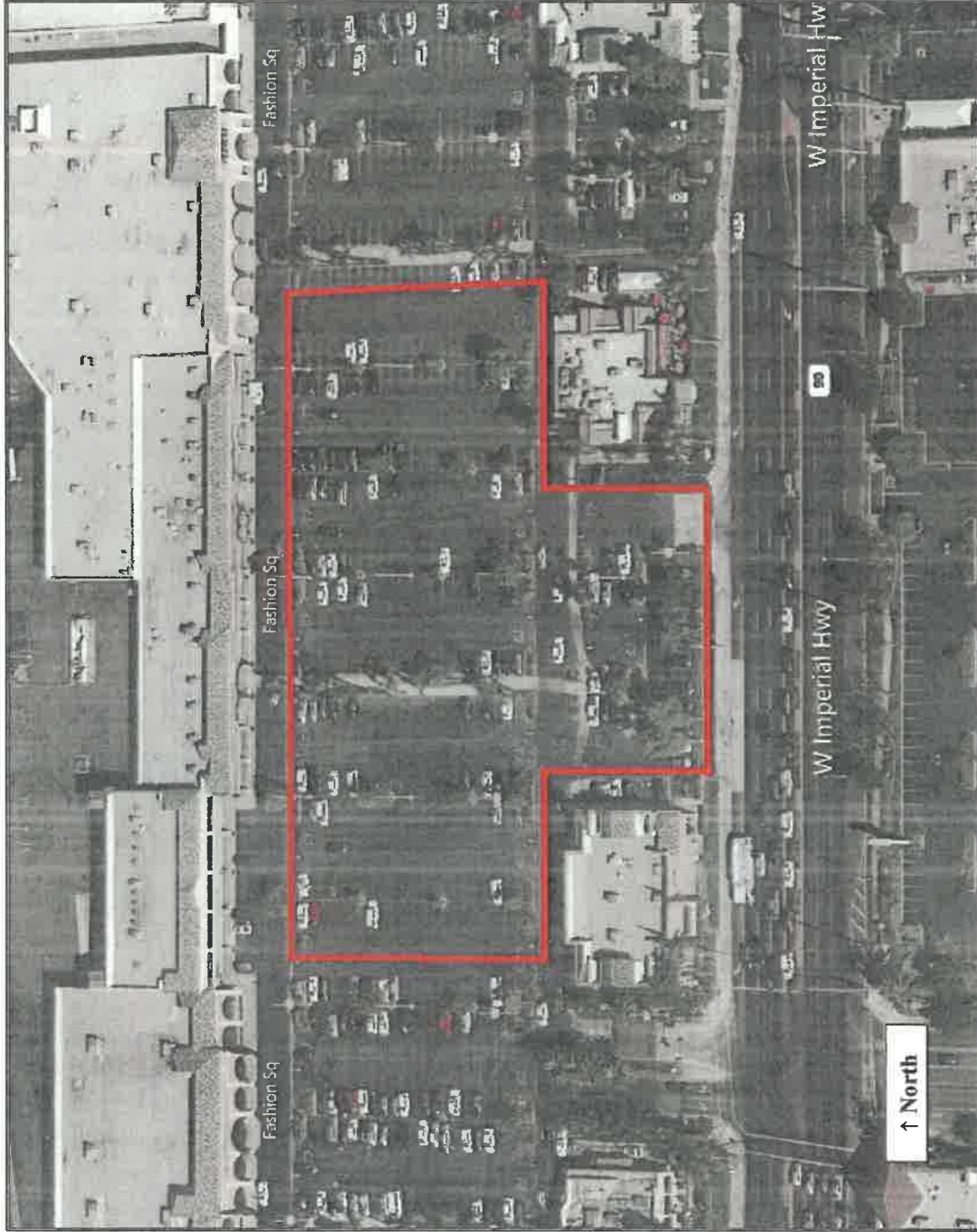
### **City and Neighborhood**

The City of La Habra is bordered by La Habra Heights on its north side, Brea on the east, Fullerton on the south and southeast, La Mirada on the west and southwest, East Whittier on the west, Whittier on the northwest, and a small section of unincorporated Los Angeles County on the northeast. There are no freeways within the La Habra corporate limits, but three California State Highways extend through the City. These include SR 39 (which covers Whittier and Beach Boulevards), SR 90 (Imperial Highway along which the subject is located), and SR 72 (Whittier Boulevard).

La Habra became incorporated in 1925, and it covers 7.4 square miles. According to the California State Department of Finance, the population of La Habra, as of January 1, 2022, was estimated at 61,792. This is a decrease of approximately 0.8 percent below the January 2021 population estimate of 62,317.

The subject is a parking lot within the existing La Habra Marketplace on the north side of the 1600 block of West Imperial Highway. The center has over 375,000 square feet of gross leasable area with 44 tenant spaces. The current tenants include Smart and Final, Ross Dress for Less, LA Fitness, Sprouts Farmers Market, Hobby Lobby, Petco, Red Robin, IHOP, Denny's, and Regal Cinemas. Just to the south, on the south side of West Imperial Highway, is found additional commercial development including a Walmart Supercenter, Target, Staples, T. J. Max, and Amazon Fresh. To the south of that commercially developed land is the Westridge Golf Club surrounded by residential housing. To the north and south of the subject are residential neighborhoods, and a middle school is a short distance to the east with frontage on West Imperial Highway.

**AERIAL PHOTOGRAPH OF THE SUBJECT PROPERTY**



**SUBJECT PROPERTY PHOTOGRAPHS**

(Taken By David C. Ottley, MAI on February 6, 2023)



View to the north toward the westernmost segment of the subject parcel.



Looking easterly across the approximate center of the subject parcel.



**SUBJECT PROPERTY PHOTOGRAPHS**

(Taken By David C. Ottley, MAI on February 6, 2023)



Viewing westerly over the southernmost portion of the subject site.



Looking northerly over the approximate center of the subject property.

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**Qualifications of the Appraiser**

**William B. Anderson, MAI**

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Title Companies

Chicago Title Co.  
First American Title Co.  
Safeco Title Co.  
St. Paul Title Co.  
Title Insurance & Trust

Government Agencies and Municipalities

United States Justice Department  
CA Department of Transportation -Caltrans  
City of Encinitas  
City of Chula Vista  
City of National City  
City of Escondido  
City of Oceanside  
City of San Diego  
City of San Marcos  
City of Vista  
County of San Diego  
Escondido Union School District  
Encina Wastewater Authority  
North County Transit District  
San Diego Port District  
Federal Deposit Insurance Corp.  
Olivenhain Municipal Water District  
Poway Municipal Water District  
Ramona Unified School District  
Small Business Administration  
Vallecitos Water District  
Valley Center Municipal Water District

Law Firms

Daley & Heft  
Higgs Fletcher & Mack  
Law Offices of Wesley W. Peltzer  
Winet, Patrick & Weaver  
Endeman, Lincoln, Turek & Heater  
Best Best & Krieger  
Gray, Cary, Ware & Freidenrich  
Jones, Hatfield & Penfield  
Nugent & Newnham  
Skripek & Miller  
Paul, Hastings, Janofsky & Walker  
Post, Kirby, Noonan & Sweat  
Rutan & Tucker  
Jeffrey Scott  
Sternberg, Eggers, Kidder & Fox  
Sullivan, Delafield, McGrath & McDonald  
Wingert, Grebing, Anello & Chapin

Laws Firms (Continued)

White & Bright  
Detisch & Christensen

Others

County Counsel  
Stone & Youngberg  
Trust for Public Land  
The Willett Company  
Koll Real Estate  
Hollandia Dairy  
Pardee Construction  
Sutro Mortgage Company  
Wessell Construction Company  
Palomar College  
Granite Construction  
Homer Heller Ford  
The Kissell Company  
Los Alamitos Race Course  
MCI  
Pacific Telephone  
AT&T

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**Qualifications of the Appraiser**

**William B. Anderson, MAI**

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Damages, Diminution and Mitigation, 8/98  
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Gramm-Leach Privacy Act, 10/01  
34th Annual Litigation Seminar, 11/01  
Real Estate Disclosure, 1/02  
Applying Economic Forecast, 2/02  
Partial Interest Valuation – Divided, 3/02  
Price Indexing Real Estate Markets, 7/02  
Statistical Analysis Using the Database, 7/02  
Eminent Domain Case Study Update, 10/02  
35th Annual Litigation Seminar, 11/02  
Standards of Professional Practice, Part C, 12/02  
National USPAP Update Course, 4/04  
Applying Economic Forecast – SD Regional Analysis, 2/05  
Uniform Appraisal Standards for Federal Land Acquisitions, 1/07  
San Diego Economic Forecast, 2/07  
Business Practices and Ethics, 6/07  
IRWA’s Eminent Domain Case Update Seminar; 10/07  
40<sup>th</sup> Annual Litigation Seminar; 9/08

**VI. Types of Appraisals:**

Residential Property:	Single-Family Residence, Condominiums, Apartments, Subdivisions, Mobile Home Parks, Existing and Proposed
Commercial Property:	Automobile Dealerships, Office Buildings, Shopping Centers, Office Condominiums, Etc., Existing and proposed
Industrial Property:	Single/Multi-Tenant, Business Parks, Etc., Existing and proposed
Vacant Land:	Industrial, Commercial, Residential, and Rural
Agricultural:	Ranches, Avocado and Citrus Groves, Nurseries, Etc.
Special Purpose Appraisals:	Partial Takings for Road Rights of Way, Easements, Leasehold Estates, Possessory Interest, Historical Appraisals, Etc.
Special Purpose Properties:	Hangers, Golf Courses, Churches, Yacht Club & Marina, Etc.
Special Projects:	Fire Damaged Property, Encinitas Ranch, Pomerado Business Park, Parkway Business Park, San Marcos County Landfill and Keller Canyon Landfill

**VII. Partial List of Appraisal Clients:**

**Lenders**

Fallbrook National Bank  
Downey Savings  
Bank of America  
North County Bank  
Grossmont Bank  
Pomona First Federal  
GE Capital

Great Western Bank  
Imperial Bank  
Pacific Coast Savings & Loan  
Palomar Savings & Loan  
Rancho Santa Fe National Bank  
Union Bank  
Wells Fargo Bank

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## QUALIFICATIONS OF THE APPRAISER

### **William B. Anderson, MAI, SRA**

Anderson & Brabant, Inc.  
420 S. Broadway, Suite 202  
Escondido, CA 92025  
(760) 705-1591 (Direct)  
wbamai123@gmail.com

I. Resident of San Diego County since 1970

II. **Professional Affiliations:**

- A. Member, Appraisal Institute, MAI, RM (Not Active)
- B. Member, International Right of Way Association
- C. 1988 President, AIREA, San Diego Chapter No. 42
- D. Certified General Real Estate Appraiser (AG002315)  
Office of Real Estate Appraisers, State of California

III. **Appraisal Experience:**

Co-owner — Anderson & Brabant, Inc., 1979 to present  
Co-Owner — Robert M. Dodd & Associates, Inc., 1977 to 1979  
Staff Appraiser, Vice President and Appraisal Manager — Financial Appraisals, Inc.,  
1968 to 1977  
Staff Appraiser — Financial Savings and Loan Association, Culver City, California,  
1964 to 1966

IV. **Expert Witness:**

Superior Court, San Diego County  
Municipal Court, San Diego County  
Federal Bankruptcy Court, San Diego County, San Bernardino County  
Assessment Appeals Board, San Diego County  
Various Arbitration Hearings as Witness and Arbitrator

V. **Educational Background:**

- A. Graduated from El Segundo High School — 1963
- B. Attended El Camino Junior College, Palomar Junior College, and U.C.L.A.
- C. Professional Education Completed:
  - 1. Appraisal Institute
    - a. Real Estate Appraisal I — Principle Methods and Techniques
    - b. Real Estate Appraisal II — Urban Properties
    - c. Real Estate Appraisal VI — Investment Analysis
    - d. Real Estate Appraisal VIII
    - e. Standards of Professional Practice
    - f. Litigation Valuation
  - 2. Society of Real Estate Appraisers:
    - a. Course 101 — Real Property Valuation
    - b. Course 201 — Income Property Valuation
  - 3. Partial List of Seminars:
    - Condemnation Valuation, 11/94
    - Court Preparation in Litigation Cases, 11/95
    - California Laws & Regulations, 3/96
    - Litigation Valuation, 11/96

**Partial List of Appraisal Clients**

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Government Agencies and Municipalities, and Environmental Groups

California Rangeland Trust	Otay Water District
CALTRANS	Palomar Community College
Center for Natural Lands Management	Pala Band of Mission Indians
City of Carlsbad	Poway Municipal Water District
City of Chula Vista	Poway Unified School District
City of Coronado	Ramona Municipal Water District
City of Del Mar	Rincon Del Diablo Municipal Water District
City of Escondido	San Diego Community College District
City of Menifee	San Diego County Water Authority
City of National City	San Diego Gas and Electric Company
City of Oceanside	Southwest Resource Management Association
City of Palm Springs	The Conservation Fund
City of Poway	The Escondido Creek Conservancy
City of San Diego	The Nature Conservancy
City of San Marcos	The Trust for Public Lands
City of Santee	Vallecitos Water District
City of Vista	Vista Fire Protection District
Civic San Diego	Vista Irrigation District
County of Riverside	Vista Unified School District
County of San Diego	U S Department of the Interior
Endangered Habitats Conservancy	U S Fish and Wildlife
Fallbrook Union Elementary School District	U S Postal Service
Grossmont-Cuyamaca College District	U S Marshal Service
Metropolitan Transit System	University of California
North County Transit District	Wildlife Conservation Board
Olivenhain Municipal Water District	

Financial Institutions

Bank of America	First Republic Bank
Bank of the West	Torrey Pines Bank
California Bank & Trust	Umpqua Bank
City National Bank	Union Bank
First Interstate Bank	Wells Fargo Bank

Attorneys

Ablon, Lewis, Bass & Gale, LLP	Galyean, Talley & Wood
Asaro Keagy Freeland & McKinley	Loeb & Loeb LLP
Best Best & Krieger	Kenneth H. Miller
Boss Law Firm	Parks and Oberhansley
Daley & Heft	Wes Peltzer
Deutsch & Associates	Steven C. Sayler
Duckor Spradling Metzger & Wynn	Jeffrey G. Scott
Feist, Vetter, Knauf & Loy	Samuels, Green & Steel, LLP
Foley & Lardner	White & Bright

Others

Bender Rosenthal, Inc.	Lennar
Clark Land Resources	Meritage Homes
Commonwealth Land Title	PSOMAS
Chicago Title	Stewart Title
Fidelity National Title	T-Mobile
First American Title	Wiggans Group, Inc.
Lavine, Lofgren, Morris & Engelberg, LLP	

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## QUALIFICATIONS OF THE APPRAISER

**David C. Ottley, MAI**

Anderson & Brabant, Inc.

420 South Broadway, Escondido, CA 92025

760.519.1400

Resident of San Diego County since 1954

### **Educational Background**

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Brigham Young University, Provo, Utah - School of Accountancy (1982-83)

Palomar College, San Marcos, CA - Real Estate emphasis (1976-77; 1980-81)

Professional Education Completed:

Appraisal Institute:

- Case Studies in Real Estate Valuation (1988)
- Valuation Analysis and Report Writing (1988)
- Real Estate Appraisal Principles; and Basic Valuation Procedures (1988)
- Capitalization Theory and Techniques, Parts A & B (1986)
- Real Property Valuation (1977)

Partial List of Recent Seminars and Webinars:

- Appraisal Review (2022)
- Eminent Domain and Condemnation (2005, 2011, 2021)
- Uniform Appraisal Standards for Federal Land Acquisitions (2015, 2017)
- San Diego Real Estate Market Symposium, Economic Forecast (1998-2002; 2004-2012; 2017; 2021, 2022)
- Business Practices and Ethics (2010, 2015, 2017, 2022)
- Federal and State Laws and Regulations (2014, 2016, 2018, 2022)
- Mold, Pollution, and the Appraiser (2014)
- Uniform Standards of Appraisal Practice Update (2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022)
- Loss Prevention Seminar (2011 and 2013)
- Liability Issues for Appraisers Performing Litigation Work (2013)
- Complex Litigation Appraisal Case Studies (2013)
- Appraising in a Post-HVCC World (2011)
- San Diego Housing and Apartment Seminar (2004, 2007, 2009)
- The Appraiser as an Expert Witness (2006)

### **Professional Affiliations**

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MAI Member, Appraisal Institute

Certified General Real Estate Appraiser (AG002149), Bureau of Real Estate Appraisers, State of California

### **Professional Real Estate Experience**

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Appraiser/Consultant, Anderson & Brabant, Inc., Escondido, CA - 01/85 to 03/98; 06/01 to 02/05; 02/06 on

V.P. of Acquisitions, Maisel Presley, Inc., San Diego, CA - 02/05 to 02/06

Director of Finance & Acquisitions, Pacifica Companies, San Diego, CA - 04/98 to 06/01

Appraiser/Analyst, Dodd-Graves & Associates, Escondido, CA - 06/76 to 04/77; & 11/79 to 12/84

Staff Appraiser, Financial Appraisals, Inc., Escondido, CA - 04/77 to 08/77

### **Expert Witness**

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Superior Court, Counties of San Diego, Riverside, and Los Angeles

U.S. Bankruptcy Court, San Diego County

### **Types of Appraisals**

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Vacant Land: Environmentally Sensitive Properties, Rural, Residential, Subdivision, Industrial, and Commercial

Agricultural: Avocado and Citrus Groves, Dairies, and Ranches

Commercial: Single- and Multi-Tenant Commercial and Office Properties, Medical Offices, Self-Storage Facilities (Existing and Proposed)

Industrial: Single- and Multi-Tenant Industrial Buildings and Parks, (Existing and Proposed)

Residential: Residential Subdivisions, Apartments, Single-family, Condominium and PUD Units, (Existing and Proposed)

Other: Mixed-Use Properties, Leasehold and Leased Fee Interests, Partial Acquisitions, and Easements

**LEGAL DESCRIPTION**

Real property in the City of La Habra, County of Orange, State of California, described as follows:

LOT 3 OF TRACT NO. 13828, AS SHOWN BY MAP ON FILE IN BOOK 700, PAGES 1 THRU 6, OF MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL OIL, GAS, ASPHALTUM, AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR THAT MAY BE PRODUCED FROM SAID PROPERTY, AND THE SOLE AND EXCLUSIVE RIGHT TO DRILL SLANTED WELLS FROM ADJACENT LANDS INTO AND THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS IN AND THROUGH THE SUBSURFACE OF SAID PROPERTY FOR THE PURPOSE OF RECOVERING SAID MINERALS, OR ANY OF THEM FROM SAID PROPERTY OR OTHER PROPERTY, OR BOTH, AND THE RIGHT TO USE THAT PORTION OF THE SUBSURFACE OF SAID PROPERTY LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID PROPERTY FOR ALL PURPOSES PERTAINING TO OR INCIDENT TO THE PRODUCTION OF, THE STORAGE OF, CONSERVATION OF, OR EXPLORING FOR OIL, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE SPECIFIED OR NOT, OR ANY OF SAID SUBSTANCES, BY MEANS OF ANY METHOD NOW KNOWN OR UNKNOWN, BUT NOT INCLUDING WITHIN THIS EXCEPTION ANY RIGHT TO USE THE SURFACE ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE FOR THE AFORESAID PURPOSES, AS RESERVED IN THE DEEDS FROM HAROLD M. STERN AND OTHERS, RECORDED SEPTEMBER 14, 1961 IN BOOK 5846, PAGES 813 AND 816 OF OFFICIAL RECORDS.

APN: 018-381-64

**INFORMATIONAL NOTES**

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable 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. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:  
  
None
3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
4. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABx1 26 by the State of California.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.



7. An easement for underground lines and incidental purposes in the document recorded August 9, 1967 as [Book 8336, Page 484](#) of Official Records.
8. An easement for underground lines and incidental purposes in the document recorded as [Book 8565, Page 838](#) of Official Records.
9. An easement for water line and incidental purposes in the document recorded May 9, 1968 as [Book 8597, Page 250](#) of Official Records.
10. The fact that the land lies within the boundaries of the Delta One Redevelopment Project Area, as disclosed by the document recorded July 11, 1988 as Instrument No. [88-330813](#) of Official Records.
11. The terms and provisions contained in the document entitled "Development Agreement" recorded February 7, 1990 as Instrument No. [90-070091](#) of Official Records.
12. The terms and provisions contained in the document entitled "Restatement of Easement, Restriction and Operating Agreement" recorded April 27, 1990 as Instrument No. [90-224781](#) of Official Records.
13. Covenants, conditions, restrictions and easements in the document recorded June 27, 1990 as Instrument No. [90-340988](#) of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
14. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.
15. Rights of parties in possession.

Prior to the issuance of any policy of title insurance, the Company will require:

16. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABx1 26 by the State of California.

Dated as of January 12, 2023 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Standard Owner's Policy with Western Regional Exceptions and ALTA Loan Policy

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Redevelopment Agency of the City of La Habra, a public body, corporate and politic

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2023-2024, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2022-2023 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 018-381-64.
3. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 1990-1, as disclosed by Notice of Special Tax Lien recorded December 27, 1989 as Instrument No. 89-698572 of Official Records.
4. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 1990-1, as disclosed by Notice of Special Tax Lien recorded February 13, 1990 as Instrument No. 90-77779 of Official Records.
5. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
6. The use and control of cienegas and natural streams of water, if any, naturally open, flowing across, into or by said described tract, and the right of way for and to construct irrigation or drainage ditches through said tract to irrigate or drain the adjacent land, as reserved in the deed recorded February 13, 1895 in Book 87, Page 199 of Deeds.



## First American Title Insurance Company

California Department of Insurance License No. 151

Title Officer: Diane Nesbit  
Phone: (909)510-6230  
Fax No.:  
E-Mail: dnesbit@firstam.com

E-Mail Loan Documents to: Lenders please contact the Escrow Officer for email address for sending loan documents.

Owner: City of La Habra  
Property: Vacant Land/APN 018-381-64  
La Habra, CA

### PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this 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 below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations 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 Exhibit A attached. *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 Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A 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.**

**Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.**

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.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

**COMPARABLE NO. 5**

4404 West 1<sup>st</sup> Street, Santa Ana

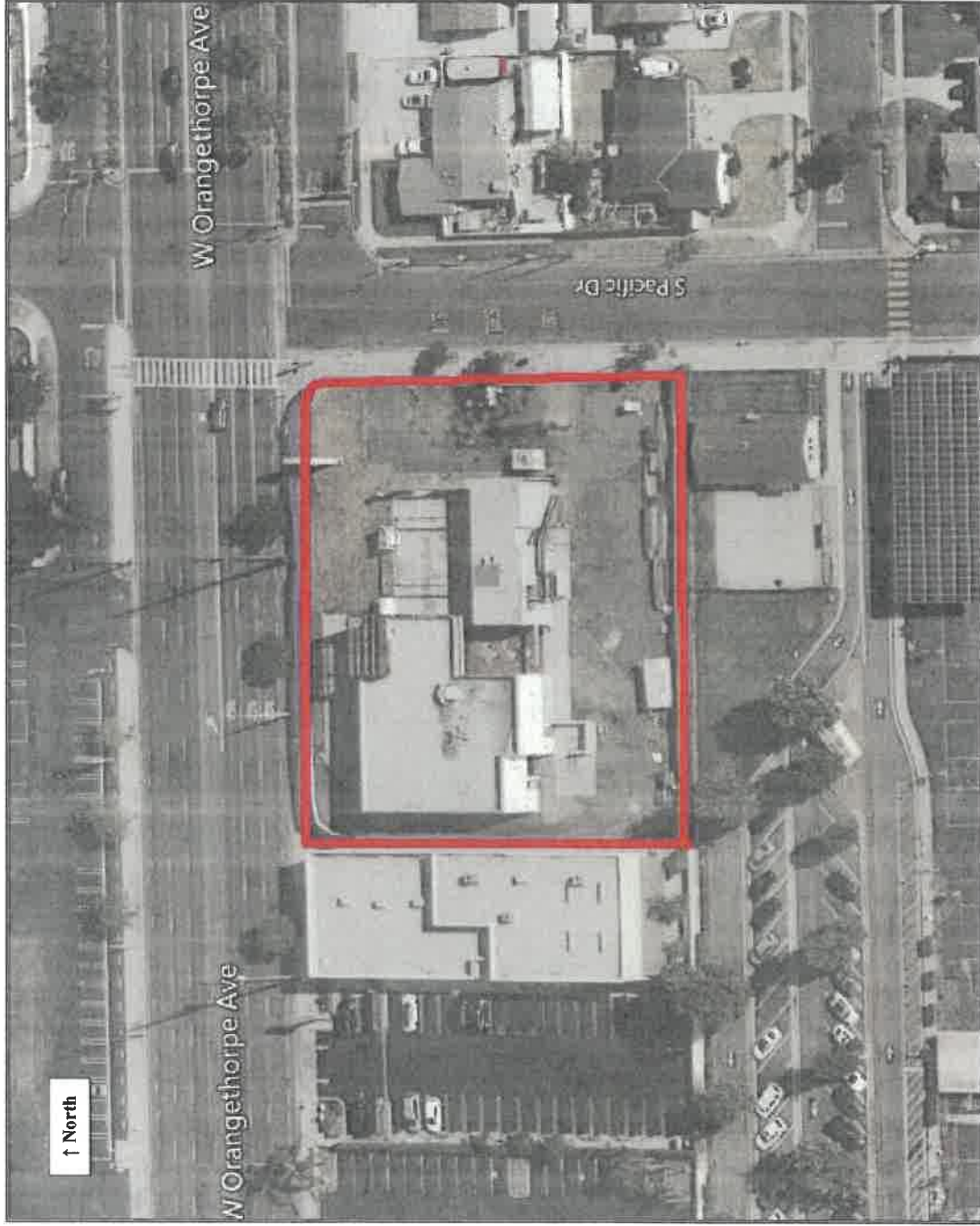


*Anderson & Brabant, Inc.*

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

**COMPARABLE NO. 4**

1700 West Orangethorpe Avenue, Fullerton



*Anderson & Brabant, Inc.*

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

**COMPARABLE NO. 3**

11701 South Street, Artesia



Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

**COMPARABLE NO. 2**

18809 to 18811 Colima Road, Rowland Heights

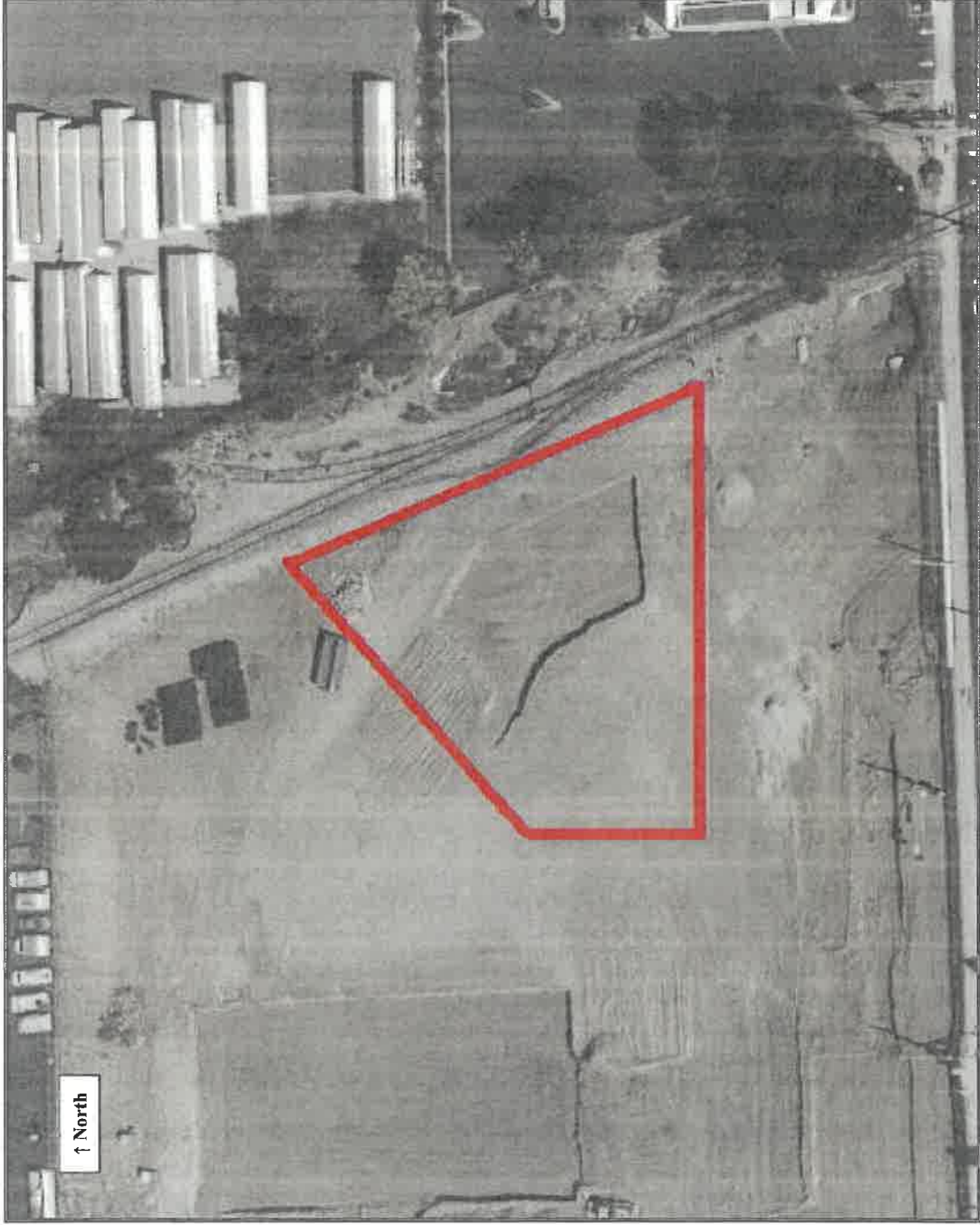


*Anderson & Brabant, Inc.*

*2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA*

**COMPARABLE NO. 1**

*751 East Imperial Highway, La Habra*



*Anderson & Brabant, Inc.*



# Addenda

Aerial Photographs – Market Data  
Preliminary Title Report  
Qualifications of the Appraisers

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

value range is applied to the total site area, the result is a total market value for the site, without considering the described deed restriction, of **\$11,300,000** (121,968 square feet x \$92.00 to \$93.00 per square foot = \$11,221,056 to \$11,343,024, correlated at \$11,300,000).

**DEED RESTRICTED LAND VALUE**

As discussed in this appraisal, within the 1990 grant deed of the subject 2.80 acre parcel by the owner of the adjoining retail complex to the current titleholder (City of La Habra) is a restriction stated as a covenant that limits the use of the property “solely for a surface level public parking lot and no other use shall be allowed thereon.” It then states that the area cannot be used as a “Park and Ride” location or for long term parking or vehicle storage and that the “covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor” (which consists of the balance of an adjoining retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

We discussed the preceding with a representative of the City of La Habra to ascertain the effective implications of the deed restriction, specifically with regard to the City’s allowed uses of the parcel. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as a one day, annual 5K race staging area) and that the complex ownership is in favor of such events as they tend to draw patrons to its retail businesses. Based on the preceding, and as best as we can determine, the actual legal use of the land by the City is extremely limited to what would be considered as no greater than a use shared with the retail complex for approximately one to three days annually. With this in mind, we have estimated the market value of the land owner’s fee interest in the subject property to be equal to about 50 percent of the full fee interest in the property for one to days per year. This is computed as follows: (Full fee value of \$11,300,000 ÷ 365 days) x (1 to 3 days x 50%) = \$15,479 to \$46,438, correlated at **\$30,000**. The final opinion of value is subject to certain assumptions and limiting conditions as set forth in this appraisal (please refer to comments on pages 2 through 4 of this report).

**THIRTY THOUSAND DOLLARS**  
**(\$30,000)**

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

Land Data Comparison Grid	Comp No	1	2	3	4	5
	Sale Price/Square Foot	\$72.29	\$104.73	\$111.27	\$72.91	\$80.89
	Property Rights	0.0%	0.0%	0.0%	0.0%	0.0%
	Financing	0.0%	0.0%	0.0%	0.0%	0.0%
	Conditions of Sale	0.0%	0.0%	0.0%	0.0%	0.0%
	Market Conditions	0.0%	0.0%	0.0%	0.0%	0.0%
	Net Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
	Adjusted Price/Square Foot	\$72.29	\$104.73	\$111.27	\$72.91	\$80.89
	Location/Exp/Access	Inferior	Similar	Superior	Inferior	Inferior
	Config/Topo/Cond	Similar	Similar	Similar	Inferior	Similar
	Land Use	Similar	Similar	Similar	Similar	Similar
	Parcel Size	Superior	Superior	Superior	Superior	Similar
	Utilities	Similar	Similar	Similar	Similar	Similar
	Overall Comparison	Inferior	Superior	Superior	Inferior	Inferior
	Indicated Value Per Square Foot	Above \$72.29	Below \$104.73	Below \$111.27	Above \$72.91	Above \$80.89

No adjustments were necessary for property rights conveyed or conditions of sale. Acquisition financing was not a factor for any of the sales considered in this analysis as the sellers were cashed out in all transactions. We found insufficient data to suggest any movement in price over the approximate eight month period preceding the date of value, during which time all of the comparable sales occurred. Accordingly, no adjustments were applied to the data for changes in market conditions.

Regarding parcel size, smaller sites tend to attract a greater per square foot price than larger parcels that are otherwise similar. This is due, in part, to the greater number of potential buyers of those properties that have a lower overall cost. This factor was noted in the analysis of each of Sales 1 through 4 that are smaller than the subject, and the size differences between the subject as a 2.80 acre site and Comparable No. 5 that is 2.49 acres in size is insufficient to warrant a rating difference.

The market data reflected sold prices ranging from \$72.91 to \$111.27 per square foot. As can be seen, Comparable Nos. 1, 4, and 5 are judged to be inferior to the appraised property on an overall basis and suggest a value for the subject above \$80.89 per square foot. Sales 2 and 3 are deemed to be superior to the appraised site and support a value below \$104.73 per square foot.

Based on our analysis of the data and considering the overall legal and physical attributes of the appraised property, it is our opinion that the market value of the 2.80 acre (121,968 square foot) subject parcel, as of February 6, 2023, is equal to \$92.00 and \$93.00 per square foot of land area. This range is at the approximate midpoint between the price of \$104.73 per square foot paid for Sale 2, which is considered to be superior to the subject, and the price paid of \$80.89 per square foot for Comparable No. 5, a site judged to be inferior to the appraised parcel. When the stated

**Discussion of the Data**

**Comparable No. 1** relates to the purchase of a level, irregularly shaped parcel of vacant, commercially zoned land situated within one and one-half miles to the east of the subject in La Habra at 751 East Imperial Highway. The site is situated off the north side of the roadway and is 20,749 square feet (0.48 acre) in size. The property sold in June 2022 for \$1,500,000 or \$72.29 per square foot, all cash to the seller. By comparison with the appraised property, Sale No. 1 is a smaller parcel that is considered to be inferior for location and commercial exposure.

**Comparable No. 2** is the November 2022 sale of a level, formerly developed commercially zoned site located a little over six miles to the northeast of the appraised property in the Rowland Heights community at 18809 to 18811 Colima Road. This is a corner parcel at a signalized intersection and it is 46,786 square feet (1.07 acres) in size. The property sold for \$4,900,000 all cash to the seller, which equates to \$104.73 per square foot. Sale 2 is a smaller site when compared with the subject, and it offers similarities as to location quality.

**Comparable No. 3** is located about eight miles to the southwest of the subject in the City of Artesia at the northeast corner of the signalized intersection of South Street and Alburdis Avenue. The parcel address is 11701 South Street. This is a level, commercially zoned, rectangular shaped, formerly developed site near major commercial development. This property is 44,038 (1.01 acres) in size. The site conveyed in June 2022 for \$4,900,000 or \$111.27 per square foot, all cash to the seller. When compared with the subject, Comparable No. 3 is a smaller property that is considered to be superior for access and commercial exposure.

**Comparable No. 4** involves a level, rectangular shaped, commercially zoned corner parcel located just over four miles to the south of the subject in the City of Fullerton at 1700 West Orangethorpe Avenue. There are remnants of an old building on the site that are to be removed prior to new site development. The parcel is 37,719 square feet (0.87 acre) in size, and it was purchased in December 2022 for \$2,750,000 or \$72.91 per square foot of land area, all cash to the seller. By comparison with the subject, Sale 4 is a smaller parcel that is considered to be inferior for location and projected demolition costs to remove the existing improvements.

**Comparable No. 5** relates to the purchase of a long and narrow, rectangular shaped, level, commercially zoned parcel situated approximately 14 miles to the south of the subject in the City of Santa Ana, at the southwest corner of West 1<sup>st</sup> Street and South Mountain View Street. The site address is 4404 West 1<sup>st</sup> Street, and the parcel is 108,300 square feet (2.19 acres) in size. The property sold in January 2023 for \$8,760,000 or \$80.89 per square foot, all cash to the seller. By comparison with the appraised property, Sale No. 5 is considered to be inferior for general location.

**Analysis of the Data and Conclusion of Value**

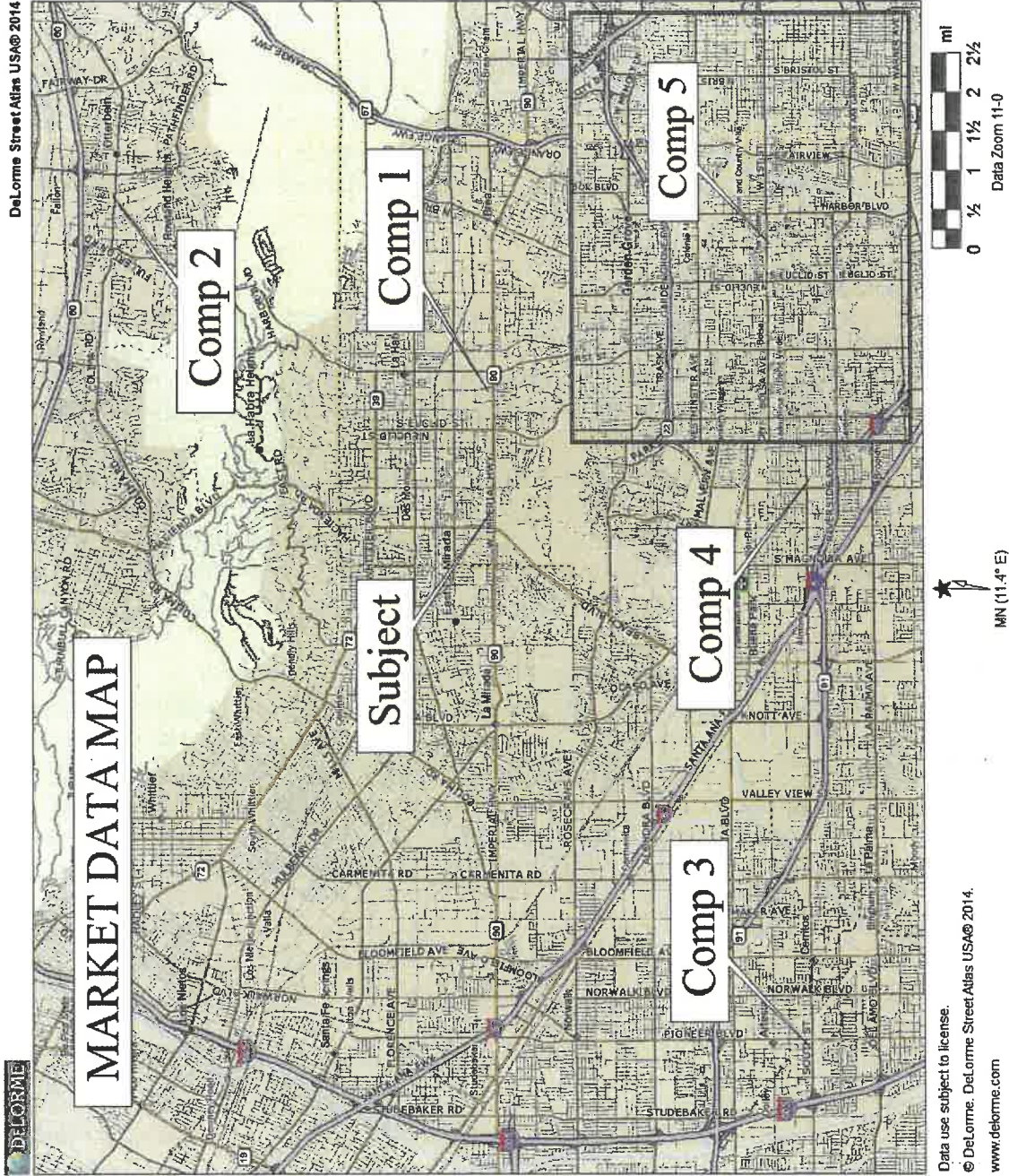
The discussed market data have been analyzed based on our conclusion of highest and best use for the subject land. The elements of comparison that were considered in the Sales Comparison Analysis include property rights conveyed, financing terms, conditions of sale, market conditions, location, commercial exposure, access, site configuration and condition, permitted land uses, parcel size, and availability of public utilities. At the top of the following page is a grid that summarizes observed differences between the subject and the market data based on qualitative ratings.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

SUMMARY OF MARKET DATA											
Comp No	Location/APN	Sale Date	Doc No	Sale Price	Zoning/General Plan	Buyer		Land Area (SF)	Price/SF	Site Cond	Comments
						Buyer	Seller				
1	751 E Imperial Hwy La Habra 019-111-90	Jun-22	227777	\$1,500,000	PUD/ Commercial Industrial City of La Habra	Ares Development LLC / Jones Trust		20,749	\$72.29	Level	Set back from street by other pads in same project.
2	18809-11 Colima Rd Rowland Heights 8761-012-015	Nov-22	1075890	\$4,900,000	C-2-BE/ Commercial County of Los Angeles	Baronian / Cordova		46,786	\$104.73	Level	At signalized intersection.
3	11701 South St Artesia 7039-014-011 & 018	Jun-22	599023	\$4,900,000	Commercial General/ General Commercial City of Artesia	Dong AH Dev USA Inc / Val Alburts Properties LLC		44,038	\$111.27	Level	At signalized intersection. Near major commercial development.
4	1700 W Orangethorpe Ave Fullerton 072-271-29	Dec-22	420530	\$2,750,000	G-C/ Commercial City of Fullerton	Gospel First Korean Baptist Church / Islamic Center of Fullerton		37,719	\$72.91	Level	At signalized intersection. Remnants of old building on site of no value. Adjacent to residential and commercial neighborhoods.
5	4404 W 1st St Santa Ana 188-021-08	Jan-23	2700	\$8,760,000	C2 & M1/ GC City of Santa Ana	City of Santa Ana / RIF40 LLC		108,300	\$80.89	Level	Long and narrow corner parcel.

Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA



development. In general, any proposed use that supports a positive land value is considered financially feasible. We have observed good and reasonably consistent demand for parcels that can accommodate commercial use in the general region over the past three to five+ year period.

**Conclusion:** In accordance with the observed characteristics of the subject, it is our opinion that the highest and best use of the land is its continued use as a parking lot for the existing retail center. It should be noted that the parking lot use is imposed by the mentioned deed restriction and is not impacted by the property ownership. Thus, the current owner does not have the right to alter the stated deed restricted use. In essence, the only party that can benefit economically from the acquisition of the subject is the owner of the adjacent shopping center property. However, that owner, by virtue of the covenant, already has the right to use the subject site for the shopping center parking.

### **VALUATION METHODOLOGY**

Since we are tasked with determining the value of the subject parcel to the underlying fee owner with the herein described deed restriction in place, we first sought a value for the fee interest in the site, assuming there is no such restriction. The results was then used as the basis for deriving a value for the land giving consideration to the deed restriction. Of the three common valuation techniques, only the Sales Comparison Approach was considered to be pertinent in the analysis of the defined subject parcel. Neither the Cost Approach nor Income Approach was considered applicable or useful in the valuation process. The Sales Comparison Approach relies on the concept that a prudent purchaser would pay no more to buy a property than it would cost to acquire a comparable substitute. Sales of similar properties are analyzed based on direct comparison with the subject to arrive at an indication of market value.

### **SALES COMPARISON APPROACH – FEE LAND VALUE**

We conducted an investigation of the marketplace for sales of parcels designated for commercial development that are limited to parking lot use similar to the subject. We discovered that buyers of commercial land commonly consider onsite space for parking as critical in the overall development plans and do not allocate separate values to those areas of the property to be structurally improved versus the segments to be used for parking. In the case of the subject, the parcel is on the street side of the retail complex adjacent to existing occupied buildings within the center and, thus, is considered to be a vital component to the ongoing commercial operations of the project. With the preceding in mind, the limitations on the use of the subject for parking only does not appear to have an impact on the value of the site to any quantifiable degree. Accordingly, our search for market data was expanded to include sales of parcels in the market area that can support similar commercial development.

After carefully investigating the marketplace, we selected five items of market data for purposes of analysis. The sales occurred between June 2022 and January 2023, and these are considered to be the best available data to properly analyze the value of the subject property by the Sales Comparison Approach. The sales are summarized in a grid on page 24, and a data location map is on page 23. The summary of market data is followed by a discussion of the comparables and a grid that illustrates observed differences between those properties and the subject. The unit of comparison is the price per square foot of land area. Aerial photographs of the comparables are included in the addenda to this report.

## VALUATION

### HIGHEST AND BEST USE

Highest and Best Use is an important concept in real estate valuation as it represents the premise upon which value is based. Highest and Best Use is defined in 15<sup>th</sup> edition of *The Appraisal of Real Estate* as:

“The reasonably probable use of property that results in the highest value.”<sup>2</sup>

The concept of highest and best use addresses the question of legally permissible, physically possible, and financially feasible uses that reflect the degree of profitability. Uses that meet the three criteria of reasonably probable uses are tested for economic productivity, and the reasonably probable use with the highest value is the highest and best use.

**Legally Permissible:** The subject is comprised of a 2.80 acre parcel that is utilized as part of an asphalt paved parking lot within an existing retail center known as La Habra Marketplace. The property is zoned and designated for shopping center use by the City of La Habra. As mentioned under ‘Easements and Deed Restriction’ on page 19 of this appraisal, the subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. We were informed that the parcel was sold by the developer to the City of La Habra in June 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property “solely for a surface level public parking lot and no other use shall be allowed thereon.” The restriction further states that the area cannot be used as a “Park and Ride” location or for long term parking or vehicle storage and that the “covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor” (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

According to a representative of the property ownership (City of La Habra), the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area) and that the complex ownership is in favor as it draws in patrons of its retail businesses. To summarize, with the preceding in mind, the subject is limited to a parking lot use for the benefit of the greater retail center of which it is effectively a part.

**Physically Possible:** The subject parcel is comprised of a level parcel that is slightly irregular in configuration. All public utilities are immediately available, and it has frontage on an improved, well-travelled public roadway. The continued use of the site as a parking lot is not limited by its physical features.

**Financially Feasible:** The issue of economic viability primarily focuses on supply and demand characteristics of the local marketplace as it relates to land suitable for commercial

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<sup>2</sup> *The Appraisal of Real Estate*, 15<sup>th</sup> ed. (Chicago: Appraisal Institute, 2020), p. 305



**Earthquake Zone**

The subject property is not within an Earthquake Fault Zone as designated by the California State Division of Mines and Geology. However, the property is located in an area that is prone to seismic events, a condition that it shares with other properties located in the general Southern California area.

**Easements and Deed Restriction**

We were provided with a preliminary title report relating to the subject property that was prepared by First American Title Insurance Company. The report is dated January 12, 2023, and it can be identified by reference to Order No. NCS-1162921-ONT1. Three encumbrances for utility easements were noted, but no plat was provided that clearly illustrates the locations of the encumbrances. For purposes of this appraisal, the assumption is made that these easements are typical of a property such as the subject and do not negatively impact its use or value in accordance with the estimated highest and best land use.

The subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. We were informed that the parcel was sold by the developer to the City of La Habra in June 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property “solely for a surface level public parking lot and no other use shall be allowed thereon.” The restriction further states that the area cannot be used as a “Park and Ride” location or for long term parking or vehicle storage and that the “covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor” (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

The preceding was discussed with a representative of the City of La Habra to ascertain what uses the City retains per the deed restriction. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area) and that the complex ownership is in favor as it draws in patrons to its retail businesses.

**DESCRIPTION OF THE IMPROVEMENTS**

The subject is a segment of an asphalt paved parking lot that serves an existing retail shopping center known as La Habra Marketplace. There are no structural improvements on the parcel.

**ASSESSMENT DATA**

The subject property is identified by reference to Assessor Parcel Number 018-381-64. It is owned by a public agency at this time and is tax exempt. The site is within Tax Rate Area 06068 that is subject to a base tax rate of 1.08123 percent plus some bonded indebtedness for the year 2022/2023.

**DESCRIPTION OF THE SUBJECT PROPERTY**

**LAND DESCRIPTION**

**Land Area/Shape**

The subject parcel is 2.80 acres (121,968 square feet) in size, according to County of Orange Assessor records. As can be seen on the plat on page 18, the site is slightly irregular in configuration.

**Topography/Drainage**

The subject parcel is a level, finish graded site. We did not detect any evidence of site drainage concerns.

**Soils/Environmental Conditions**

We were not furnished with any recently prepared studies relating to subsurface soil conditions associated with the subject property. As part of this appraisal analysis, we have assumed that soil conditions are adequate to allow legally permitted uses of the property in accordance with its estimated highest and best use.

**Utilities**

All public utilities are available to the subject parcel. These include water, sewer, electrical power, natural gas, and cable.

**Frontage and Access**

The subject is situated on the north side of West Imperial Highway, a fully improved public street with three traffic lanes in each direction and a center median. There is an engineered curb cut at this location.

**Land Use**

The subject property is zoned C-2sH, Planned Unified Shopping Center, by the City of La Habra. The zoning conforms with the General Plan designation of Community Shopping Center 2. Per the City Municipal Code, the C-2sH zone is "intended to serve as a planned unified shopping center".

As mentioned under 'Easements and Deed Restriction' on page 19 of this appraisal, a provided title report indicates that there is a deed restriction in place that limits the use of the subject property "solely for a surface level public parking lot and no other use shall be allowed thereon." The restriction further states that the subject cannot be utilized as a "Park and Ride" location or for long term parking or vehicle storage. Please refer to the 'Easements and Deed Restriction' discussion to best visualize the implications of the deed restriction.

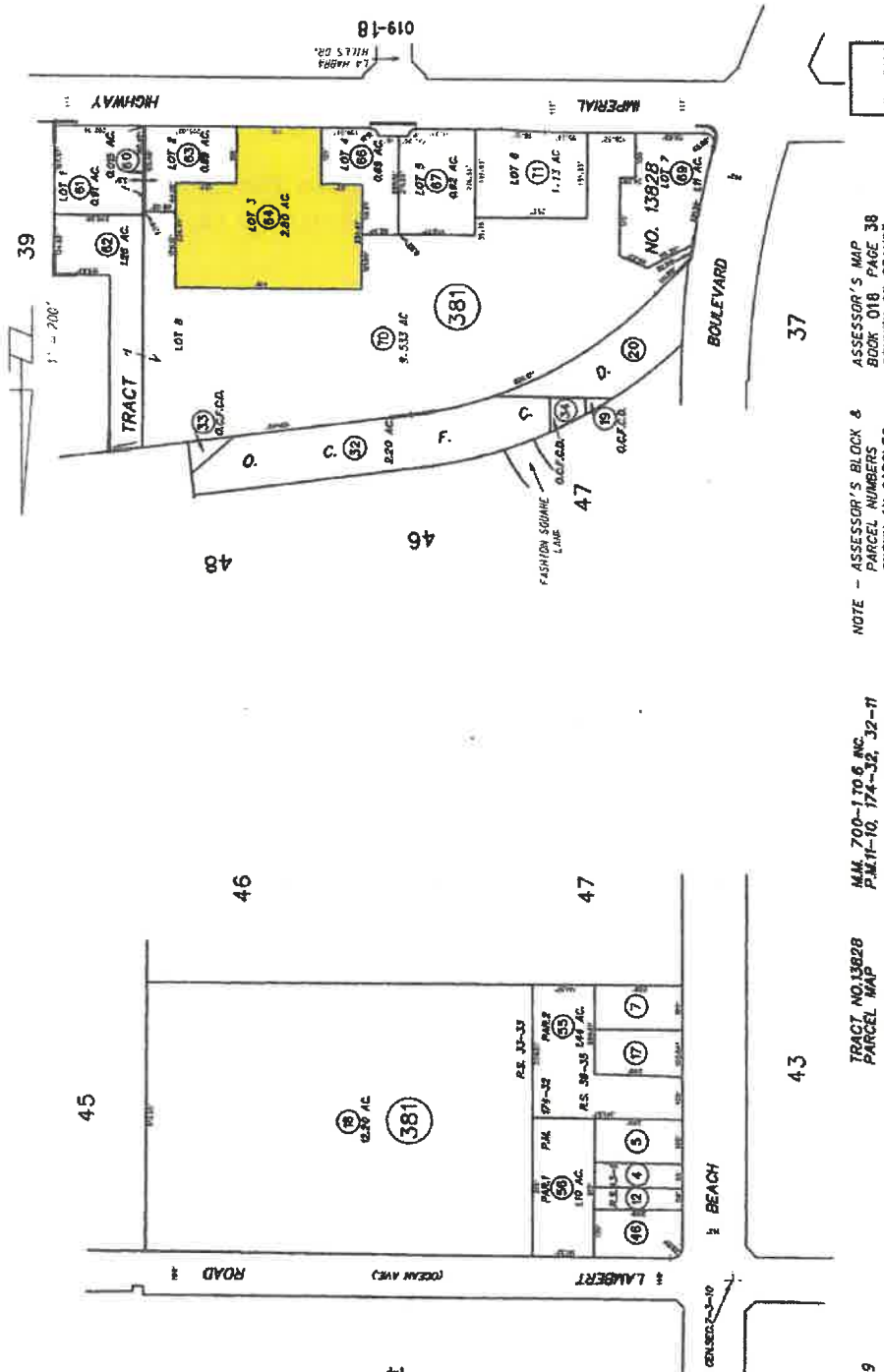
**Flood Zone**

According to FEMA Flood Insurance Rate Map (FIRM) No. 06059C0037J, dated December 3, 2009, the subject is within Zone X, a 500-year floodplain.

**PLAT MAP**

POR W1/2, SE1/4, SEC. 7, T3S, R10W

018-38



NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

TRACT NO. 13828 PARCEL MAP M.M. 700-1 TO 6 INC. P.M. 11-10, 174-32, 32-11

MARCH 1959

**SUBJECT PROPERTY PHOTOGRAPHS**

(Taken By David C. Ottley, MAI on February 6, 2023)



This photo was taken from near the northwest corner of the subject property, looking southerly over the westernmost portion of the parcel.



Looking easterly along West Imperial Highway from the location of the subject property, which is visible at the left.

**SUBJECT PROPERTY PHOTOGRAPHS**

(Taken By David C. Ottley, MAI on February 6, 2023)



View to the north over easterly and central portions of the subject site.



Looking westerly over the greater portion of the subject property.