

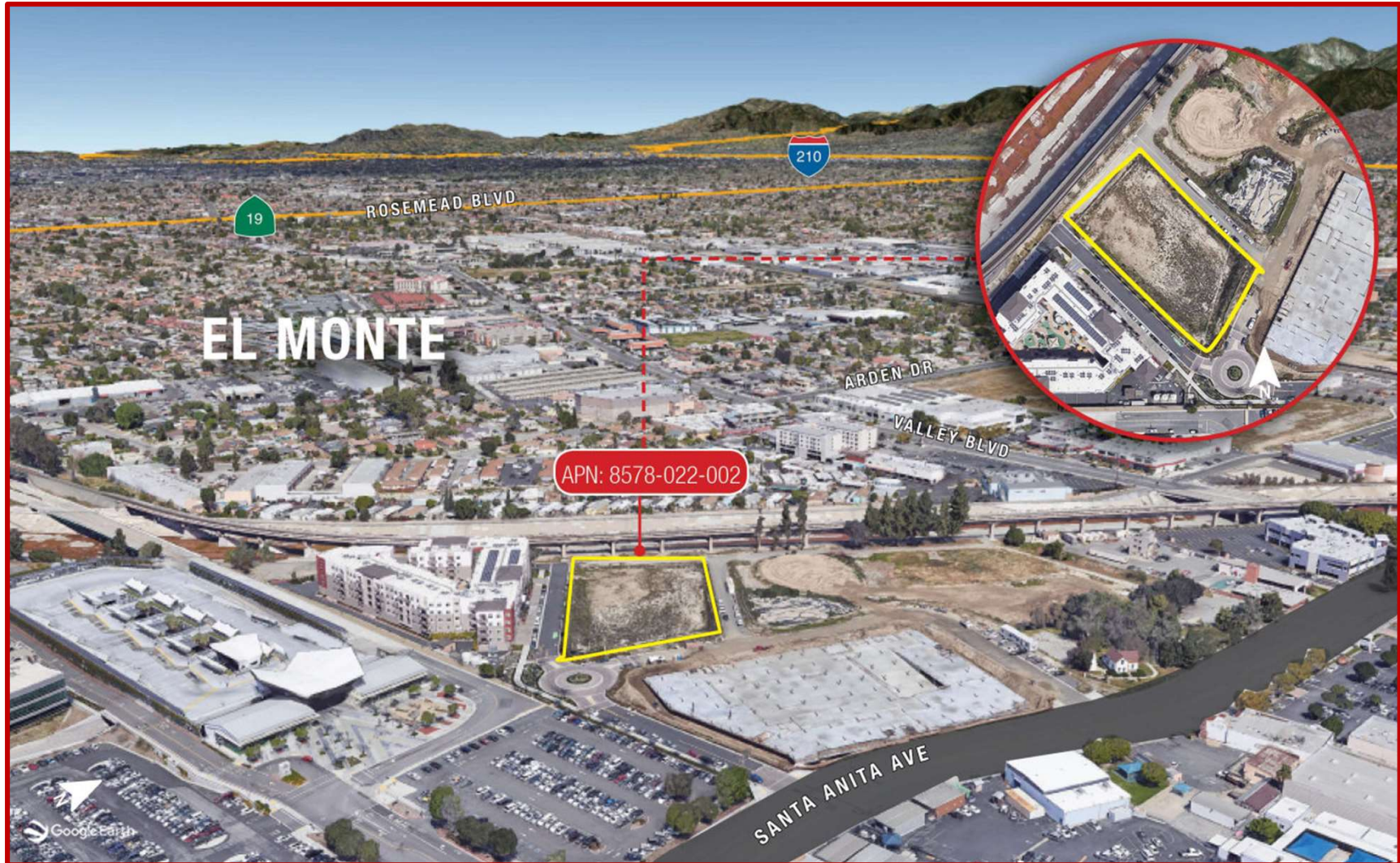


# Bankruptcy Auction Sale

**NAI Capital**  
Commercial Real Estate Services, Worldwide.

**INVESTMENT SERVICES GROUP**

## Parcel 2 – El Monte Gateway Project



Presented by:

Chris Jackson

Executive Managing Director

818.905.2400 | cjackson@naicapital.com

Cal DRE Lic # 01255538

Steven Berman

Senior Associate - Land Use Division

818.905.2400 | sberman@naicapital.com

Cal DRE Lic #00967188

Marcos Villagomez

Associate – Land Use Division

818.905.2400 | mvillagomez@naicapital.com

Cal DRE Lic #02071771

Encino Office – Corporate HQ

15821 Ventura Blvd, Suite 320

Encino, CA 91436

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# Table Of Contents

Parcel 2 – El Monte Gateway Project  
10561 Santa Fe Dr, El Monte, CA 91731



1. Executive Summary
2. Site Location / Aerials
3. Gateway Master Development
4. Entitlement Approvals
5. Site Plans / Overview
6. City of El Monte Overview
7. San Gabriel Valley Submarket



## Executive Summary

Parcel 2 – El Monte Gateway Project  
10561 Santa Fe Dr, El Monte, CA 91731

NAI Capital has been retained as the exclusive listing brokerage for the bankruptcy court appointed sale for Parcel 2 within the El Monte Gateway Project, referred to as The Vista at Gateway.

Parcel 2 is a rare opportunity to acquire a 68,992 SF, zoned SP-1 specifically for the Gateway Specific Plan which was entitled on or about July 12, 2016 for 212 units. The Design Review entitlement expired in July 2019. However, the City of El Monte has provided information regarding the conditions pursuant to which the City may consider an application and approve entitlements for the development of Parcel 2. Such information is available upon request.

The El Monte Gateway Project integrates public mass transit, new residential housing, retail, commercial, entertainment and public recreational uses, and is one of the largest transit-oriented development projects currently undergoing planning and improvement within the State of California.

El Monte Gateway is adjacent to the El Monte Station, a major regional bus transfer center serving 22,000 Metro, Foothill Transit, El Monte Transit and Greyhound ridership daily, with the potential to accommodate nearly twice that capacity.

The El Monte Gateway Project consists of five individual development sites currently with approval for a total of 552 units, and approximately 600,000 SF of mixed-use commercial retail, entertainment and hotel use.



### AUCTION GUIDELINES

**Minimum Bid:** **\$9,650,000**

**Identity and Financial  
Qualification Deadline** **February 8th, 2021**

**Auction Date:** **February 12th, 2021**

### PARCEL 2 DETAILS

**Gross area of site:** **69,992 SF**  
**1.57 AC**

**Price Per SQ.FT.:** **\$139.87**

**Price Per Acre:** **\$6,146,497**

**Net Area of Site  
(after dedications):** **56,628 SF**  
**1.30 AC**

**Zoning:** **SP-1 (Gateway Specific Plan)**

**Approved Units:** **212**  
**25 Studios, 106 1-Bedrooms, 81 2-Bedrooms**

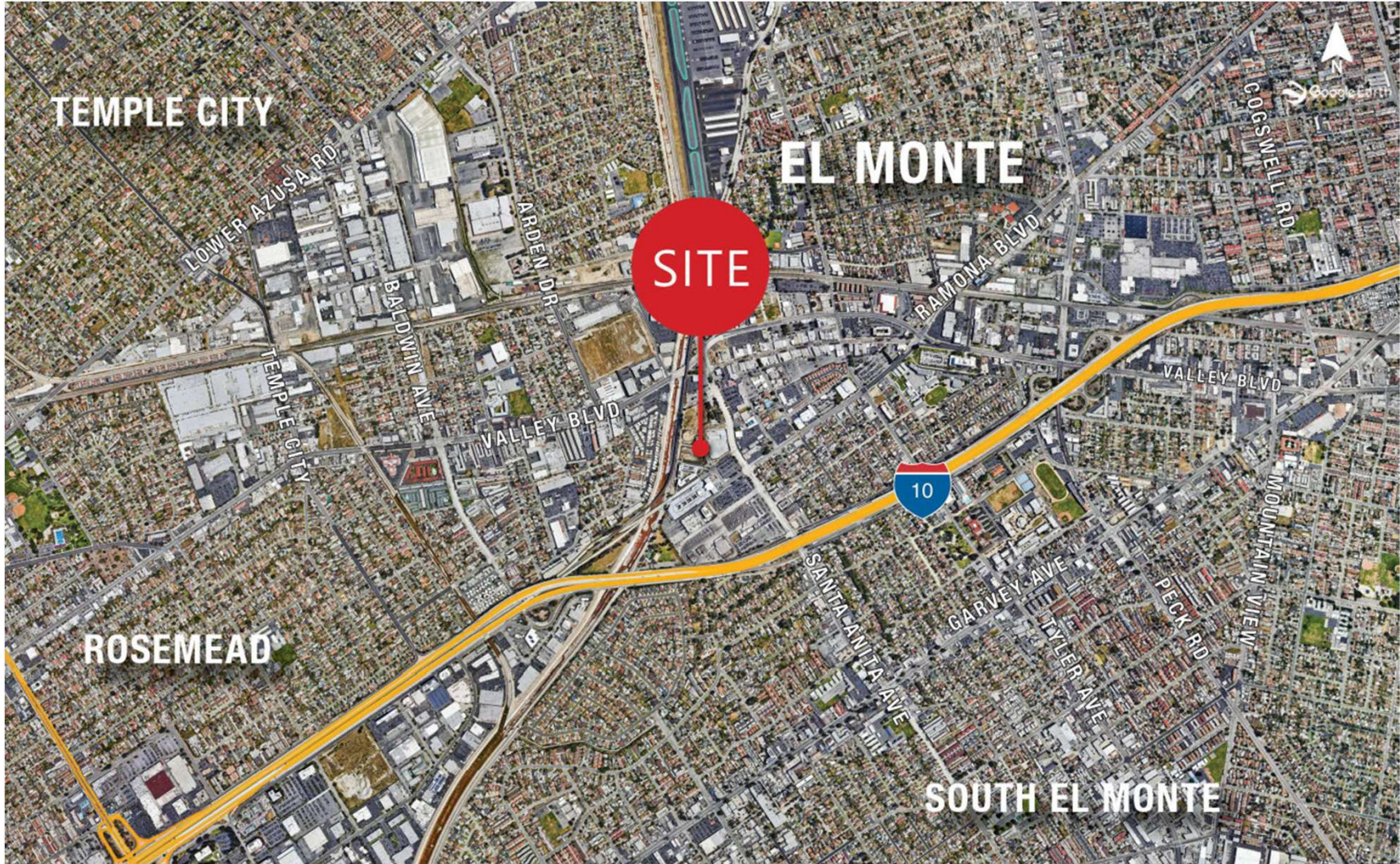
**Gross Buildable Area:** **215,000 SF**

**Approved  
Construction:** **Type III - Five Storey Building**  
**303 Parking Spaces**



# Site Location / Aerial

Parcel 2 – El Monte Gateway Project  
10561 Santa Fe Dr, El Monte, CA 91731





## Site Location / Aerial

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# Site Location / Aerial

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# Gateway Original Master Plan

Parcel 2 – El Monte Gateway Project  
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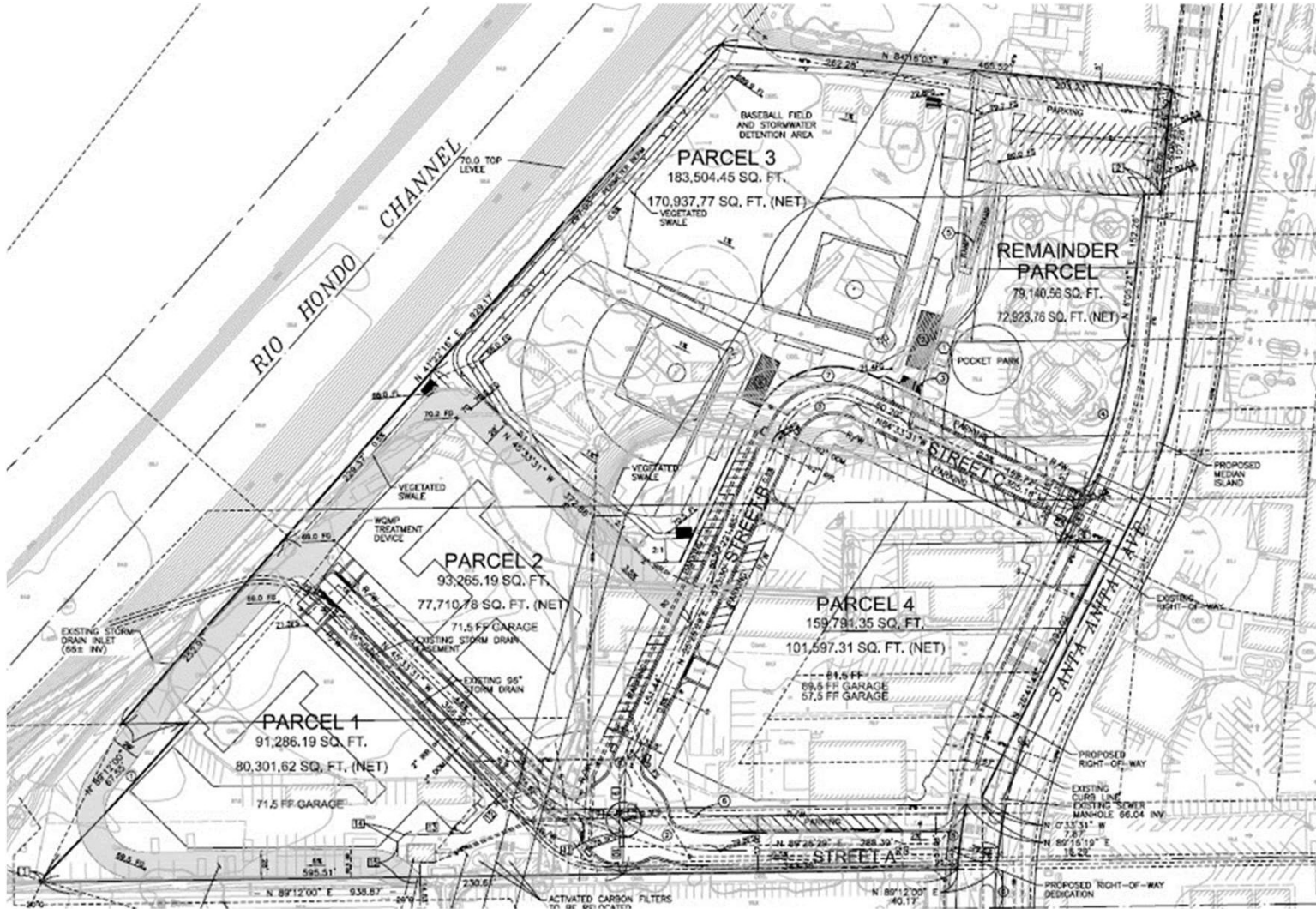




# Gateway Original Master Plan

Parcel 2 – El Monte Gateway Project  
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## Parcels 1 - 4

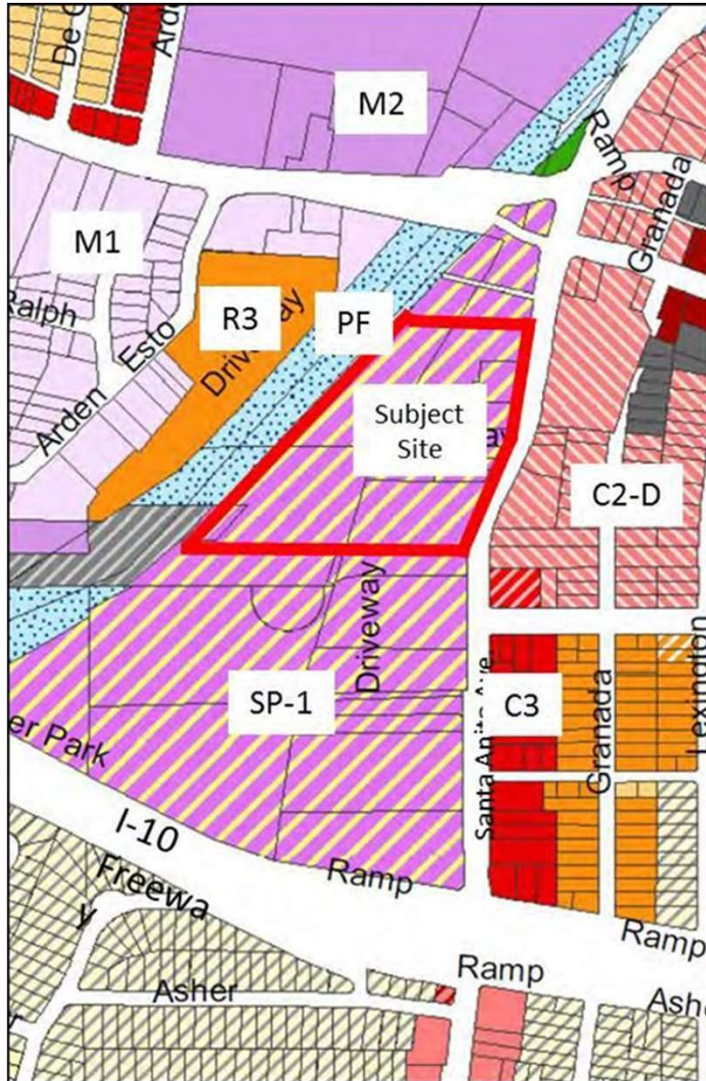




# Entitlement Approvals

Parcel 2 – El Monte Gateway Project  
10561 Santa Fe Dr, El Monte, CA 91731

## Gateway Master Plan Entitlement



- **September 2007** – Council approved original El Monte Transit Village Specific Plan (now the Gateway Specific Plan) and certified EIR: For a mixed-use project with 1,850 dwelling units and 600,000 sf of commercial space.
- **September 2012** – Commission approved Lot Division to subdivide parcels to create developable lots within the plan area.
- **February 2013** – Commission approved a revision to Lot Division and a new Design Review: For a mixed-use project with 480 dwelling units and 25,000 sf of commercial and 783 parking spaces.
- **September 2013** through November 2013 – City Council entered into agreements with the parties involved and approved the development envelopes and the project.
- **December 2013** – Planning Commission approved revisions to the previously approved project: Number of dwelling units revised to 485; number of parking spaces reduced to 705.
- **March 2014** – a Declaration of Dedication was completed to establish the public streets as outlined in Lot Division No. 708.
- **June 2015** – City Council approved revisions the project: Tentative Tract Map No. 73093 (replacing Lot Division No. 708) to meet LA County Fire Department requirements; and Open parking spaces also reduced from 116 to 104 (still exceeding overall required parking by 75 spaces).
- **July 2016** - Planning Commission approved revisions to the previously approved project: Number of dwelling units revised to 515; number of parking spaces reduced to 847.



# Entitlement Approvals

Parcel 2 – El Monte Gateway Project  
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## Gateway Parcel 2 Entitlement History

1. Gateway Parcel 2 was revised to the last approved entitlement (212 units) by the Planning Commission under Design Review No. 02-13 on July 12, 2016. Please see attached Staff Report and Resolution No. 3444. Per the Resolution, the Design Review was effective for one (1) year (expiration date of July 12, 2017).
2. On May 23, 2017, the Planning Commission approved a Time Extension for Tract Map No. 73093 (tract map for Gateway Parcels 1-4), Design Review No. 02-13 for Parcel 2, and Design Review No. 23-13 for Parcel 4. The Time Extension extended the Design Review for Parcel 2 to April 28, 2018.

	2013 Approval	2016 Revisions	Difference
<b>Number of units</b>	145 units  (485 for the entire Specific Plan)	212 units  (552 for the entire Specific Plan)	Increase of 67 units
<b>Number of parking spaces</b>	148 spaces, or 1.02 spaces per unit  (692 for the entire Specific Plan)	303 spaces, or 1.43 spaces per unit  (847 for the entire Specific Plan)	Increase of 155 spaces, or an increase of 0.41 spaces per unit
<b># of stories/ height</b>	4 stories over 1 level of parking / 50' to 75' (due to grade change)	5 stories over 2 levels of parking / 64' to 84' (due to grade change)	Increase of 1 story / 9' higher
<b>Private Open Space</b>	Average of 60 SF per unit	Average of 64 SF per unit	Slight increase per unit
<b>Common Open Space</b>	8,400 SF (60 SF per unit)	13,200 SF (692 sf per unit)	Slight increase per unit

3. On May 8, 2018, the Planning Commission approved a Time Extension for Design Review No. 02-13 Parcel 2 to July 12, 2019.
4. The Applicant, Grapevine Advisors, LLC did not timely request further time extensions. Therefore, as of July 12, 2019, the Design Review expired. Design Review application needs to be resubmitted.



# Entitlement Approvals

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INVESTMENT  
SERVICES GROUP

## Gateway Masterplan Environmental Timeline

- September 2007 – Council certified EIR for original project.
- September 2012 – Categorical Exemption adopted for original Lot Division.
- February 2013 – Addendum #1 adopted for Lot Division revision and new Design Review.
- December 2013 – Addendum #2 adopted for Lot Division and Design Review.
- March 2015 – Memorandum from Tom Dodson & Associates:
- The Tentative Tract Map is within the scope of the original project and has no potential to cause new or different effects on the environment; and **No further environmental review is deemed necessary.**
- April 2016 – Addendum #3 prepared. Determined that the potential adverse environmental impacts from revisions to Parcel 2 will not be significantly greater than that identified in the Original EIR:
- No increased significant impacts related to air quality, hydrology and water quality, noise, public services, traffic and utilities;
- Implementing the previous mitigation commitments would reduce any potential impacts to less than significant levels; and **no further environmental review is deemed necessary.**

## Gateway Masterplan Environmental Recommendation

- Find that the entitlements has no potential to cause new or different effects on the environment when compared to the impacts identified in the EIR or Addendums No. 1 or No. 2.
- Make the findings and approve to revisions to Design Review 23-13 subject to the conditions of approval:
- **Mitigation measures and conditions of approval for original project and subsequent revisions would remain.**



# Site Plans / Renderings

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Parcel 2 – El Monte Gateway Project  
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## **Parcel 2 - The Vista at the Gateway**

Parcel 2 is a 1.57-acre lot located off Santa Anita Ave and is part of the Gateway Master Plan, a transit-oriented mixed-use development. The walkable district enhances the transit linkages to the adjacent LACMTA Rapid Transit Bus Station and the nearby LA downtown corridor. The market rate multifamily rental housing will consist of 212 units consisting of 25 Studios, 106 1-Bedrooms, and 81 2-Bedrooms in 5 levels of modified Type III construction over a 2 levels Type I parking garage providing 321 parking spaces.

The rental homes will range from 515 sq. ft. studios up to 1,054 sq. ft. 2 bedroom/2 bath units. Residents and guests will be impressed by the grand 2-story lobby entrance and a 2-story fitness center. Other amenities will include: a community room, business meeting space with computer equipment & free Wi-Fi, satellite and cable television, a pet spa, bicycle kitchen and an indoor/outdoor sky deck with kitchen & fire pit overlooking the San Gabriel Mountains. In addition to the restaurants, retail and the 2-acre community park immediately adjacent to the building, the expansive podium deck boasts large open green space, sunshades, outdoor BBQ facilities, a link of spa jacuzzies and a fireplace area with lounge seating.



# Site Plans / Renderings

Parcel 2 – El Monte Gateway Project  
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## Parcel 2 – Revised Elevations



1. VIEW LOOKING NORTH-EAST



5. VIEW LOOKING SOUTH-WEST



3. VIEW LOOKING NORTH-WEST



4. VIEW LOOKING EAST



# Site Plans / Renderings

Parcel 2 – El Monte Gateway Project  
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## Parcel 2 – Revised Elevations



1. NORTH - WEST ELEVATION

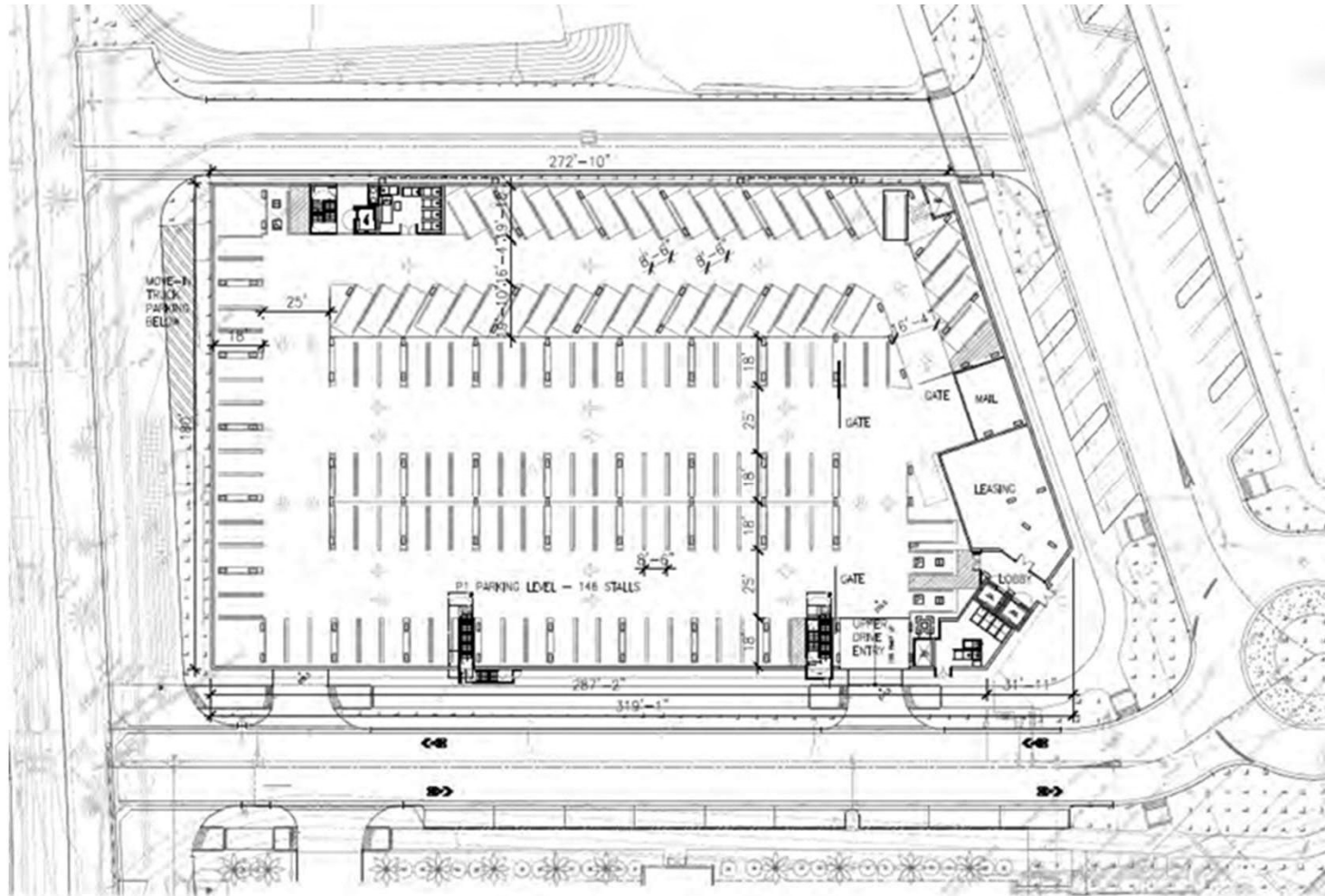


2. NORTH - EAST ELEVATION



# Site Plans / Renderings

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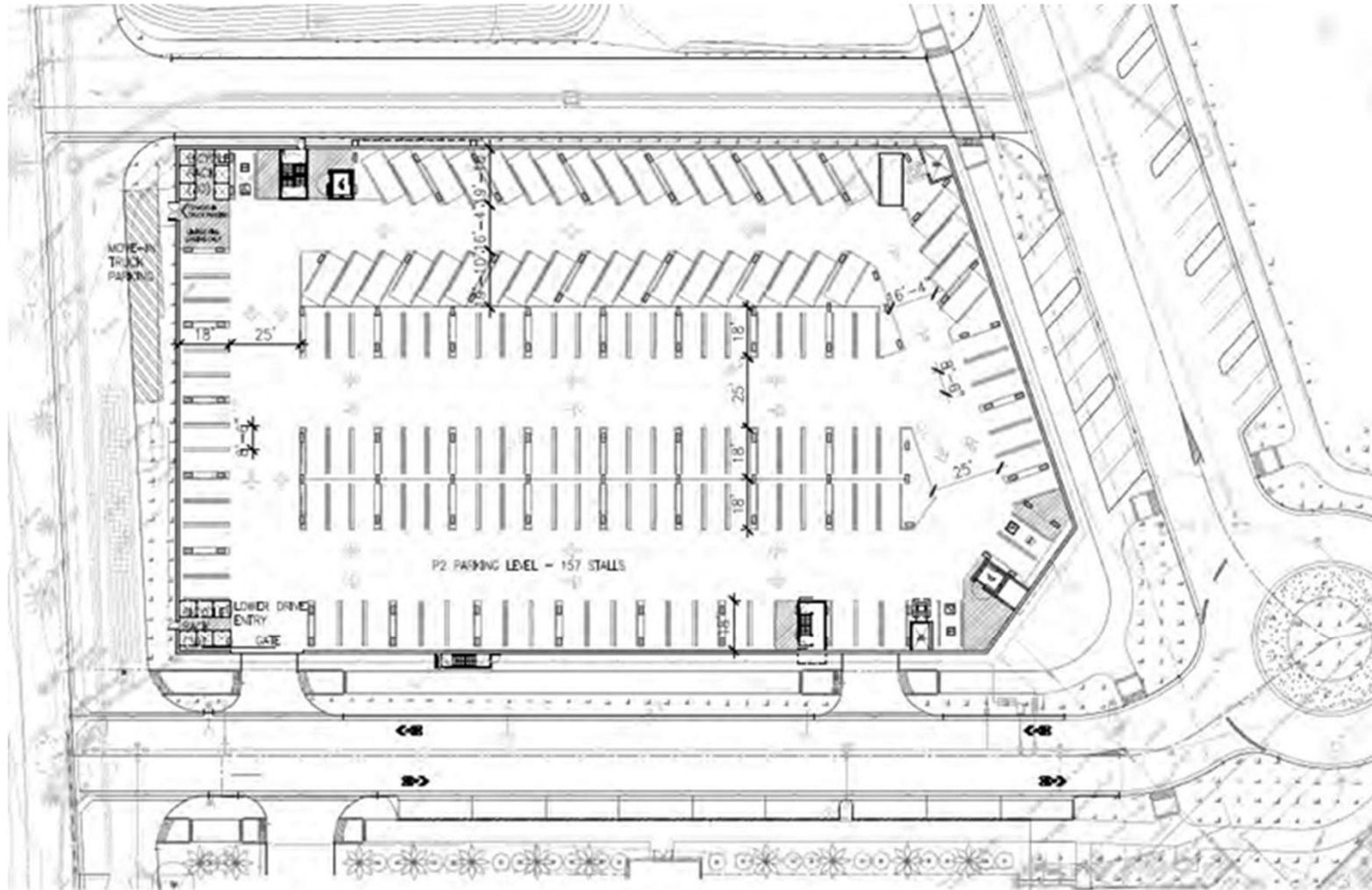


PARKING UPPER LEVEL 1



# Site Plans / Renderings

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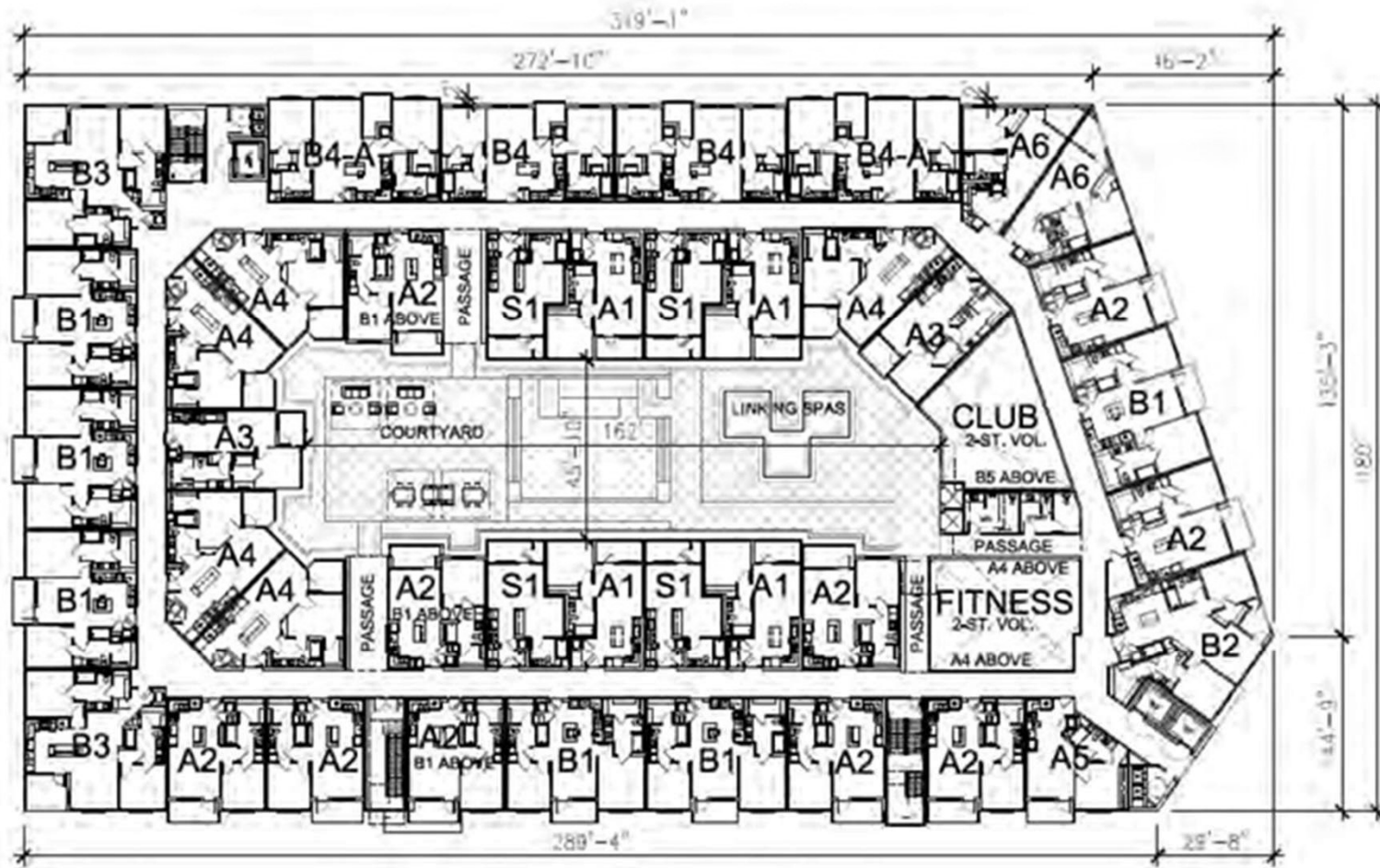


PARKING LOWER LEVEL 2



## Site Plans / Renderings

Parcel 2 – El Monte Gateway Project  
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RESIDENTIAL - LEVEL 1



# El Monte City Overview

Parcel 2 – El Monte Gateway Project  
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 115,878 Population	 29,440 Households	 \$72,113 HH Income	 34.3 Median Age
 3,858 Businesses	 27,902 Employees	 40.9% White Collar	 59.1% Blue Collar



- El Monte is situated in the San Gabriel Valley, 18 miles northeast of L.A. and 25 miles from Anaheim.
- El Monte is the 9th largest city (out of 88) in Los Angeles County comprising of a 9.6-square mile area.
- Current land use comprise of 58% residential, 11% retail, 10% industrial, 7% office/commercial and 14 percent other.
- El Monte is the hub of the San Gabriel Valley, where Interstates 605 and 10 – intersect.
- Transportation alternatives include Metro-Link, MTA bus terminal and El Monte Airport.
- The population was 115,487 in 2019, with medium age of 34.3 years old, and an average household income of \$72,113.
- El Monte is a family town, with more than 29,440 households and a persons per household rate of 3.87, from 2014-2018
- El Monte has an ethnically diverse community with the Hispanic population comprising of 75%. (2000 Demographic)



# El Monte City Overview

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## City of El Monte Employment

Top Employers	Employees	% of Workforce
EL MONTE CITY SCHOOL DISTRICT	1,500	3.00%
LONGO TOYOTA/ LONGO SCION	620	1.24%
THE GILL CORPORATION	460	0.92%
CATHAY BANK	325	0.65%
ASIAN PACIFIC HEALTH CARE VENTURE INC	260	0.52%
THE HOME DEPOT #6673	251	0.50%
EASTLAND SUBACUTE AND REHABILITATION	244	0.49%
LONGO LEXUS	211	0.42%
SAM'S CLUB #6614	203	0.41%
RAMONA CARE CENTER	189	0.38%

- El Monte attracts international corporations through its Foreign Trade Zone.
- Advantages: Reduced US customs dues; Defer customs duties in some circumstances; Increased cash flow on imports.
- Employment: Auto dealerships, manufacturing, construction, and transportation.
- Home to the largest Toyota dealership in the nation as well as 7 new and 41 resale dealerships.
- Businesses generated \$28.9M in sales tax revenue for the City in 2019.
- Labor pool breakdown: 41% white collar / 59% blue collar.
- Industry breakdown: 24.1% in production, transport, and material moving; 24% service jobs; 19.9% in sales and office positions.
- Rio Hondo College provide a constant supply of skilled workers.

## Transportation & Access Highways and Roads

- Interstate 10
- Interstate 210
- Interstate 605
- SR 60
- SR 164
- Ramona Blvd.
- Garvey Ave.
- Santa Anita Ave.
- Valley Blvd.
- Peck Rd.
- Tyler Ave.

## Public Transit

- Los Angeles Metropolitan Transportation Authority
- Foothill Transit
- El Monte Transit
- Silver Line El Monte Station
- Metrolink San Bernardino Line

## Airports

- San Gabriel Airport (El Monte)
- Hollywood Burbank Airport – 27 miles
- Ontario International Airport – 32 miles
- LAX – 33 miles

## Ports

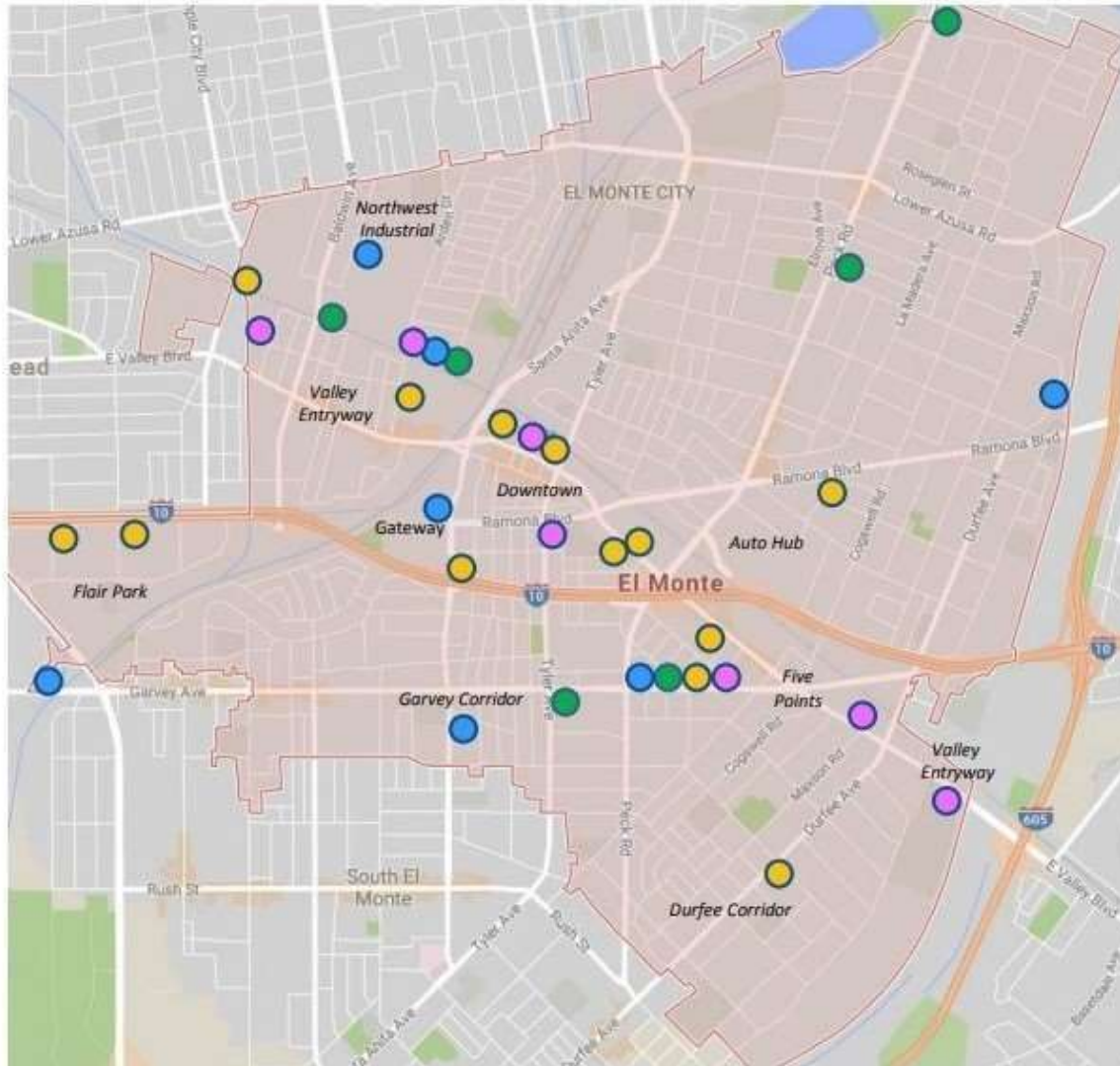
- Port of Los Angeles – 35 miles
- Port of Long Beach – 36 miles



## Development: 2015 - 2020

Parcel 2 – El Monte Gateway Project  
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# El Monte July 2020: Activities Mapped



**Legend**

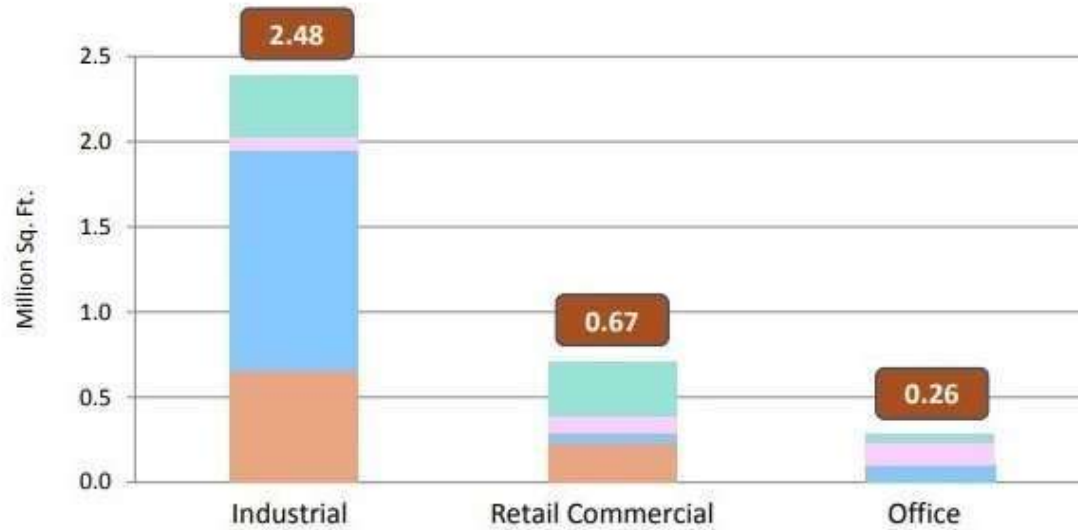
- Completed
- Under Construction
- Entitled
- Proposed or Opportunity



# Development: 2015 - 2020

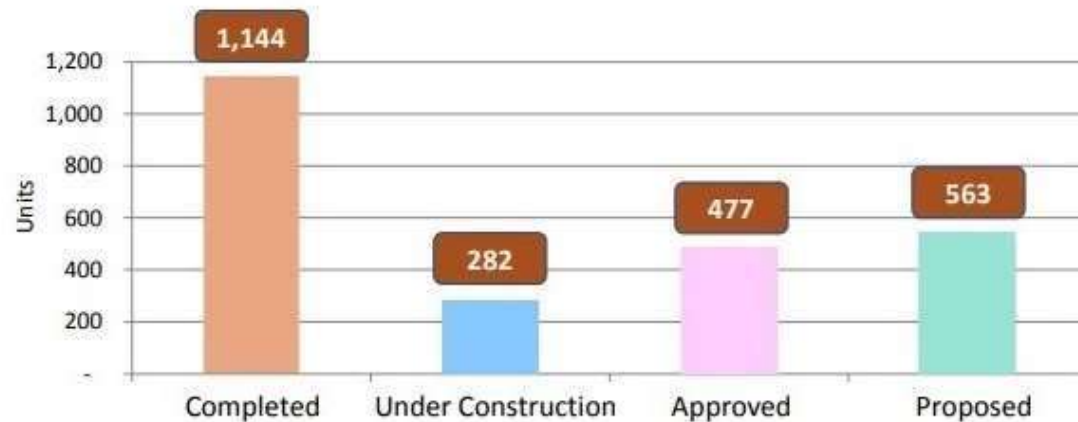
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## El Monte Development: 2015 to 2020



### Non-Residential Development

- Completed 2015 to 7/2020
- Under construction 7/2020
- Approved 7/2020
- Proposed 7/2020



### Multi-Family and Single-Family Residential Development

Source: City of El Monte (2020)



# San Gabriel Valley Submarket

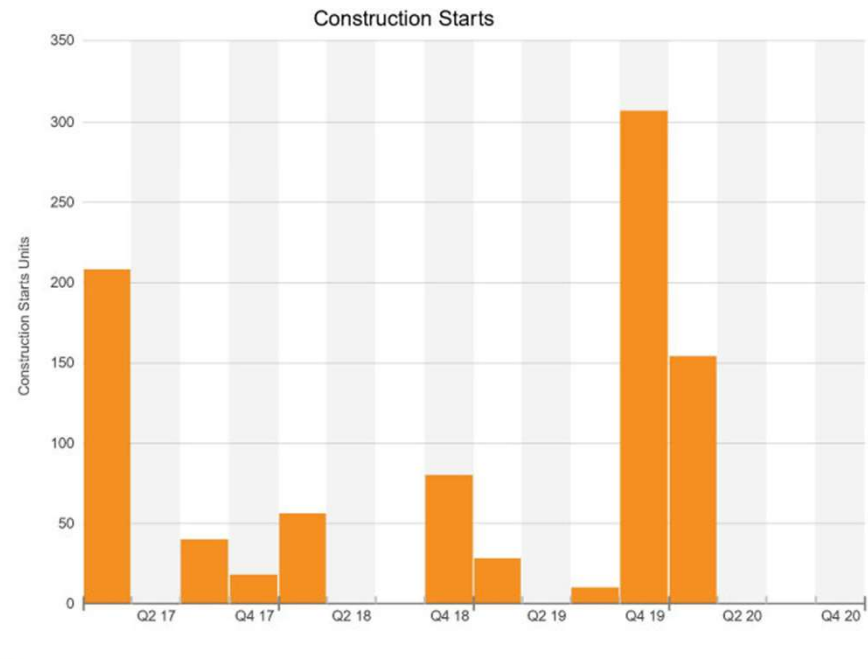
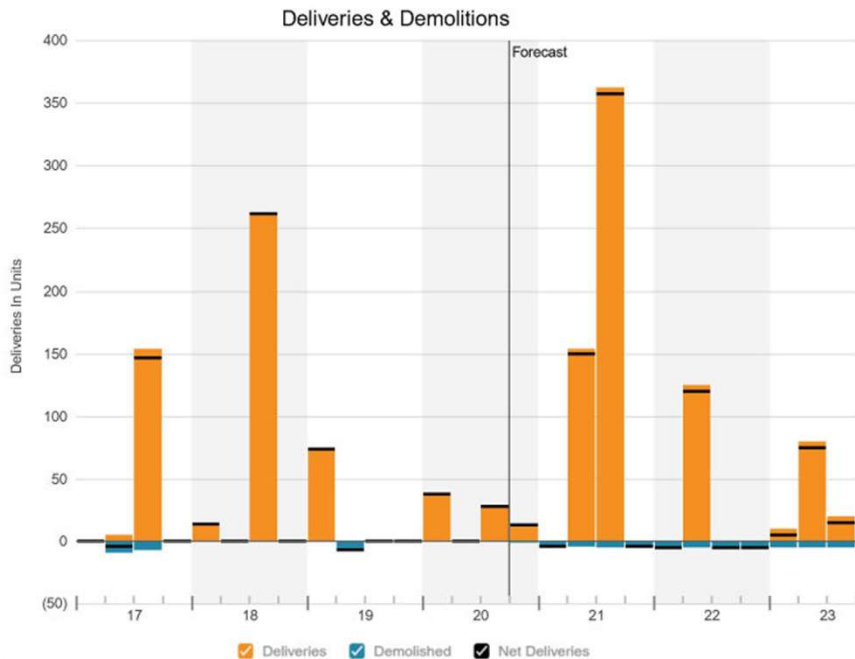
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## Multi-Family Construction Market Overview

Given the size and population of the submarket, overall multifamily construction remains limited. Existing inventory grew by less than 1% each year since 2014. There are currently about 760 units underway.

Despite a lack of recent development, San Gabriel Valley is the largest apartment submarket in Los Angeles, with about 62,000 market-rate units. The majority of these are lower-tier developments built more than 20 years ago. Less than 5% are in 4 & 5 Star developments, compared to about 10% in the greater Los Angeles market. Recent construction has been centered around transit stops with the two most prominent being the Gateway Project currently under review as the redevelopment of the Station Square along the Gold Line.

The Station Square area master-planned transit village was designed by Lincoln Property Company, and includes parking, retail, and a 261-unit apartment community dubbed Moda at Monrovia Station which completed in late 2018. The community had nearly stabilized before the outbreak disrupted local apartment markets. Several additional major developments totaling more than 1,000 units are proposed for Station Square, including Trammel Crow's 436-unit Alexan Monrovia and Century West's 301-unit NEXT Monrovia.





# San Gabriel Valley Submarket

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## Multi Family Rental Market Overview

Vacancies are rising in the San Gabriel Valley as the economic impacts of the coronavirus pandemic undercut apartment demand. However, outlying suburban submarkets like this one are holding up better during the slowdown than pricey Westside and Central neighborhoods. There's not much new construction going on here either, and the lack of supply pressures should help mitigate the worst impacts of the pandemic.

Rents are falling in wider L.A. County, but in the San Gabriel Valley they're above pre-pandemic highs. Average rent levels here trail the metro average by around 20%, and that affordability is proving to be an important demand driver as renters look to cut costs.

Given the size of the submarket and persistent shortage of housing in the region, construction remains very limited here. The majority of new development here is centered around transit-oriented communities in Monrovia and El Monte, and single-family zoning inhibits development in many local communities.

Investment activity hasn't completely dried up since the onset of the pandemic, but overall trading is down sharply. Investors priced out of L.A.'s premier submarkets were busy here prior to the outbreak, and the largest multifamily sale in submarket history took place around mid-year 2019.

AVAILABILITY	SUBMARKET	MARKET
Vacancy Rate	4.5% ↑	6.1% ↑
Vacant Units	2.8 K ↑	59.3 K ↑
Market Asking Rent/Unit	\$1,640 ↑	\$1,934 ↓
Market Effective Rent/Unit	\$1,628 ↑	\$1,915 ↓
Concession Rate	0.7% ↑	1.0% ↑
Studio Asking Rent	\$1,172 ↑	\$1,444 ↓
1 Bedroom Asking Rent	\$1,455 ↑	\$1,743 ↓
2 Bedroom Asking Rent	\$1,754 ↑	\$2,243 ↓
3 Bedroom Asking Rent	\$2,176 ↑	\$2,886 ↓

SALES	SUBMARKET	MARKET
Market Sale Price/Unit	\$294 K ↑	\$340 K ↑
12 Mo Asking Sale Price/Unit	\$299 K ↑	\$312 K ↑
12 Mo Sale to Asking Price Diff	-5.0% ↓	-5.9% ↓
Market Cap Rate	4.3% ↓	4.3% ↓
12 Mo Sales Volume	\$387 M ↓	\$7.4 B ↓
12 Mo Transactions	81 ↓	1,599 ↓
Months To Sale Past Year	5.4 ↑	4.4 ↑
For Sale Listings	42 ↑	805 ↑
For Sale Units	551 ↑	9,301 ↑

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818.905.2400 | cjackson@naicapital.com

Cal DRE Lic # 01255538

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Senior Associate - Land Use Division

818.905.2400 | sberman@naicapital.com

Cal DRE Lic #00967188

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818.905.2400 | mvillagomez@naicapital.com

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## Contact Information

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