

# ALTA POINTE

## A HIGH-RISE, MIXED-USE, RESIDENTIAL PROJECT IN SAN DIEGO, CA.

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Executive Summary: 11<sup>th</sup> and B Street

June 9, 2011



Architectural design

Alta Pointe is an Art Deco 22+ story building, "to be built" project. The 20,000 sq. ft. site has a City approved mixed-use residential high-rise zoning with an F.A.R. (Floor Area Ratio) of 10. Within the 200,000 sq. ft. of planned space, approx. 220 small units can be developed with 6,900 sq. ft. of ground floor retail and underground parking.

The downtown site is located at 1221 11<sup>th</sup> Avenue, 2 blocks south of scenic Balboa Park. The units will feature: 9 ft. high ceilings, over-sized windows and balconies; granite kitchen countertops; stainless steel appliances; open space floor plans and from the upper floors, views of the City, the mountains and the Pacific Ocean. The common area rooftop will feature a fire pit, a whirlpool spa and landscaping.

**HISTORY:** In 2005, the land was under contract for \$15 million dollars as a condominium project. After 2 years, the contract lapsed due to declining market conditions for condominiums. In November of 2010, the Seller defaulted to the bank on the land note. Upon default, the bank contacted us since Calcond LLC was the original contract purchaser, (Philip G. Crifasi, Jr. dba Calcond LLC). On May 23<sup>rd</sup>, the bank agreed to sell the land/note to Calcond LLC for \$3.6 million and permit the note interest to accrue. This is a private, below market sale with the

bank and there are no real estate brokers involved. This is a 76% price reduction and it equates to only \$16,400 per unit which for the San Diego downtown market is inexpensive.

To date, \$835,400 has been invested into this project. The original approved entitlements have lapsed and it will take 4 months for their re-instatement. These entitlements permitting 200,000 sq. ft of above ground development are permitted, as per right, as long as we design within the approved zoning and F.A.R. of 10.

**NEED:** To close with the bank, the project requires a bridge loan of \$2.8 million for up to an 12 month period. This loan brings the delinquent Real Estate taxes current (approx. \$650,000) and covers partial development costs going forward.

**RISK:** In 2010, the downtown residential real estate market turned upward and new condo projects, previously stalled, are proceeding. Since this January, 2011, 62,000 new construction jobs have been created in the designated downtown.

The worst case scenario is to sell the land with re-instated entitlements which repays all of the debt on the project. The best case scenario is to joint-venture with a financial source and develop a middle income apartment or condominium project. To repeat, starting in 2010, the downtown San Diego real estate market has increased in value, therefore we feel the risk on this repayment is low.

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**The Team:**

Developer: For all questions call: Philip G. Crifasi, Jr. (908) 489-5171

480 Ocean Blvd, Suite 8 B, Long Branch, NJ, 07740

Owner: Calcond LLC, a Delaware LLC and California LLC

Builder: To be selected

Insurance: Willis Group and AIG, New York, NY: Mr. Robert Grella  
(212) 804-0575

Legal: Richard Beck: Morris, James, Hitchens and Williams,  
Wilmington, De. (302) 888-6930

William Reavey, San Diego, Ca. Buchanan Ingersoll LLP  
(858) 509-7300

Entitlements to be renewed : Urban Housing Partners, Mr. Sherm  
Harmer, Jr., San Diego, Ca. (619) 325-0444

Architect: LeBarre Co., San Diego: Michael LaBarre (619) 234-0789