Ride The Wave Of Innovation Into Downtown LA

The Downtown Los Angeles Renaissance has transformed the city’s center into the dynamic, 24/7 destination many now call DTLA. This evolution has been most evident in the explosive growth of its residential population, its world-class cultural and culinary scene, entertainment and nightlife, and the phenomenal building boom that this revival has spurred.

Less obvious, but equally important for the next phase of Downtown’s development—let’s call it DTLA 2.0—is the new generation of businesses being drawn to Downtown—the innovators and entrepreneurs in tech and creative industries that are rapidly diversifying its commercial sector. From Hyperloop One, Steelcase and Nationbuilder, to NastyGal, Soylent and AEG/Goldenvoice, DTLA is increasingly home to the businesses of tomorrow. Attracted by access to talent and transit, proximity to culture and commerce, these companies are remaking DTLA in their image, with a premium on collaboration and creativity.

In an effort to support this burgeoning ecosystem and attract more innovative companies to the area, the Downtown Center Business Improvement District (DCBID) has launched programs to expose ever-greater numbers of thinkers and tinkerers, makers and doers to all the assets and advantages that Downtown has to offer. From connecting entrepreneurs to leaders of industry and investment, government and education; to producing leading economic studies, reports, events, and tours, the DCBID is helping build the future of business in DTLA.

TIME FOR YOUR BUSINESS TO GET URBAN

In the spring of 2015, the DCBID launched the immensely successful Get Urban initiative to highlight the benefits of locating Downtown and showcase the new generation of creative businesses calling Downtown home. These experiential tours provide prospective entrepreneurs with an insider’s perspective of Downtown’s most innovative companies, workspaces, and properties. From eclectic and historic, to industrial and chic, to high-rise glass and steel, DTLA offers a diversity of buildings, neighborhoods and public spaces unlike any other in Los Angeles, and has solutions for every industry and every passion.

Showcasing the vibrant co-working spaces of WeWork, Cross Campus, and DesignHive; iconic properties such as the Pacific Mutual Building, The Broad Museum, and Grand Central Market; and the creative office spaces of Gensler, CBRE, and Nationbuilder, among many others, the popular Get Urban tours have reached capacity at every stop. To get your insider’s look into what all the buzz is about, Get Urban tours are hosted on the 4th Thursday of every month. While complimentary, space is limited and reservations are required. Go to DowntownLA.com/GetUrban for a list of upcoming tours and to reserve your place in DTLA.

INNOVATE DTLA: GROWING THE BUSINESSES OF THE FUTURE

With its growing number of new and entrepreneurial businesses, Downtown is also developing an increasingly robust “innovation infrastructure” and “culture of creativity” as seen in the dramatic rise in the number of business incubators, accelerators, and financiers emerging to nurture their growth. Los Angeles CleanTech Incubator (LACI), Grid 110, The Reef, Indie Desk, StartupsDTLA, and USC’s Viterbi Startup Garage are just a few examples.

To support the evolution of this dynamic ecosystem, the DCBID is building on the success of the Get Urban program with the launch of “Innovate DTLA”—a collaboration with the Brookings Institution and Project for Public Space, based on their groundbreaking research on Innovation Districts and their Bass Initiative on Innovation and Placemaking.

The Innovative DTLA initiative will launch in June of this year with a gathering of Downtown’s business, education, civic and community leaders; followed by a series of workshops to connect and gather more information about downtown’s entrepreneurs and businesses of the future; and conclude with the release of the Innovative DTLA Report as part of the DCBID’s participation in Los Angeles County’s annual Innovation Week, currently slated for October of this year.

Findings from the report will guide Innovative DTLA’s goals and activities for the coming year, and assist in establishing an innovation leadership committee to foster and facilitate the future of business and innovation in Downtown Los Angeles for years to come. While it may have taken 17 years to build the engine, innovation in DTLA is just taking off.

For more information on Innovative DTLA, visit www.downtownla.com/InnovateDTLA.
MVE + Partners is regarded as a leading architecture and planning firm with a unique approach to each design and a long history of successful projects. The 42-year old company is approaching a milestone with the opening of a second office in Downtown Los Angeles next month. Designing and planning multifamily communities has been a core expertise for the company, and is balanced by the firm’s activity in designing high-rise mixed-use buildings, office towers, and interior architecture projects. We sat down with MVE + Partners Vice President Rick Castillo, who will lead the new Los Angeles office, and Principal Matt McLarand, a leader in the design of MVE’s current Downtown Los Angeles projects.

Q: Please describe MVE’s history and connection to the Los Angeles.  
CASTILLO: Throughout our history, we have had strong ties to both the people and the real estate in Los Angeles. Landmark MVE projects such as the MTA Tower and Wilshire Courtyard have been woven into the urban fabric for decades. Over the years we have grown our presence in the region through high-profile multifamily and mixed-use projects for developers like Camus Affiliated and Holland Partner Group. Additionally, our people are rooted in Los Angeles. For example, Sherwin Pineda, our lead designer, has been a resident of the LA Arts District for six years, and three of our studio leaders graduated from LA’s USC (Matt McLarand and Sherwin Pineda) and the Southern California Institute of Architecture (Luis Arambula). Los Angeles is an exciting place to be and we honor our history here as we move forward to exceptionally design the next wave of projects in the region.

Q: There is a significant amount of construction in Downtown LA. Please describe MVE’s involvement in this development boom.  
CASTILLO: Downtown is a really special place right now. Everywhere you turn there are new developments and construction cranes dotting the skyline. We currently have two projects under construction in the area, both of which are 24-story, mixed-use residential developments along the border of the Historic Core and Fashion District. The projects are being developed by owner Holland Partner Group and are located across the street from each other at 755 and 732 Spring Street. Due to the historic nature of the surrounding buildings, these two towers will be the tallest buildings in the surrounding area offering 360-degree views of the Los Angeles skyline from the top floors. Completion of 755 and 732 Spring Street is scheduled for mid-2018.

Q: These developments are located in a dynamic environment. Tell us about your inspiration for the 755 and 732 Spring Street projects, if there were any challenges and how you are creating a sense of place with each.  
MCLARAND: Downtown is experiencing a redevelopment renaissance. Los Angeles City recently implemented the Downtown Design Guidelines to maintain the character and lifestyle of the City, and enhance economic activity and walkability. The guidelines are dedicated to preserve the character of the region and encourage high-quality, historic design. As one can imagine, this new protocol carves the options for design direction, and challenged our team to creatively deliver a modern building design that adhered to historic notions.

We approached the design for 755 Spring Street conservatively to closely follow the design guidelines. This was one of the first projects initiated under the new guidelines and features architectural vernacular that parallels the surrounding historic buildings. The design included elements such as a 1920s footprint, wide-aworm columns, classic detailing, ground-floor retail, and the use of materials such as stones and metals to preserve the rich history of Downtown Los Angeles. The historic buildings in the district convey a strong sense of time and place – Los Angeles circa 1920 – and this was undoubtedly our inspiration for the design. 755 Spring Street represents the new world evolving from the old world; it pays homage to the history and vibrancy of the region while offering a place to live and play that is aligned with the modern desires and lifestyles of the community.

Across the street, 732 Spring Street is sympathetic to the datum’s and rhythms of the historic financial buildings up and down Spring Street while integrating a contemporary weave in the façade that was inspired by the creativity and style of the adjacent Fashion District. This is a modern building in the historic core that meets both the historic design guidelines and expresses the energy of the community. Through the pattern in the exterior of the building, the window wall system allows floor-to-ceiling glass and sweeping views of the greater Los Angeles landscape.

CASTILLO: It’s a challenging task to design a contemporary building that integrates well into the urban context and also resonates with the modern style and vibrancy of DTLA. Through honoring the history, lifestyle, and offering an unmatched experience, we have created a sense of place between 755 and 732 Spring Street that has garnered overwhelming support from the community.

The two towers will have shared amenities that include more than 16,000 square feet of ground-floor retail and a pocket park to promote a livable environment, rooftop decks and pools several stories above ground, fitness centers and clubhouses, and more.

Q: You’ve mentioned bridging the traditional design elements with the modern lifestyle of today’s residents in Los Angeles. What are the top trends in multifamily that are fueling your designs today?  
MCLARAND: On the West Coast, especially in urban locations, we see a trend of residents who desire to live within mid- and high-rise buildings. The choice of the housing typology is generally driven by location; many choose to be close to the workplace and public transit, and are drawn to the city dwellers lifestyle. One of the top trends in multifamily design is the idea of hotel-like amenities. In the age of technology and ‘instant gratification,’ people want the same type of services in their living environment – where they can walk downstairs to grab a cup of coffee or go to the gym. As a result, many residents are opting to live in small, well-organized spaces in communities that are rich in on-site or nearby amenities. The Spring Street projects reflect the rhythms of the historic buildings on the exterior, while fulfilling the need for convenience with full-service gyms and workout classes, on-location shops or restaurants, rooftop pools, and outdoor barbecues. We believe that this is a sustainable trend as we grow to be a more technologically driven society and continue on this projected growth pattern.

Q: What is next for the future of MVE in Los Angeles?  
CASTILLO: We are excited about the future of Los Angeles and have several projects underway in the South Bay, Downtown and West LA. To expand our practice and serve our clients in this vibrant market, we are opening a second office in Los Angeles this month located at the corner of 8th and Figueroa in Downtown. There is an emerging segment of opportunity in LA, unlike any other in the nation. We are extremely excited for what the future holds and we are looking forward to being part of the design community and helping to shape urban landscape.
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Great architecture is achieved through talented people, dynamic places, and dedicated practice. At MVE, we harness innovative design and a boldly unique, collaborative approach to connect architecture with communities in fresh new ways.

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Downtown Los Angeles’ Tipping Point

By MIKE CONDON, JR.

Downtown Los Angeles continues to innovate. New residents are trading cars for shoes, choosing to live and work in the renewed heart of our city’s historic core. Like many of those who now call DTLA home, I enjoy a short walk to work and experience our city’s renaissance block after block. Redeveloped historic properties, new construction, stylish condos, trendy hotels and retail – each brush stroke has created vigor that is captivating ever-growing attention.

Investors and developers have noticed, filling in many of the gaps during this cycle. With such an attractive landscape, DTLA has emerged as a global metropolitan powerhouse.

Since moving to South Park five years ago, I have had the pleasure of experiencing this all first hand. I see the city’s potential both as a commercial real estate professional and as a millennial living in the neighborhood, eager to help create a thriving community that chooses to both live and work here.

The gaps were more noticeable just a few years ago, particularly the abundance of surface parking lots throughout DTLA. The first land transaction I completed was a block away from my apartment. I cold called purely out of my own interest to see something better next door and was able to successfully manufacture an off-market deal. What seemed like an odd transaction to my client at the time, the first land transaction I completed was a block from my apartment. I cold called purely out of my own interest to see something better next door and was able to successfully manufacture an off-market deal.

Aside from aesthetically appealing bones, these historic buildings are in high demand due to a forward-thinking policy known as the Adaptive Reuse Ordinance. In short, the ordinance assists developers in expediting approval processes for entitlements and relaxes code requirements that currently apply to new construction.

The importance of establishing a great team to combine this ordinance with historic tax credits and policies such as the Mills Act to reduce property taxes has energized adaptive reuse activity. For developers to bring such properties back to life, navigating the challenges of historic buildings with potential environmental, structural or seismic issues can be costly to rehabilitate and bring to code, just a building’s historic features themselves can prove to be inestimable issues in closing or redeveloping an asset.

When well paired, we all win – the redevelopment of historic buildings has led to some of our city’s biggest success stories, such as the Ace Hotel and PacMutual. As properties like these continue to change hands, we are rewarded for taking similar risks.

Many of these potential opportunities involve irreplaceable historic buildings held too long without improvements, at best with ground-floor retail supporting the underutilized asset. Timing is everything, and the owners of these dilapidated properties are finding it more difficult to resist the surging demand that has led to record sale prices approaching $400 per square foot.

Joining the Cushman & Wakefield family are five top producing real estate professionals with work experience that reaches well beyond the Los Angeles market – driving new capabilities and expertise with local and global clients.

Cushman & Wakefield Downtown Los Angeles is excited to welcome its most recent hires.

Joining the Cushman & Wakefield family are five top producing real estate professionals with work experience that reaches well beyond the Los Angeles market – driving new capabilities and expertise with local and global clients.

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Executive Vice President

Michael Condon, Jr.
Executive Managing Director

Stephen Brey
Managing Director

Michelle Palakodo
Managing Director

Brendan O’Shaughnessy
Managing Director

For more information, please call +1 213 955 5100

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ALONE WE ARE GOOD. TOGETHER WE ARE GREAT.
tion near my home to the Wilshire Grand Center, there is so much opportunity to continue to fill the gaps with ground-up development. Most certainly there are no shortage of buyers if you can find a realistic seller. With over 10,000 units of residential product under construction, it is no wonder that larger national retailers like Whole Foods are moving into the core. It’s astounding to think that in 1999 the total inventory of residential units was only a little over 11,000 and yet there are still an additional 15,000 units in the pipeline. But with rents growing at an average of about 7.5% to 10%, depending on building class, the residential occupancy rate still above 95%, and condo prices at the end of 2015 posting a year-over-year 9.5% growth, the underlying fundamentals are still extremely strong, despite some saying that it is too much too fast. I’m bullish on Downtown LA and the reason for that is because I live here. If you did, I tend to think you would feel the same way too.

As I join Cushman & Wakefield, I am reminded of the work of John Cushman, III, who from the outset of his career was guided by the civic-minded principle of building community. He opened an office in Los Angeles in 1967, and has since actively supported strengthening the foundation of a great city being its great people. Creating opportunity and new space have worked hand in hand to rejuvenate DTLA, continuing the momentum we see today.

Mike Condon, Jr. is Executive Managing Director of the Capital Markets & Industrial Team for Cushman & Wakefield.
Brokers are plentiful, and each tends to specialize in a particular type of space (manufacturing vs. office, for example) and geographical area. Particularly in a hot market, it’s advantageous to find a broker who is intimately familiar with the area you are eying, because they often get the inside scoop on space that’s about to become available; you can at least have a chance of getting to it before it’s widely marketed. Brokers also can provide insight on the quality of different landlords.

However, there are brokers who work for the building owner, not you. Some brokers work on commission, which is paid by the landlord and usually ranges between 3-7 percent of the cost of the lease. This practice can lead to situations where your broker is not working in your best interest.

With that in mind, make sure you get a disclosure statement upfront, which details whether the broker is representing the landlord or the tenant or both. The Commercial Investment Real Estate Institute (CIREI) mandates that all members adhere to their Code of Ethics and Standards of Practice. It’s best to look for brokers who are affiliated with the Society of Industrial and Office Realtors (SIOR) and are Certified Commercial Investment Members (CCIM). These designations will ensure that you’re dealing with an educated and recognized professional.

Once you have found your broker and a site you like, you are ready to start the hard part – negotiating. But tips on getting the best deal will have to wait for a future column.

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