



OFFERING MEMORANDUM

# 10566 VICTORY BOULEVARD NORTH HOLLYWOOD, CA 91606

OWNER-USER OR  
REDEVELOPMENT OPPORTUNITY

  
**HUDSON PARTNERS**  
— INVESTMENT BROKERAGE —



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## TABLE OF CONTENTS

SECTION ONE 04  
EXECUTIVE PROFILE

SECTION TWO 10  
PROPERTY INFORMATION



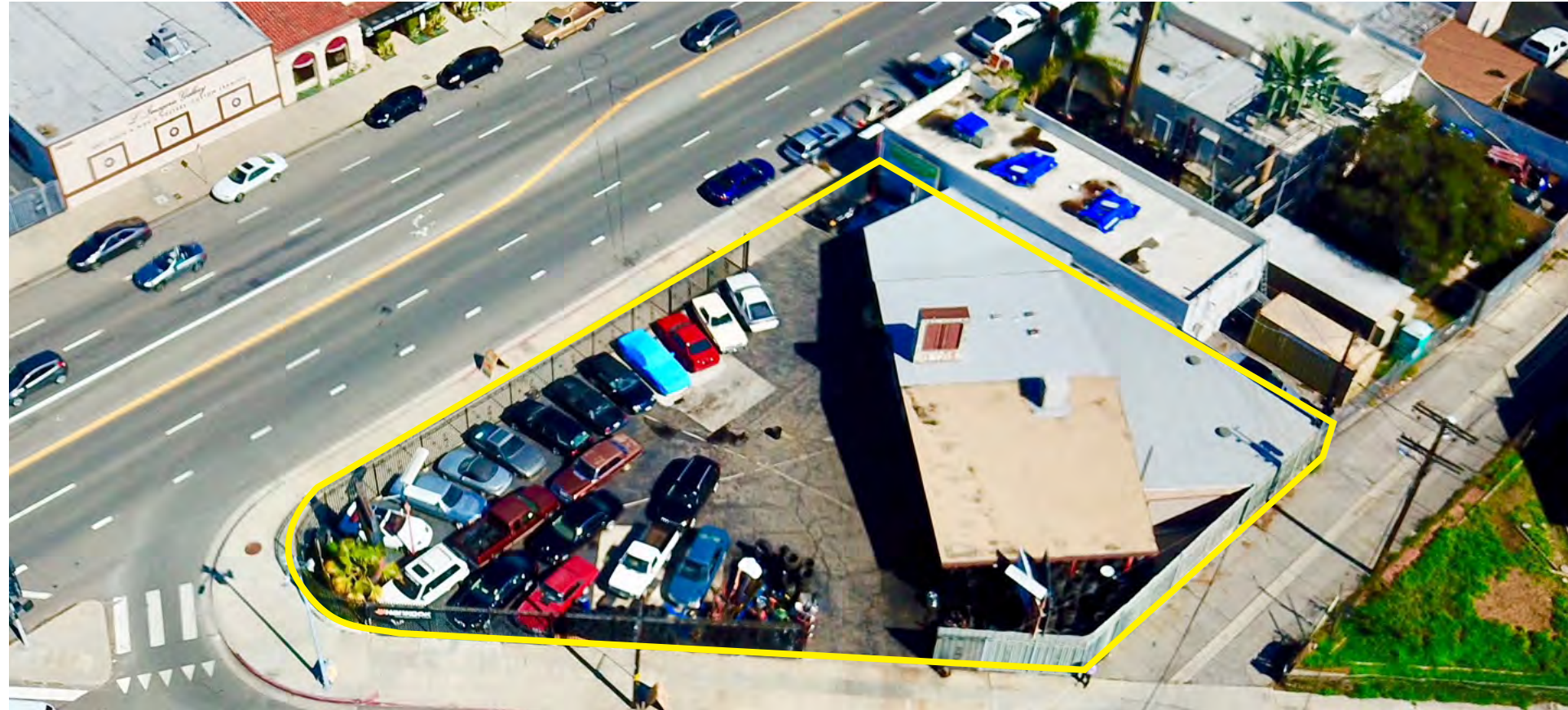
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**PROPERTY HIGHLIGHTS**

- High visibility and ±frontage along Victory Boulevard.
- Adjacent to Burbank top retailers, restaurants and nightlife
- Potential for a variety of multifamily uses..
- Corner lot with multiple access points.
- Minutes from NOHO District and Burbank
- Owner-operated will close upon sale.

**SITE DESCRIPTION**

DESCRIPTION	SPECIFICATION
BUILDING SIZE	<b>1,176 SF</b>
PARCEL AREA	<b>10,601 SF</b>
APN	2414-019-019
NUMBER OF FLOORS	1
FLOOR-TO-AREA RATIO	0.11
ZONING	LAC2
PARKING	TBD
YEAR BUILT	1963
TENANCY	Single-Tenant

**PHYSICAL DESCRIPTION**

DESCRIPTION	SPECIFICATION
CONSTRUCTION TYPE	Wood Frame and Stucco
FOUNDATION	Concrete
POWER	TBD
ROOF	Pitch Roof
LOADING	Two Roll Up Doors
CROSS STREET	Cahuenga Boulevard
HIGHWAY ACCESS	134, 170, 101 and 5 Freeways
TRAFFIC COUNT	±4,572 Cars Per Day
STREET FRONTAGE	121 Feet on Victory, 205 Feet on Victory (1 Curb Cut), 101 Feet on Cahuenga

**SALES COMPARISON APPROACH**

SUMMARY	TERMS
PRICE	<b>\$1,600,000</b>
DOWN PAYMENT (15%)	\$240,000
BUILDING SIZE	1,176 SF
PRICE PER FOOT ON BUILDING	\$1,360.00
LOT SIZE	10,601 SF
PRICE PER FOOT ON LAND	\$150.92
YEAR BUILT	1963
ZONING	LAC2

**NEW LOAN**

SUMMARY	TERMS
LOAN AMOUNT	\$1,360,000
LOAN TYPE	SBA
BLENDED SBA RATE	4.69
BLENDED AMORTIZATION	22.5

**ESTIMATED ANNUALIZED | USER OCCUPANCY COSTS**

DESCRIPTION	ESTIMATED	PSF
<b>OPERATING EXPENSES</b>		
TAXES (1.192%)	\$17,600	\$1.66
INSURANCE	\$1,975	\$0.18
UTILITIES	\$6,000	\$0.56
REPAIRS & MAINTENANCE	\$1,400	\$0.13
TOTAL OPERATING EXPENSES	\$26,975	\$2.54
DEBT SERVICE	\$99,396	\$9.38
TOTAL OCCUPANCY COSTS	\$126,371	\$11.92
MONTHLY OCCUPANCY COSTS (before tax advantages of ownership)	\$10,530	<b>\$0.99 PSF</b>

PROPERTY SIZE	10,601 SF
LEASE SCENARIO	PER/SF AMOUNT
<b>LEASE ASSUMPTIONS:</b>	
Rent Per Month	\$6,361
Rent Per SF	Modified Gross \$0.60
<b>START-UP COSTS:</b>	
Prepaid rent and security deposit (2 mo.'s total)	\$12,721
Lessee TI costs, net of lessor TI allowance**	\$0
Total startup costs	\$12,721
<b>GROSS MONTHLY COSTS:</b>	
Rent payment	\$0.60 \$6,361
Lease operating costs**	\$0.12 \$1,272
Gross monthly cash cost	<b>\$0.72 \$7,633</b>
<b>LEASE BENEFITS (PER MONTH):</b>	
Depreciation tax benefit at 35% tax rate	\$0 \$0
Avg. monthly principal paydown   equity build	\$0 \$0
Tax benefit on rent deduction at 35% tax rate	\$0.21 \$2,226
Tax benefit on operating costs at 35% tax rate	\$0.04 \$445
Lease-out income (net of tax at 35% rate)	\$0.00 \$0
	\$0 \$0
	\$0.25 \$2,671
<b>NET COST AFTER LEASE BENEFITS:</b>	
Est. appreciation benefit, per month	<b>\$0.47 \$4,961</b>
NET COST AFTER LEASE BENEFITS	\$0.47 \$4,961
<b>PROJECTED RENT COST IN YEAR 10</b>	
Net rent cost (after tax benefits at 35% rate)	\$0.61 \$6,473
Assumed annual rent escalation	3.0%

**ANALYSIS LIMITATIONS:**

THIS ANALYSIS DOES NOT INCLUDE SUPPLEMENTAL INCOME STREAM FROM POTENTIAL TENANTS - LOWERING OCCUPANCY COSTS SIGNIFICANTLY

Disclaimer: This sample analysis is based on a series of assumptions, including loan interest rates and annual appreciation rates, and is meant only to be illustrative in nature. The analysis is not a guarantee of any actual results of any loan or purchase transaction or ownership of any real property, all of which are subject to risks, uncertainties and assumptions that are difficult to predict and beyond our control. No warranties or representations, express or implied, are made as to the accuracy of the information contained herein, and same is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions, withdrawal without notice, prior sale, lease or financing. We include projections, opinions, assumptions or estimates for example only, and they may not represent future performance of the property. You and your financial and legal advisors should conduct your own evaluation of the property and transaction economics.

OWN SCENARIO	PER/SF	AMOUNT
<b>PURCHASE ASSUMPTIONS:</b>		
Purchase Price	\$151	\$1,600,000
Improvements - Additional	\$0	\$0
Total	\$151	<b>\$1,600,000</b>
<b>START-UP COSTS:</b>		
Borrower cash down payment (10%)		\$160,000
Estimated fees on 1st mortgage**		\$8,000
Est. appraisal, environmental, other fees**		\$5,000
Total startup costs		\$173,000
<b>GROSS MONTHLY COSTS:</b>		
Mortgage payment	<b>\$0.78</b>	<b>\$8,283</b>
Ownership operating costs**	\$0.21	\$2,184
Gross monthly cash cost	<b>\$0.99</b>	<b>\$10,466</b>
<b>OWNERSHIP BENEFITS - EXCEL. APPRECIATION (PER MONTH):</b>		
Depreciation tax benefit at 35% tax rate	\$0.10	\$1,017
Avg. monthly principal paydown   equity build	\$0.31	\$3,284
Tax benefit on rent deduction at 35% tax rate	\$0.17	\$1,750
Tax benefit on operating costs at 35% tax rate	\$0.07	\$764
Lease-out income (net of tax at 35% rate)	\$0.00	\$0
Interest on startup cost difference (net of 35% tax)	-\$0.02	-\$260
	\$0.62	\$6,554
<b>NET COST AFTER OWNERSHIP BENEFITS EXCEL APPRE:</b>		
Est. appreciation benefit, per month	<b>\$0.37</b>	<b>\$3,912</b>
NET COST AFTER OWNERSHIP BENEFITS INCL. APPRE:	<b>-\$0.01</b>	<b>-\$88</b>

**GROWTH IN PROPERTY VALUE & OWNER EQUITY**

ASSUMED ANNUAL APPRECIATION RATE OF: **3.0%**  
 BORROWER DOWN PAYMENT (15%): **\$160,000**

	PROPERTY VALUE	LOAN BALANCE	OWNER EQUITY
Year 5	\$1,854,839	\$1,188,980	<b>\$665,859</b>
Year 10	\$2,150,266	\$943,664	<b>\$1,206,603</b>
Year 15	\$2,492,748	\$633,487	<b>\$1,859,260</b>
Year 20	\$2,889,778	\$241,300	<b>\$2,648,478</b>



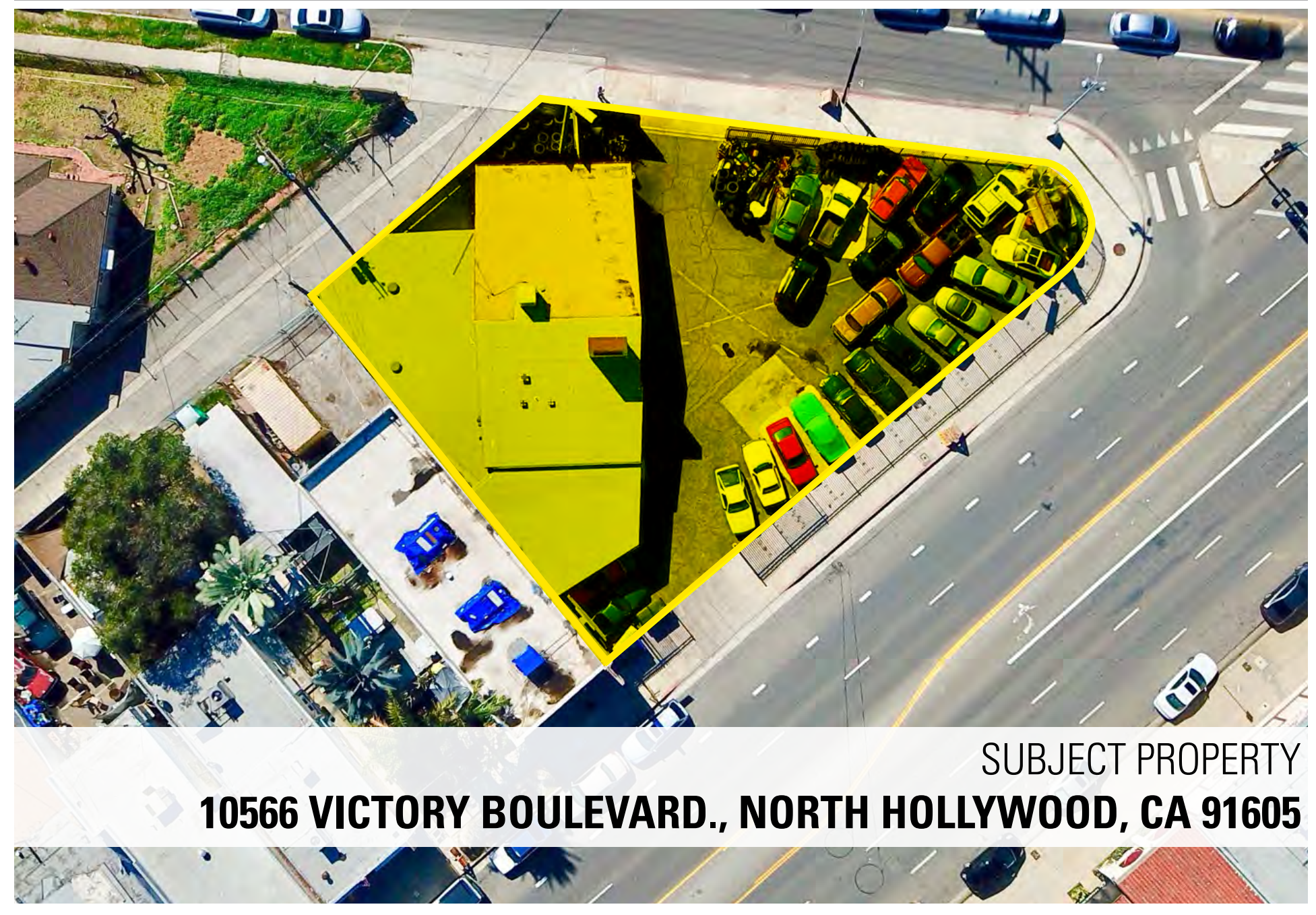
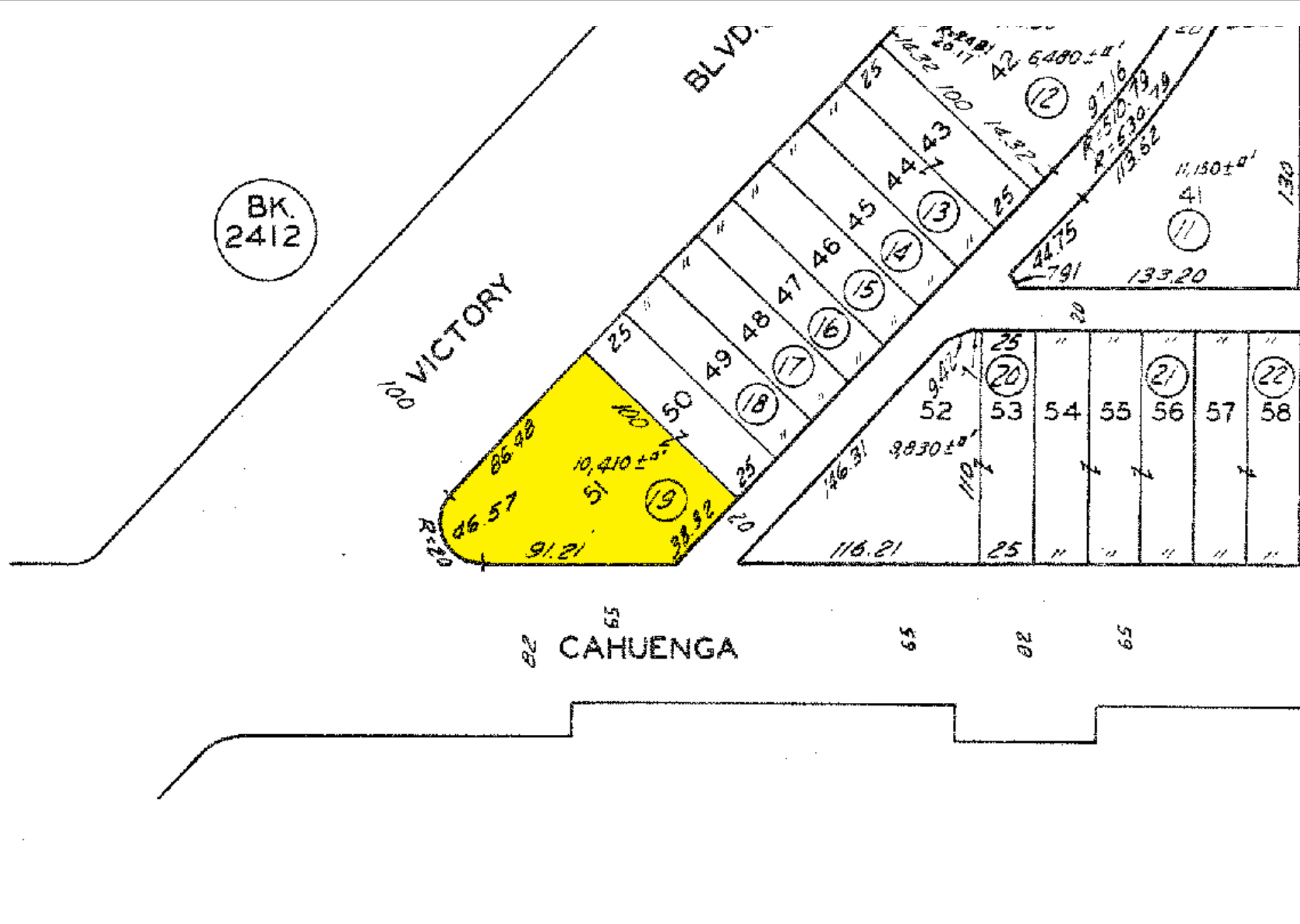
## 6150 Laurel Canyon Blvd.

The former Laurel Plaza shopping center at 6150 Laurel Canyon Boulevard as a mixed-use complex with a mix of low-rise and mid-rise buildings. Plans call for three-to-six-story structures on a current parking lot, resulting in 742 residential units and 190,000 square feet of retail and restaurant space. Proposed commercial uses include a gym, a supermarket, and a multiplex supermarket.



NORTH HOLLYWOOD WEST DEVELOPMENT









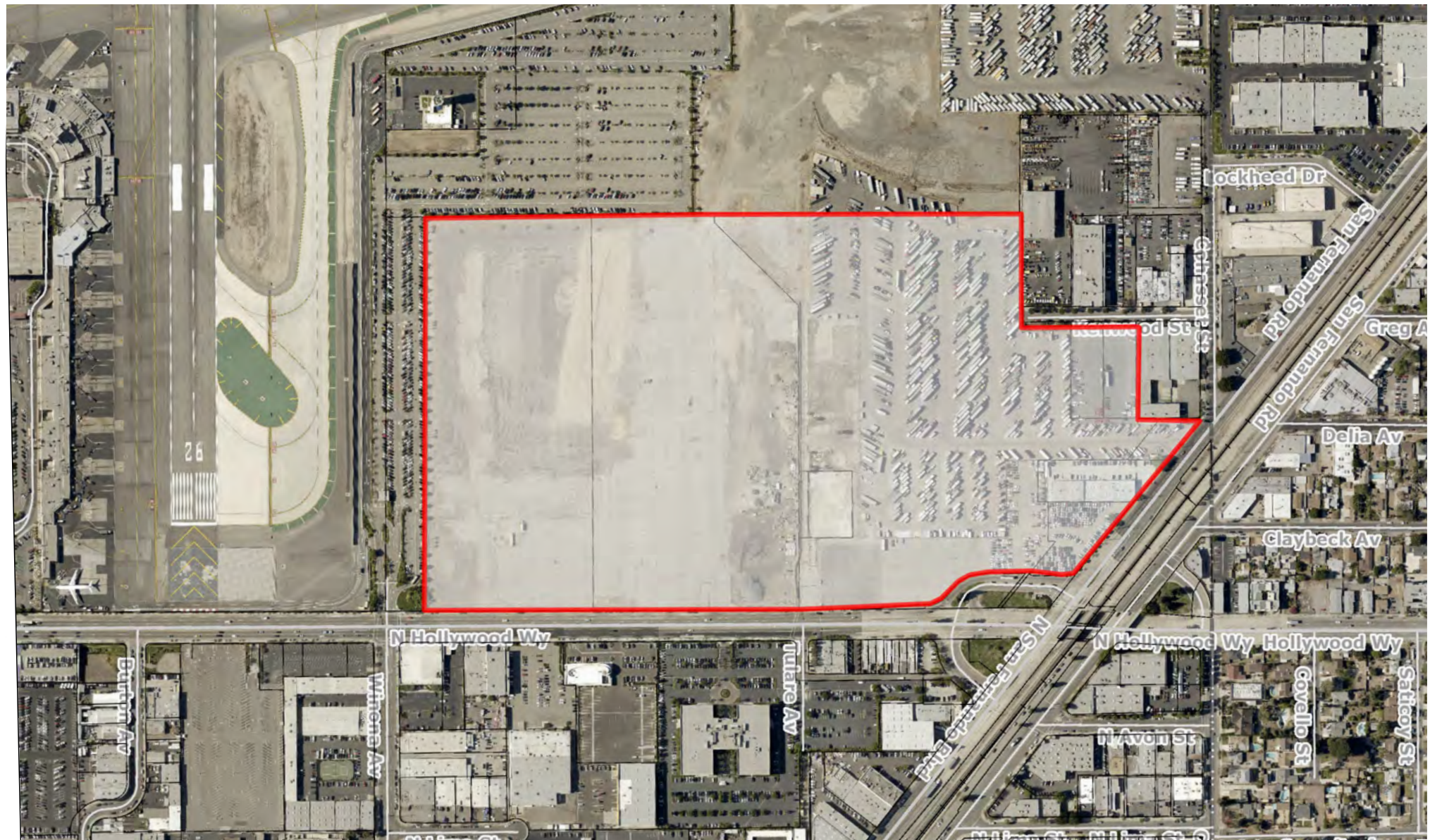
**AVION PROJECT - DISTANCE FROM SUBJECT PROPERTY: 2 MILES**

**The proposed “Avion” project would construct a business park on approximately 60 acres of vacant land adjacent to the Burbank Bob Hope Airport consisting of the following components:**

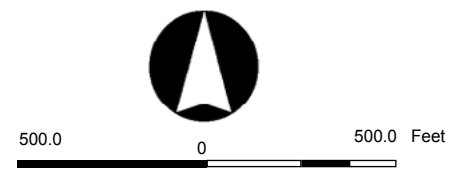
- Six buildings two stories high for industrial/warehouse uses totaling 1,014,887square feet;
- Nine buildings two stories high for creative office uses totaling 142,250 square feet;
- Two buildings one story high for retail/restaurant uses totaling approximately 15,154 square feet;
- One hotel with 166 rooms;
- Complete site improvements related to the project including utilities, drainage, paving, landscape, lighting, etc.
- Extend, improve, and dedicate Tulare Avenue west of Hollywood Way;
- Extend, improve, and dedicate Kenwood Street south to the future Tulare Avenue.

The project site is located at 3001 N. Hollywood Way, and is surrounded by industrial/storage uses (to the north and east), the Burbank Bob Hope Airport (to the west and south), and vacant parcels. North Hollywood Way abuts the easterly boundary of the project site, and North San Fernando Road is to the north, and Winona Avenue is to the south. The current zoning designations are “General Industrial (M-2)” and “Airport (AP)” and are proposed to change to “Planned Development (PD)” zoning. The project site has two General Plan land use designations, “Golden State Commercial/Industrial” and “Airport” and the entire project site is proposed to be Golden State Commercial/Industrial.





Aerial Photography Map  
3001 N. Hollywood Way







AVION RETAIL EXTERIOR





## NORTH HOLLYWOOD

is a neighborhood in the San Fernando Valley region of the city of Los Angeles. It is home to the NoHo Arts District and the Academy of Television Arts & Sciences, and it has seven public and eight private schools. There is a municipal park and a recreation center. The neighborhood is an important transportation center, and it is also the place where many notable people have lived or worked.

North Hollywood was established by the Lankershim Ranch Land and Water Company in 1887. It was first named “Toluca” before being renamed “Lankershim” in 1896 and finally “North Hollywood” in 1927. Although named “North Hollywood”, it is not contiguous with its well-known namesake district of Hollywood, and is separated from Hollywood by several neighborhoods and the Santa Monica Mountains.

## DEMOGRAPHICS

The 2000 U.S. census counted 77,848 residents in the 5.87-square-mile North Hollywood neighborhood—or 13,264 people per square mile, about an average population density for the city. In 2008, the city estimated that the population had increased to 87,241. In 2000 the median age for residents was 30, considered an average age for city and county neighborhoods; the percentage of residents aged 19 to 34 was among the county’s highest.

The neighborhood was considered “moderately diverse” ethnically within Los Angeles. The breakdown was Latinos, 57.7%; whites, 27%; Asians, 5.7%; blacks, 5.6%; and

others, 4%. Mexico (43.2%) and El Salvador (16%) were the most common places of birth for the 46.4% of the residents who were born abroad—a high percentage for Los Angeles. The percentages of never-married men and never-married women were among the county’s highest.

The median yearly household income in 2008 dollars was \$42,791, considered average for the city but low for the county. The percentages of households that earned \$40,000 or less were high for the county. Renters occupied 75.4% of the housing stock, and house- or apartment-owners held 24.6%.

## GEOGRAPHY

North Hollywood is bordered on the north by Sun Valley and on the northeast and east by Burbank. Toluca Lake borders North Hollywood on the southeast and south, and Studio City abuts it on the southwest. It is flanked by Valley Village and Valley Glen on the west.

## EDUCATION

Eighteen percent of North Hollywood residents aged 25 and older had earned a four-year degree by 2000, an average figure for both the city and the county. The percentage of the same-age residents with less than a high school diploma was high for the county.





# NOHO ARTS DISTRICT



The **NoHo Arts District** is a one-square-mile community in North Hollywood that is home to more than 20 live, professional theatres, dance studios, art galleries, public art, music recording venues, acting and art workshops, international dining options, clothing and specialty shops, and businesses that create a myriad of art forms.

Business and theater owners in the Universal City/ North Hollywood Chamber of Commerce established a theater and arts district in 1992 with support from the Los Angeles Department of Cultural Affairs. They chose “NoHo”, a play off the well-known SoHo Arts District neighborhood of New York City.

Today, The NoHo Arts District, in conjunction with

greater North Hollywood, is being transformed into a regional center, in large part as a result of the construction of Metro Stations for the Red Line and the Orange Line, two lines that have made the neighborhood into a regional hub for the San Fernando Valley. Medium- and high-density developments are being built around the Metro Station, making the Arts District a center of citywide development, with the intent of creating a walkable urban village. North Hollywood’s landscape (and the Art’s District as a result) has been transformed in recent years, with condominium towers (including a fifteen-story building on Lankershim Boulevard being built in the midst of older one-story bungalows and small apartment complexes.





## North Hollywood Metro Station Redevelopment.

The project will be spread across a complex of new buildings centered around the intersection of Lankershim and Chandler. Plans also include a public plaza and a new entrance to the North Hollywood station, located beneath South Chandler on the western side of Lankershim.



NORTH HOLLYWOOD METRO STATION REDEVELOPMENT RENDERINGS



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