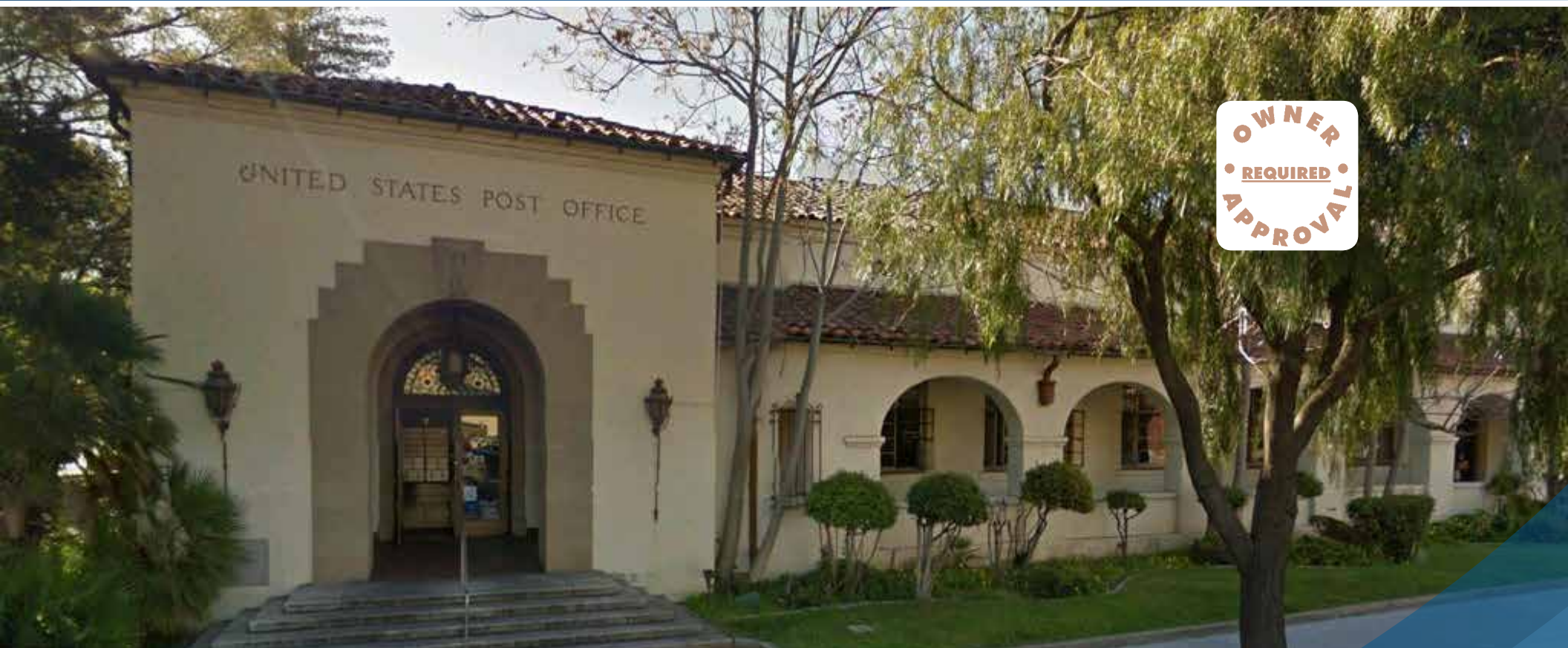


# 380 HAMILTON AVENUE

Palo Alto, California



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# Affiliated business disclosure & confidentiality agreement

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

## Confidentiality Agreement

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

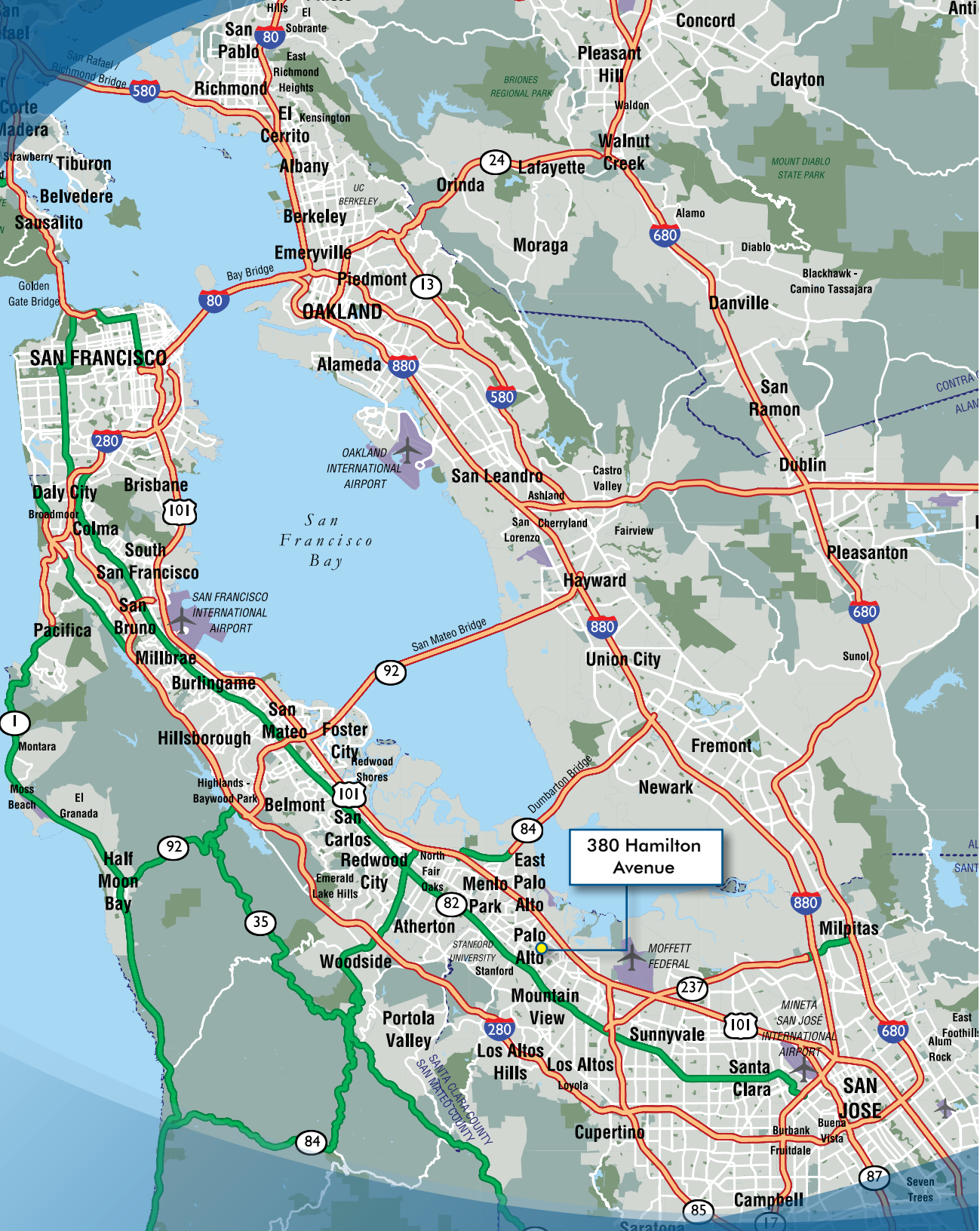
The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.







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## INTRODUCTION

CBRE, as exclusive marketing advisor, is pleased to present you with the opportunity to acquire the 100% fee simple interest in 380 Hamilton Avenue, a  $\pm 22,000$  square foot public facilities building on  $\pm 0.75$  acres situated in Palo Alto, CA. The Property was constructed in 1932, features historic architecture, and is listed on the National Register of Historic Places.

The site is located in the Downtown Palo Alto submarket, west of Highway 101, at the highway interchange of University Avenue and Bayfront Freeway. The project enjoys access to Highway 101 and El Camino Real, the major north-south arterials of the San Francisco Peninsula and Silicon Valley.

## HIGHLIGHTS

- Heart of Downtown Palo Alto
- Exceptional Leasing and Development Upside
- Proximity to amenities, high profile corporations and Stanford University

## OFFERING SUMMARY

Address	380 Hamilton Avenue, Palo Alto, CA
Type	Office/Special Purpose
Total Building Size	$\pm 22,000$ SF
Land Size	$\pm 32,670$ SF (0.75 acres)
Number of Buildings	1
Number of Floors	3 (basement, ground floor, mezzanine)
Year Built	1932
Parking Spaces/Ratio	18 spaces

### PROPERTY SUMMARY

Address	380 Hamilton Avenue, Palo Alto, CA
Total Building Size	±22,000 SF
Land Size	±32,670 SF (0.75 acres)
Parcel Number	120-16-002
Number of Buildings	1
Number of Stories	3 (basement, ground floor, mezzanine)
Year Built	1932
Construction Type	Concrete Block
Parking Spaces	18
Current Zoning	PF- Public Facilities District
Loading Facilities	Two (2) dock height truck lifts



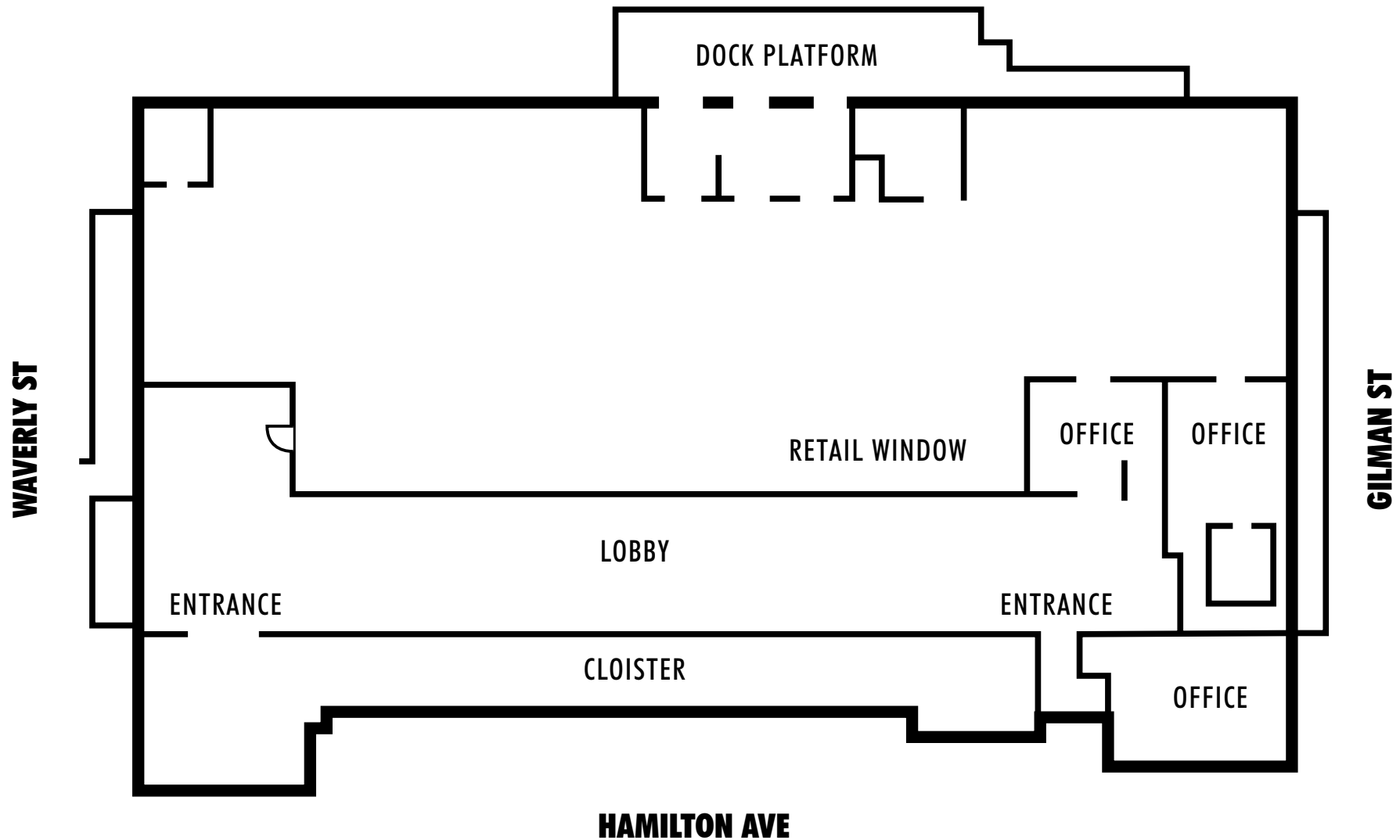
### HISTORIC BUILDING

The Property was designed by prominent local architect Birge Clark in 1932, and contains distinctive arcade frontage, red tile roof with wrought iron grill work inside and out, and lush landscaping. The property was built and designed as a post office and has been functioning for over eight decades. The property is listed in the National Register of Historic Places (#81000175) and is a Category I site in the Palo Alto Historic Inventory. Any demolition of physical change to the building must comply with the City's historic review process.

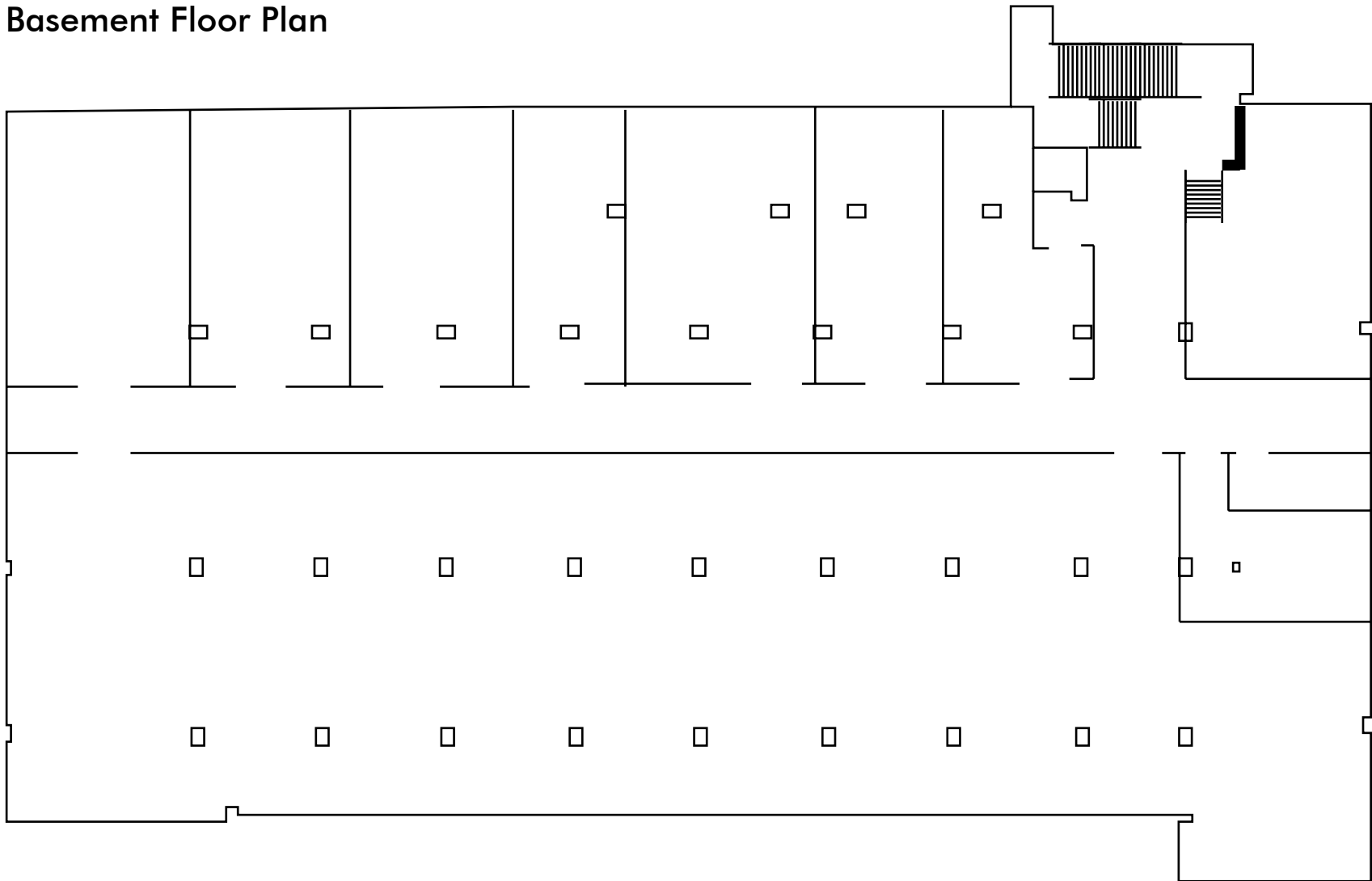




First Floor Plan



### Basement Floor Plan



# MARKET OVERVIEW

## PALO ALTO OFFICE MARKET

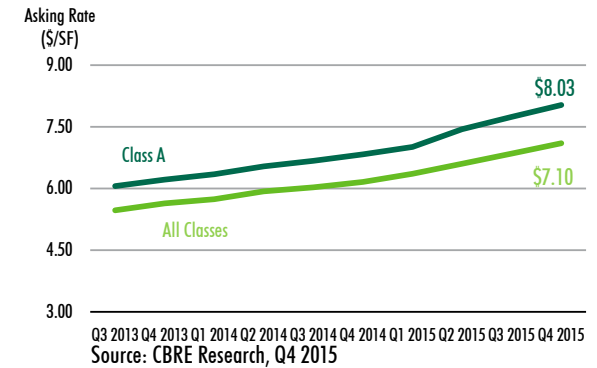
### Total Office Market Statistics

Submarket	NRA	Total Vacancy %	Total Vacant SF	Total Availability %	Total Direct Available	Total Sublease Available	Average Asking Rate*	Q4 Net Absorption	YTD Net Absorption
Redwood City/Redwood Shores	7,551,305	7.8	589,141	11.2	846,306	226,350	5.47	196,849	306,319
A	5,318,370	8.6	458,687	11.2	595,943	201,266	5.75	188,905	337,439
B	1,681,888	6.0	100,975	12.7	214,306	6,675	5.05	14,519	(1,641)
C	551,047	5.4	29,479	6.5	36,057	18,409	4.00	(6,575)	(29,479)
Menlo Park	5,212,981	2.5	128,632	4.2	221,245	46,887	7.21	48,985	163,932
A	1,623,022	4.9	78,651	7.4	120,779	40,337	10.50	36,135	58,354
B	3,307,887	1.4	45,022	2.8	92,173	5,540	5.85	10,850	105,985
C	282,072	1.8	4,959	2.9	8,293	1,010	4.25	2,000	(407)
Palo Alto/East Palo Alto	7,022,643	2.2	155,158	4.8	333,781	77,947	8.35	70,761	320,319
A	3,318,988	2.1	67,913	5.0	165,715	25,982	9.83	45,732	202,813
B	3,285,200	2.5	82,856	4.3	142,598	40,715	7.15	25,029	106,055
C	418,455	1.1	4,389	6.1	25,468	11,250	6.05	0	11,451
Mountain View/Los Altos	7,146,492	1.7	124,788	5.1	361,350	172,887	7.53	(33,050)	590,588
A	4,416,848	0.9	39,008	4.2	187,570	142,494	8.51	(5,999)	617,171
B	2,504,865	3.3	83,185	6.8	169,686	29,703	6.10	(25,221)	(28,036)
C	224,779	1.2	2,595	1.8	4,094	690	4.09	(1,830)	1,453
<b>GPA Total Market</b>	<b>26,933,421</b>	<b>3.7</b>	<b>997,719</b>	<b>6.5</b>	<b>1,762,682</b>	<b>524,071</b>	<b>7.10</b>	<b>283,545</b>	<b>1,381,158</b>
<b>A</b>	<b>14,677,228</b>	<b>4.4</b>	<b>644,259</b>	<b>7.3</b>	<b>1,070,007</b>	<b>410,079</b>	<b>8.03</b>	<b>264,773</b>	<b>1,215,777</b>
<b>B</b>	<b>10,779,840</b>	<b>2.9</b>	<b>312,038</b>	<b>5.7</b>	<b>618,763</b>	<b>82,633</b>	<b>6.18</b>	<b>25,177</b>	<b>182,363</b>
<b>C</b>	<b>1,476,353</b>	<b>2.8</b>	<b>41,422</b>	<b>5.0</b>	<b>73,912</b>	<b>31,359</b>	<b>4.64</b>	<b>(6,405)</b>	<b>(16,982)</b>

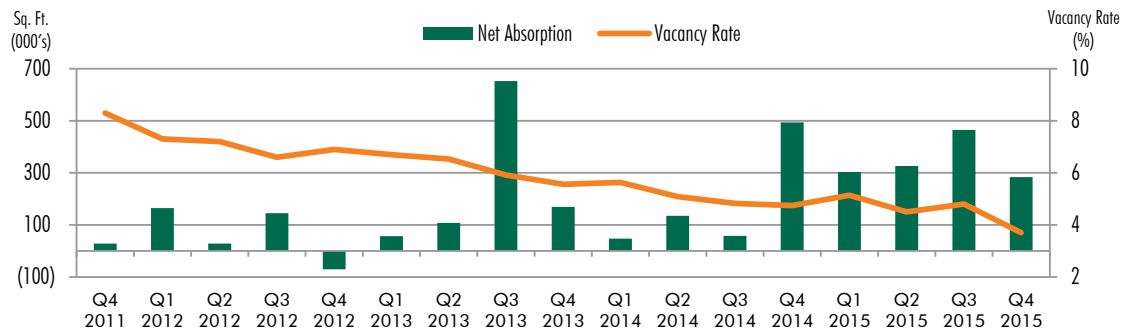
Source: CBRE Research, Q4 2015

\* Direct Monthly Lease Rates, Full Service Gross (FSG)

### Lease Rates



### Net Absorption & Vacancy

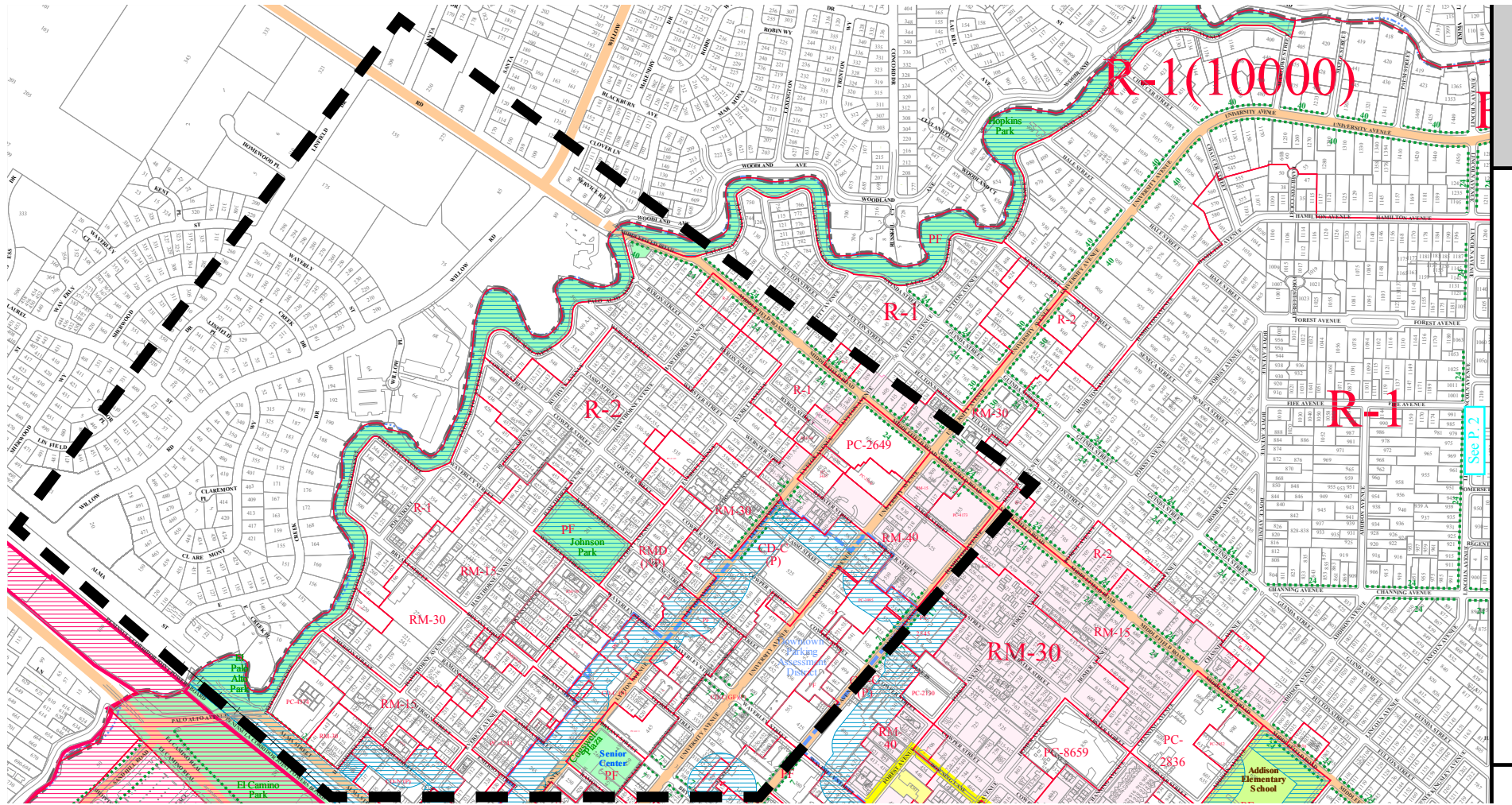


Source: CBRE Research, Q4 2015





CITY LAND USE MAP



### **CITY OF PALO ALTO ZONING INFORMATION**

The site is zoned Public Facilities District (PF). Permitted uses limited to governmental, public utility, educational community services or recreational facilities. Conditional uses include accessory and support uses: educational, religious and assembly uses; administrative office services for non-profit organizations; recreational uses; residential care facilities using existing structures; day care centers.

### **APPLICABLE ZONING FOR NON-GOVERNMENTAL USE:**

A change from a Public Facilities use to a commercial use would require rezoning of this property. If rezoned for private use, the property would be subject to the following zoning provisions in the Downtown Commercial (CD) District, Chapter 18.18. Permitted and Conditional uses are listed in Code Section 18.18.050 Land Uses.

### **HISTORIC DESIGNATION:**

United States Department of the interior, heritage Conservation and Recreation Service, National Register of Historic Places designation 1981, Resource Number 81000175.  
City of Palo Alto, Historic Inventory, Category 1

### **REGULATIONS APPLICABLE TO STRUCTURES DESIGNATED AS HISTORIC IN THE DOWNTOWN COMMERCIAL AREA:**

Title 16 Building Regulations  
Historic Preservation, Chapter 16.49  
These provisions address designation of historic structures in the downtown area, the review process for modifications to structures designated in the Categories 1 or 2 in the City of Palo Alto Historic Inventory are also subject to the zoning regulations of CS 18.18.070 Floor Area Bonuses and CS 18.18.080 Transfer of Development Rights.

### **CITY OF PALO ALTO SEISMIC CLASSIFICATION: PENDING**

Properties located in the Downtown Commercial Area and designated in Categories I, II, or III in the City of Palo Alto Seismic Inventory, are subject to CS 18.18.070 should they undertake seismic rehabilitation.

### **PARKING REQUIREMENTS:**

Parking spaces on site (paved uncovered)  
1970's parking assessment district identified and required 18 on-site parking spaces.

The City of Palo Alto paid for the 28 off-site parking space participation of the Post Office property in the 1970's Downtown parking Assessment District. The payment allows full use of the first/ground floor of the building as long as 18 parking spaces are provided on-site. Should a private developer purchase the Post Office property, the City would need to be reimbursed for the fact that it paid the Post Office's parking assessment in the 1970's.

Parking requirements for future expansion of use within or for any addition to the Post Office structure:

Extension of any use to the existing basement and mezzanine areas and/or any extension of the mezzanine within the building or footprint of the structure would require on-site parking to be provided at a rate of 1 parking space per 250 GSF (1:250 SF). If there is no location on the property for the required parking, these parking spaces can be provided by participation in the Downtown Parking Assessment District. The current in lieu charge for the Assessment District per space (FY 2013) is \$60,750 per space. The in lieu fee is adjusted annually for inflation.

\*All zoning information to be verified by the buyer.



### PRESERVATION COVENANT FOR HISTORIC PRESERVATION

1. The Grantee hereby covenants on behalf of itself, its heirs, successors and assigns at all times to restore, maintain and preserve the Historic Site in accordance with the recommended approaches of the "Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, & Reconstructing Historic Buildings" (National Park Service, 1995) in order to preserve those qualities that resulted in the listing of the Historic Site on the National Register of Historic Places.
2. No construction, alteration or rehabilitation shall be undertaken or permitted to be undertaken that would affect the historic features of the Historic Site without prior consultation with, and the express permission of SHPO, the City or a fully authorized representative of the City. The historic exterior features of the Historic Site are determined to be the following: smooth stucco walls; Spanish clay tile roof; arcade of round arches; original windows fitted with steel sash casements; molded cornice; ornamental glazed tiles set at intervals below the roofline; copper gutters, and downspouts; projecting bays at both ends of the façade; hipped roof sheltering main entrance; arched main entryway with sandstone quoins and an eagle relief in the keystone; metal lanterns that flank the entrance; ornate decorative metal grillwork fills the arched transom above the door; front gable roof over projecting bay southeast entrance; glazed quatrefoil tile adorning the gable end; all original ornamental metalwork; cloister with six wide, round arches spanning the façade; terra cotta tile flooring of cloister; and five original windows located in cloister behind the arcade. The historic interior features of the property are determined to be the following: ox beamed ceilings with dark-stained wood; rustic metalwork chandeliers that hang from the ceiling beams on long chains; metalwork, including the ornamental metal screen in the arches above the service windows; original individual service counters, including sashes, grilles, and wood frames; post office boxes framed in rich wood trim; radiator covers which also incorporate ornamental metal; variegated red marble wainscoting; and marble tiled floors in the lobby. Additionally, while not historic, a Greg Brown mural is located on the Gilman Street façade.
3. The City and authorized representatives of the City shall be permitted at all reasonable times to inspect the Historic Site in order to ascertain if the above conditions are being met.



# ZONING OVERVIEW

## PRESERVATION COVENANT

4. If the Historic Site is conveyed by the USPS to a Grantee other than the City, all costs associated with enforcement of this Covenant shall be payable by the Grantee.
5. Any and all costs incurred by the City in the enforcement of this Covenant shall be payable to the City by the Grantee. This includes the costs of review of all future modifications made by the historic features of the Historic Site, which require review and inspection by the City.
6. In the event of a violation of this Covenant, and in addition to any remedy now or hereafter provided by law, the City and any resident of the city of Palo Alto may, following reasonable notice to the Grantee, institute suit to enjoin said violation or to require the restoration of the property.
7. The City shall have the right to pursue any remedy at law or equity to secure Grantee's compliance with the agreement, covenant and restrictions in this Declaration. If any legal action or proceeding is brought by the City because of any default of Grantee or to enforce a provision of this declaration, the prevailing party shall be entitled, in addition to any other relief, to recover reasonable attorneys' fees and court costs from the losing party as determined by the court in which said action or proceeding is pending. This Covenant is binding on the Grantee, its heirs, successors and assigns in perpetuity. All stipulations and covenants contained herein shall be inserted by the Grantee verbatim or by express reference in any deed or other legal instrument by which the Grantee divests itself of any interest in the Historic Site or any part thereof.
8. The failure of any person or entity permitted by the terms hereof to exercise any right or remedy granted under this instrument shall not have the effect of waiving or limiting the exercise of any other right or remedy or use of such right or remedy at any other time.
9. This Covenant shall be a binding servitude upon the Historic Site and shall be deemed to run with the land. Execution of this Covenant shall constitute conclusive evidence that the Grantee agrees to be bound by the foregoing conditions and restrictions and to perform to obligations herein set forth.
10. The City may, for good cause, and following notice to the public, modify or cancel any or all of the foregoing restrictions upon application of the Grantee, its heirs, successors or assigns.





**POPULATION**

	<b>1 Mile Radius</b>	<b>3 Mile Radius</b>	<b>5 Mile Radius</b>
2015 Population	19,100	148,248	271,366
2020 Population	20,114	155,402	285,263
2010 Population	18,082	141,138	257,404
2000 Population	16,515	136,226	249,728
Percent Pop Change: 2010 to 2015	5.63%	5.04%	5.42%
Percent Pop Change: 2015 to 2020	5.31%	4.83%	5.12%

**HOUSEHOLDS**

	<b>1 Mile Radius</b>	<b>3 Mile Radius</b>	<b>5 Mile Radius</b>
2015 Households	8,716	52,492	97,291
2020 Households	9,165	55,126	102,439
2010 Households	8,289	49,976	92,276
2000 Households	8,075	48,344	90,092
Growth: 2010 to 2015	5.15%	5.04%	5.43%
Growth: 2015 to 2020	5.15%	5.02%	5.29%
Average Household Size	2.16	2.67	2.68

**INCOME**

	<b>1 Mile Radius</b>	<b>3 Mile Radius</b>	<b>5 Mile Radius</b>
2015 Average HH Income	\$188,139	\$159,539	\$144,495
2020 Average HH Income	\$202,908	\$171,099	\$155,799
2000 Median HH Income	\$89,454	\$77,614	\$71,991
2015 Median HH Income	\$122,917	\$99,703	\$90,151
2020 Median HH Income	\$137,083	\$109,217	\$99,260
2015 Per Capita Income	\$85,856	\$56,490	\$51,805

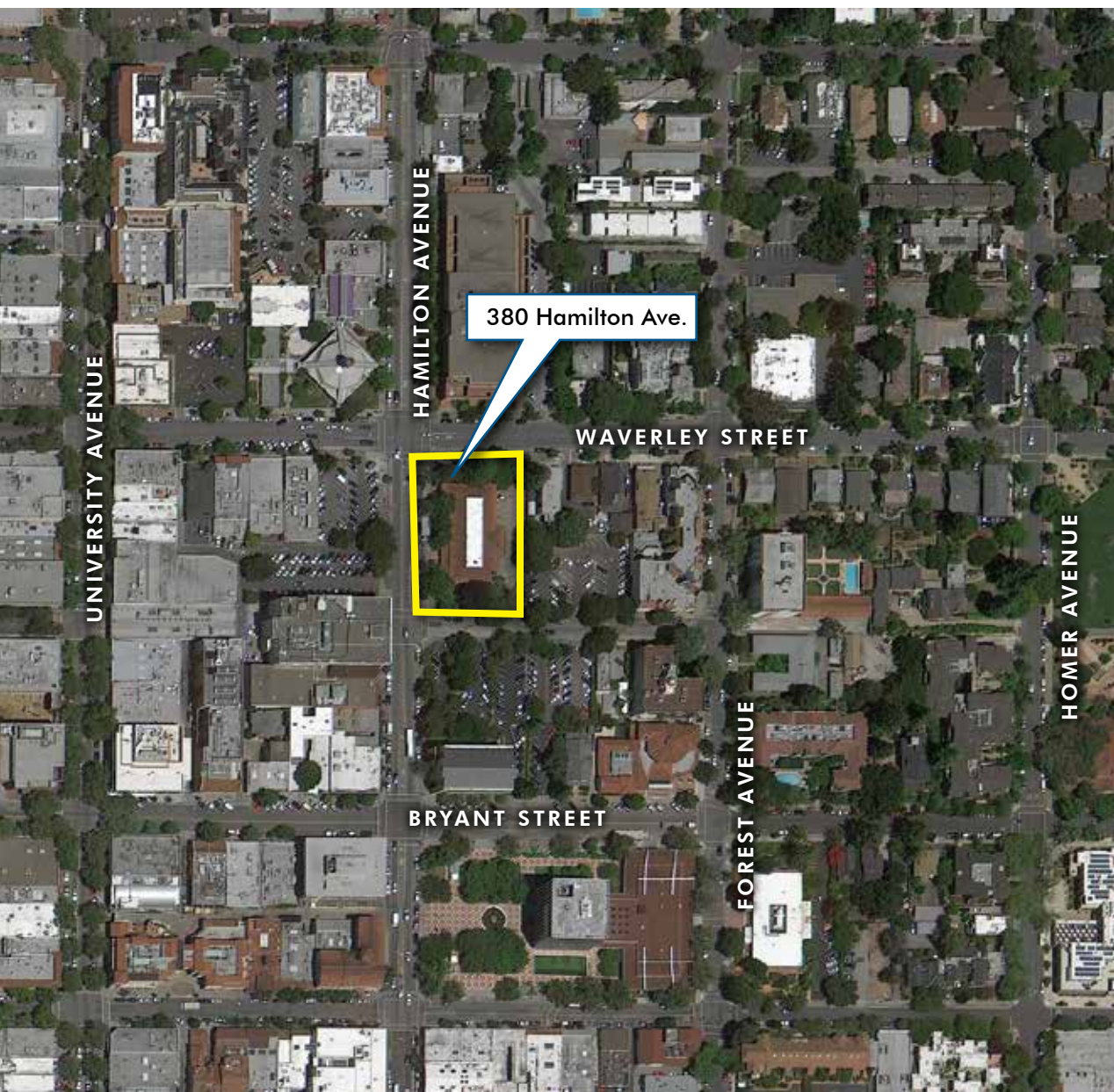
**HOUSING**

	<b>1 Mile Radius</b>	<b>3 Mile Radius</b>	<b>5 Mile Radius</b>
2015 Housing Units	9,348	55,793	102,982
2015 Occupied Housing Units	8,716	52,492	97,291
2015 Vacant Housing Units	632	3,302	5,691
2015 Owner-Occupied Housing Units	4,073	27,175	48,795
2015 Renter-Occupied Housing Units	4,643	25,316	48,496



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