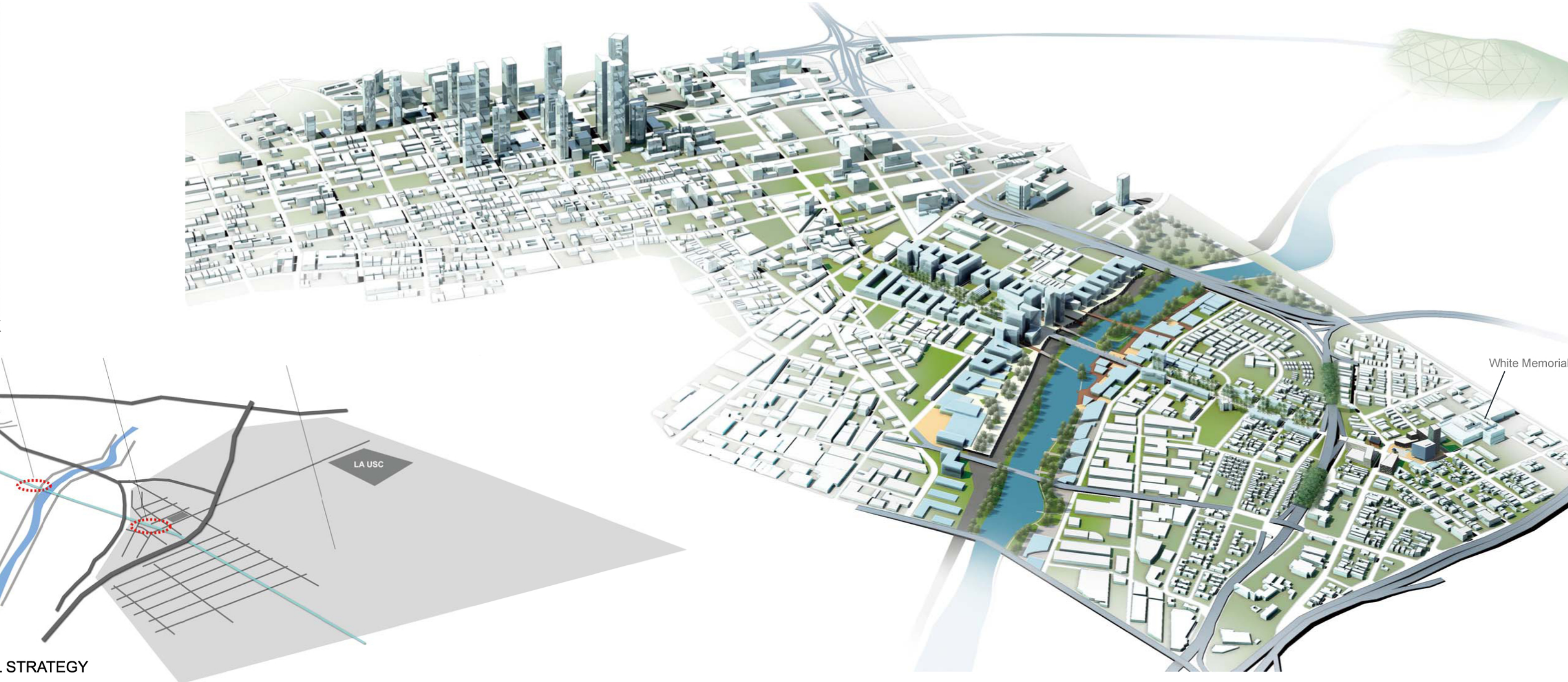


# SPANNING THE DIVIDE

## PRIMERO PASS, LOS ANGELES

**Grand Vision -**  
Spanning the physical and socio-economic divide of the site, *Primero Pass* connects both sides of the city. *Primero Pass* is a crucial area of urban land, that spans two diverse lands. The LA river and two freeways physically separate both sides. The education, income differences, as well as the language and cultural shift, further divides socio-economically the residents of this site.

Both barriers reinforce the concept of Los Angeles as an "archipelago of culture" connected only through freeways. Our concept is to SPAN THE DIVIDE of the city through attraction, interaction, permeation and infiltration. Our site has the important role of bridging the different archipelagos in L.A., socially, physically and financially.

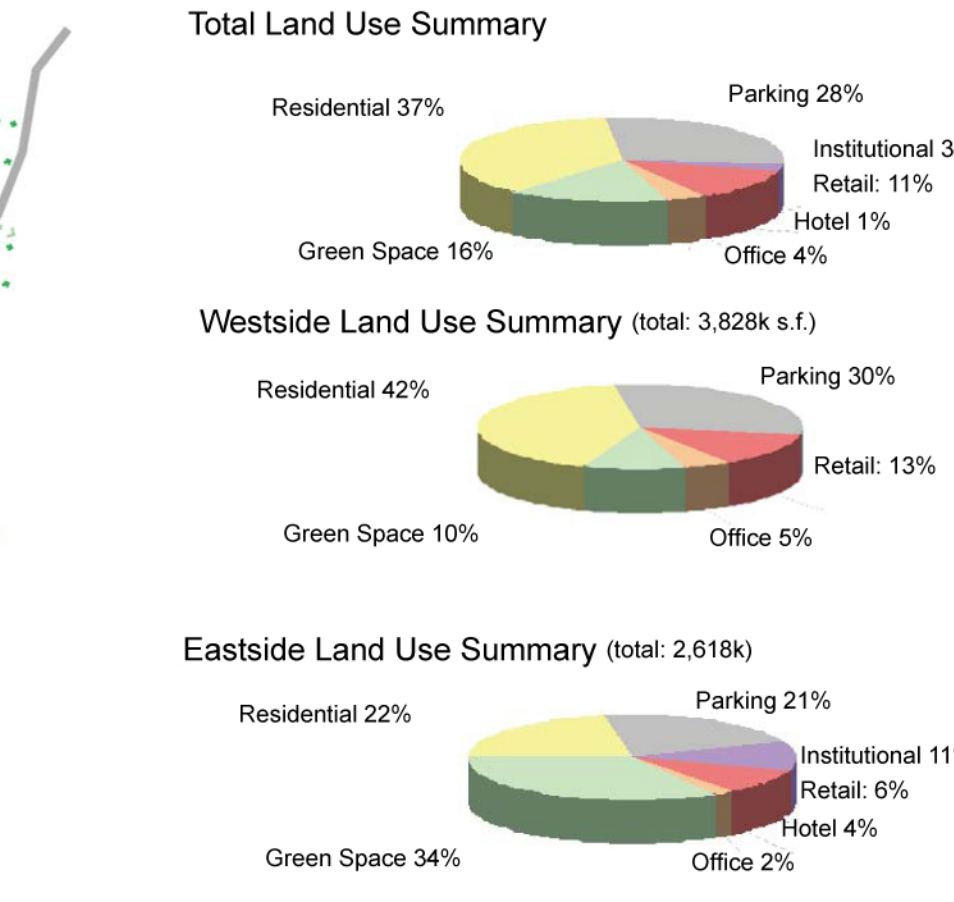
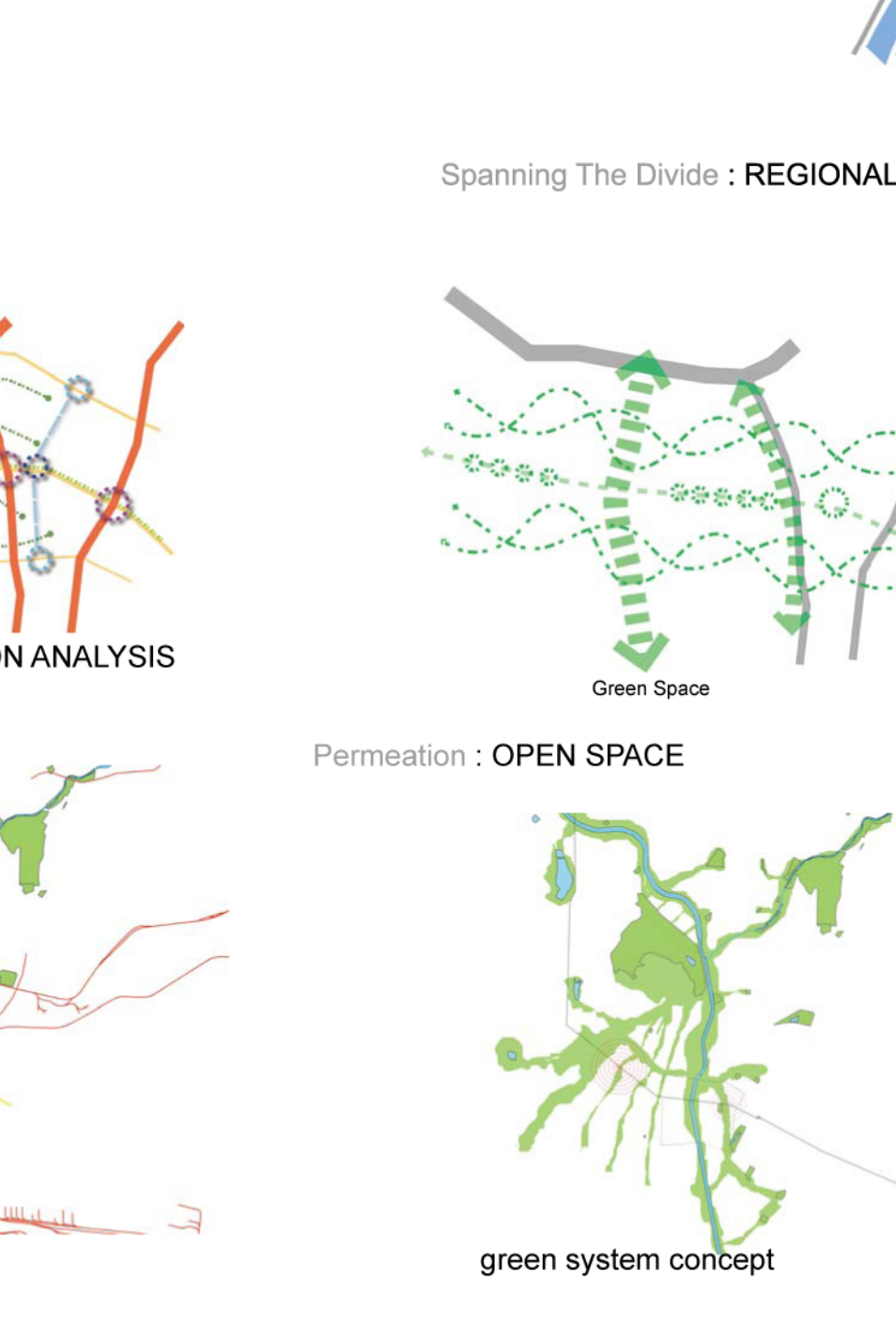
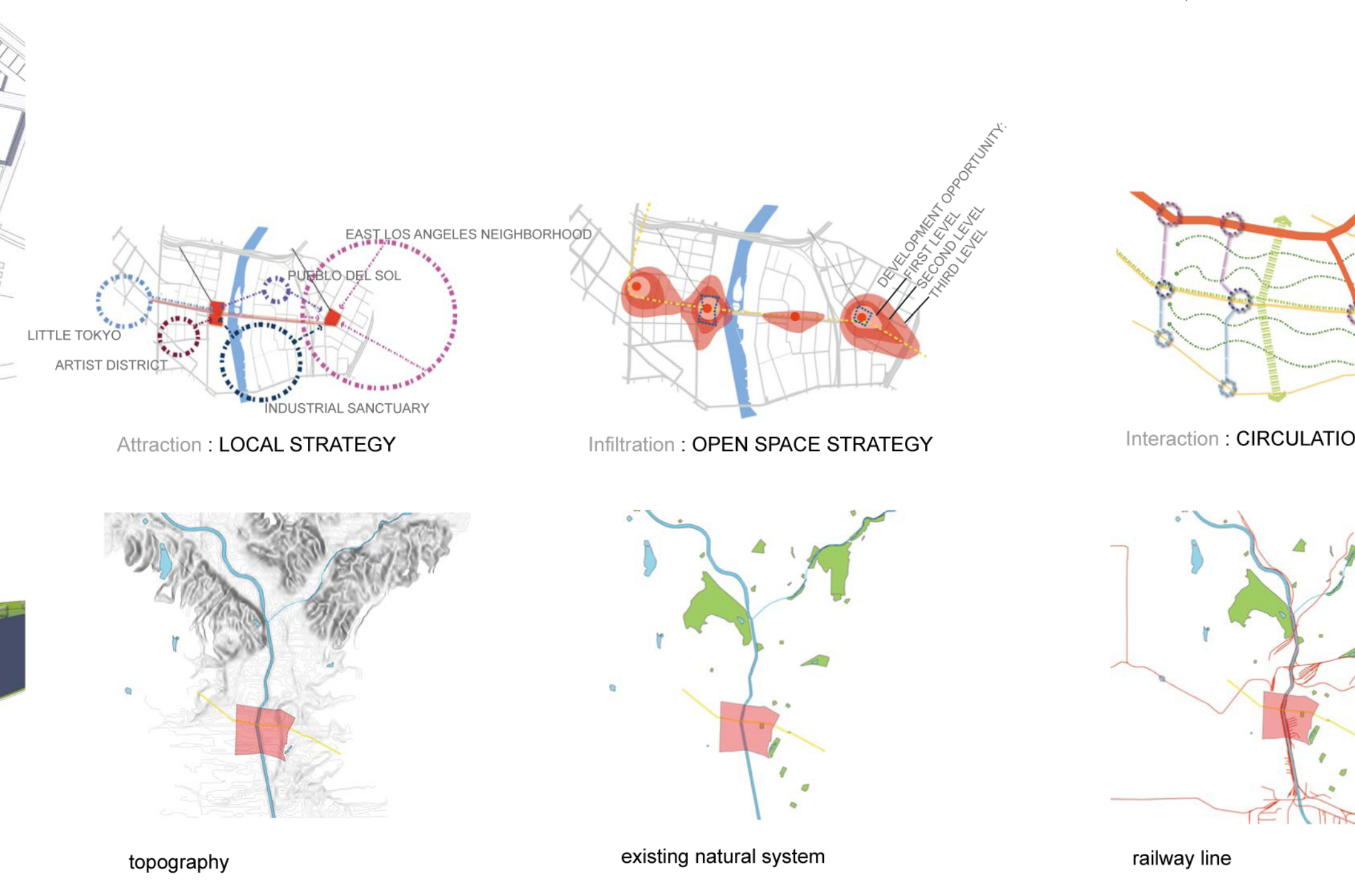


Our development proposal addresses both local and regional needs. We enclosed Mariachi Plaza at Boyle and First Streets to provide an enlarged public space to celebrate the cultural heritage of the community and attract local residents to work, learn, live and shop.

We capitalized on the adjacency of White Memorial and LA USC hospitals by building a trade school for medical professions, ensuring income flow from our parcel and higher education for the young, lower-income community members. The hotel will serve the families of hospital patients for extended stays.

The platform, high density mixed-use area at First Street and the river will serve as a catalyst for similar redevelopment along the west bank of the river. The added subway station at the river will be sure to encourage public use of the natural domain.

The parking nodes added throughout the site will encourage metro use and ease congestion throughout Los Angeles.



Assumptions	For Sale Housing	Low Income Rental	Moderate Income Rental	Market Rate Rental	Parking	Retail	Office	Hotel	Institutional
Sale Price (\$/sq ft)	200	---	---	---	---	---	---	---	---
Rev/RevPAR Rate (\$/room)	---	---	---	---	---	---	---	120	---
Rent Rate (\$/sq ft)	---	9	13	18	---	25	29	---	29
Parking Rate (\$/space/day)	---	---	---	---	100	8	---	8	---
Parking Ratio	2.0 Unit	1.5 Unit	1.5 Unit	1.5 Unit	---	2.0 1000 sq ft	2.0 1000 sq ft	2.0 1000 sq ft	2.0 1000 sq ft
Vacancy/Occupancy Rate (%)	---	4.3	4.3	4.3	---	8.1	15.0	74.0	0.0
Operating Expense Rate (%)	---	20	20	25	---	35	35	20	20
Construction Costs (\$/sq ft)	---	95	90	90	---	45	75	107	120
Cap Rate (%)	---	5.0	5.0	5.0	---	6.0	6.0	6.0	6.0
Rev/RevPAR Escalation (%)	---	---	3.1	3.1	---	3.0	4.4	6.6	3.0
Land Acquisition Costs	\$80/sq ft	---	---	---	---	---	---	---	---
Interest Rate	8.25%	---	---	---	---	---	---	---	---
Inflation	3.0%	---	---	---	---	---	---	---	---
Revaluation Limit	2.0%	---	---	---	---	---	---	---	---
City Real Estate Tax	1.05%	---	---	---	---	---	---	---	---
Parking Space Per Car	350 sq ft	---	---	---	---	---	---	---	---
Hotel Space Per Room	500 sq ft	---	---	---	---	---	---	---	---
Discount Rate	10.0%	---	---	---	---	---	---	---	---
For Sale Family Housing	---	---	---	---	---	---	---	---	---
Moderate Income Rental	---	---	---	---	---	---	---	---	---
Market Rate Rental	---	---	---	---	---	---	---	---	---
Equity Portion	---	---	---	---	---	---	---	---	---
Debt Portion	---	---	---	---	---	---	---	---	---

Financial Feasibility	Phase I	Phase II	Phase III	Total
Construction	Year 0-3	Year 3-4	Year 4-5	1,293,290
Income	156,075,452	28,041,811	17,526,362	201,643,625
Gross Rent	-5,757,419	-1,935,827	-759,182	-8,452,428
Less Vacancy	150,318,033	26,505,784	16,770,180	193,593,996
Effective Gross Income	---	---	---	---
Operating Expenses	-41,420,815	-3,778,055	-2,894,384	-48,094,255
Depreciation	-14,440,000	-5,360,000	-2,894,384	-42,694,384
Total Expenses	-55,860,815	-9,138,055	-5,788,768	-70,787,638
Net Operating Income	104,897,217	22,726,725	13,975,796	145,499,739
Development Costs	76,317,000	22,190,000	12,648,500	111,155,500
Construction	11,552,000	7,352,000	4,288,000	23,192,000
Land	14,440,000	5,190,000	2,894,384	22,524,384
Infrastructure	---	---	---	---
State Enterprise Zone	---	---	---	---
Water and power electric discount rate	---	---	---	---
Sever facility charge exemption	---	---	---	---
Federal Empowerment Zone	---	---	---	---
Business tax waiver	---	---	---	---
Renewable Communities	---	---	---	---
Commercial revitalization deduction	---	---	---	---
Low income housing credit	---	---	---	---
Infrastructure Funding	---	---	---	---
Public subsidy	---	---	---	---
TELCU contribution	---	---	---	---
Terminal Sale Value	132,285,956	21,861,552	15,393,932	169,541,440
Total Cash Flow	138,874,173	5,856,278	6,973,228	151,703,679
IRR	24.3%	12.3%	14.3%	20.8%

Project Development - Summary	Units
Residential	204 units
For Sale Townhouses/Condos	73,500 sq ft
Low Income Rental Apartments	98,000 sq ft
Moderate Income Rental Apartments	48,000 sq ft
Market Rate Rental Apartments	24,500 sq ft
Total	245,000 sq ft
Medical Community College	142,000 sq ft
Clinical Research Lab	63,000 sq ft
Latino Museum	25,600 sq ft
Parking	958 spaces
Structured Below Grade	1,328 spaces
Retail	81,600 sq ft
Service Retail	40,000 sq ft
Hotel	326 rooms
Patient Family Extended Stay	326 rooms
Office	82,000 sq ft
Low to Mid-Rise Office	82,000 sq ft
Total Phase I	838,080 sq ft
Total Project	1,280,280 sq ft

Project Development - Phase I	Units
Residential	23 units
For Sale Townhouses/Condos	8,400 sq ft
Low Income Rental Apartments	11,200 sq ft
Moderate Income Rental Apartments	5,600 sq ft
Market Rate Rental Apartments	2,800 sq ft
Total	28,000 sq ft
Medical Community College	142,000 sq ft
Clinical Research Lab	63,000 sq ft
Parking	958 spaces
Structured Below Grade	1,328 spaces
Retail	15,200 sq ft
Service Retail	40,000 sq ft
Hotel	326 rooms
Patient Family Extended Stay	326 rooms
Office	82,000 sq ft
Low to Mid-Rise Office	82,000 sq ft
Total Phase I	838,080 sq ft

Project Development - Phase II	Units
Residential	133 units
For Sale Townhouses/Condos	48,000 sq ft
Low Income Rental Apartments	64,000 sq ft
Moderate Income Rental Apartments	32,000 sq ft
Market Rate Rental Apartments	16,000 sq ft
Total	160,000 sq ft
Medical Community College	142,000 sq ft
Clinical Research Lab	63,000 sq ft
Parking	958 spaces
Structured Below Grade	1,328 spaces
Retail	15,200 sq ft
Service Retail	40,000 sq ft
Hotel	326 rooms
Patient Family Extended Stay	326 rooms
Office	82,000 sq ft
Low to Mid-Rise Office	82,000 sq ft
Total Phase II	838,080 sq ft

Project Development - Phase III	Units
Residential	48 units
For Sale Townhouses/Condos	17,100 sq ft
Low Income Rental Apartments	22,800 sq ft
Moderate Income Rental Apartments	11,400 sq ft
Market Rate Rental Apartments	5,700 sq ft
Total	57,000 sq ft
Medical Community College	142,000 sq ft
Clinical Research Lab	63,000 sq ft
Parking	958 spaces
Structured Below Grade	1,328 spaces
Retail	15,200 sq ft
Service Retail	40,000 sq ft
Hotel	326 rooms
Patient Family Extended Stay	326 rooms
Office	82,000 sq ft
Low to Mid-Rise Office	82,000 sq ft
Total Phase III	148,680 sq ft

