WHO'S BUILDING L.A.

A Quarterly Look at Who’s Building in the City of Angels

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Positioned on eleven acres in Long Beach, 2nd & PCH is a 220,000 square foot, open-air retail and dining destination overlooking the scenic Long Beach Marina. Previously, this development used to sit on an aging SeaPort Marina Hotel. Reimagined as a new retail lifestyle center, the location (6400 E. Pacific Coast Highway) is now open and inviting.

The project was decorated with curated art by Jasper Wong of Pow! Wow! The resort-like seating areas make for a relaxing experience. The center is anchored by a 45,000 square-foot Whole Foods. Other tenants include Shake Shack, The Bungalow, Sephora, Free People, The Shade Store and Barry’s Bootcamp. There are two levels of shops and plenty of parking.

The project features state-of-the-art energy efficiency elements as well, including large photovoltaic panels that provided alternative energy sources as well as shaded parking on the rooftop of the parking structure.

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- The 220,000 sq. ft. open-air retail and dining space is positioned on eleven acres overlooking the Long Beach Marina
- The project ambience is enhanced by artful design and curated art
- Resort-like seating areas
- State-of-the-art energy efficiency elements

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**SPOTLIGHT**

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**CBRE CONGRATULATES R. TODD DONNEY**

For being named once again to the Los Angeles Business Journal’s distinguished LA500 list. The list includes individuals who make LA what it is and what it will become and highlights Todd’s commitment to his work and to CBRE’s success.

R. Todd Doney, Vice Chairman | T +1 213 613 3330 | todd.doney@cbre.com
The completion of the 300,000 square foot Downtown West Medical healthcare campus brings Class-A new outpatient ambulatory care and supporting healthcare to the historically underserved DTLA/Pico-Union/Westlake community. Anchored by HealthCare Partners, which is providing a range of primary, specialty and urgent care, Downtown West Medical’s scope includes a new, 60,000 square foot, four-story healthcare facility at 1120 W. Washington Blvd.

The medical office building is connected to a new 190,000 square foot, nine-level multi-tenant parking structure constructed concurrently with the medical office building. Additionally, a plaza was designed and concurrently constructed to tie in the healthcare facility, the parking structure and an existing 50,000 square foot office building, which has been concurrently remodeled to compliment the healthcare facility, and which is being backfilled with smaller medical tenants (including LabCorp) to create a “medical mall.” Downtown West Medical has become the largest independent outpatient healthcare campus developed in the greater Downtown area.
Quixote North Valley Studios

PACOIMA

This was a first of its kind project for Pacoima’s well-located but aging industrial corridor in the Northeast San Fernando Valley.

Initially slated to be a vanilla tilt-up distribution warehouse, the project was “rescued” at the last minute by Quixote Studios and transformed into a 10-acre full-service Hollywood-style production campus with five sound stages, a mill, 20,000 square feet of creative office space, and significant off-street parking.

By working within the constraints of the already-approved plans for a new distribution warehouse, design firm HPA was able to make significant alterations without triggering a new review process. With a soaring glass facade and 40’ high walls, the main building dramatically elevates the quality of construction in the area. Additionally, Quixote took over an adjacent abandoned warehouse that was a magnet for gang activity and converted it to a mill to support the stages.

Project Highlights

- Ten acre full-service, Hollywood-style production campus with five sound stages and 20,000 square feet of creative office space
- Significant off-street parking
- A soaring glass facade and 40’ high walls
- Adjacent abandoned warehouse has been converted to a mill
Seismic Code Changes: What is the Update and How Does it Affect You?

By DANIEL BROWN

In October 2015, the City of Los Angeles passed Ordinance 183893, which requires the retrofit of pre-1978 buildings to improve the performance of buildings during earthquakes. The ordinance flagged two types of buildings: wood-frame soft-story and non-ductile concrete. This article aims at providing background information to the origin of the ordinance passed in 2015 and looks at the resulting requirements, consequences, and potential liabilities for building owners.

When it comes to seismic events, many Los Angeles residents remember the 1994 Northridge earthquake. During this event, concrete buildings that were constructed prior to the 1976 Los Angeles City Building Code provisions generally performed poorly and collapsed, ultimately causing 57 deaths and approximately $50 billion of damage in today’s dollars. After the earthquake, the City debated how to properly update the code to meet seismic requirements, but changes did not surface immediately.

Everything changed in the early 2010s. After major seismic events in New Zealand, Haiti, Chile, and Japan, earthquake codes became top of mind in cities around the world. January 2014 was especially significant in Southern California, when the Los Angeles Times published an article detailing a list of 1,500 concrete buildings that the University of California identified as potentially at risk of collapse during a future seismic event. The revelation was the catalyst for the creation of the Los Angeles Mayoral Seismic Safety Task Force, which recommended code changes via its “Resilience by Design” paper published in December 2014. Ultimately, these code changes were passed via Ordinance 183893 in October 2015.

So, what exactly is required as part of this ordinance, and what has happened since it passed?

The Los Angeles Department of Building and Safety (LADBS) identified 13,500 soft-story structures built pre-1980 that require mandatory seismic retrofitting. Wood-frame soft-story buildings are generally defined as multi-story structures with large openings on the ground floor, with little to no bracing. The buildings are generally low-rise apartments and condominiums with large openings such as garage doors and/or large retail windows. The timeline to complete the retrofit was seven years through a three-step process: Step one, determine retrofit requirements by 2016. Step two, acquire all necessary permits by 2017. Finally, the third step is to perform the retrofits themselves by 2022.

As of February 2020, 88% of buildings have completed step one, only 49% have completed step two, and 29% have completed the full retrofit construction. Although cost of this work fluctuates depending on requirements, estimates commonly range from $10,000 to $100,000 or more. Non-ductile concrete buildings are much further behind in the seismic retrofitting process. Historically, these larger structures have lower elasticity and do not absorb seismic shaking which can potentially lead to catastrophic structural collapse.

Commonly, these structures are pre-1970 apartment buildings, office buildings, schools, hospitals, and warehouses. Due to the large and complex nature of these kinds of structural modifications, the timeline to retrofit is much longer. The first step is completing and submitting a checklist to LADBS within three years. The second step is determining the retrofit construction requirements within ten years. Finally, the third step is giving the owners an additional twelve years to perform the retrofits themselves. Following this process, building owners technically have until 2041 to comply with the retrofits. The costs can be much higher for retrofitting non-ductile concrete buildings, with estimates ranging from $100,000 all the way up to $2,000,000 or more.

$2 million, concluding that the property owners were negligent. The jury made this finding even though the building was in compliance with city law. As an owner of one of these soft-story or non-ductile concrete buildings, you should be aware of the potential for similar liability in the event of an earthquake, even if you are adhering to the timeline for repair.

If you are in a wood-framed or concrete structure built before 1980, your building may require retrofitting per Ordinance 183893. If you are unsure, the LADBS website has a search tool to identify if your building is one of those flagged to be retrofitted. It is especially pertinent for property owners and managers to know if their respective building is one of those identified by LADBS, so action can be taken quickly.

Expediting your building’s retrofit most importantly saves lives, and may ultimately save dollars and cents in case tragedy strikes.

Daniel Brown is the Special Projects Manager for PCL Construction Services Inc., located in Glendale, CA. The Special Projects department manages construction projects under $15 million in a variety of sectors, including Esoteric, Aviation, Sports, Entertainment, and Higher Education. PCL Construction prides itself on being a trusted advisor and solution provider for a wide number of prestigious clients throughout Southern California. For more information on the seismic retrofit program, or how PCL Special Projects can help you build your vision and share in your success, please contact Daniel Brown at dabrown@pcl.com.
Overcoming Crisis with Ingenuity, Resiliency, and a Zero Harm Safety Culture

Viruses know no borders, and no company is immune to the economic and operational challenges posed by COVID-19. Even so, essential businesses including construction are weathering the storm with tenacity and strength adapting to new ways of partnering, communicating, building, and delivering services to clients – with a key focus on safety.

Currently, Balfour Beatty’s California Division is operating at 100% with 55 local projects up and running. With flexible schedules enabling both on-site and remote work capabilities, the general contracting firm is proud to have all employees working – a result of their rapid “People-First” response.

ADJUSTING JOBSITE BEST PRACTICES TO STAY SAFE

Stepping foot on a Balfour Beatty jobsite today, you’ll be greeted by a Hikvision thermal temperature scanner or a no-contact infrared thermometer detecting the temperature of every person entering the jobsite. You’ll scan a QR code that records jobsite attendance and initiates a daily COVID-19 questionnaire. You’ll notice frequent handwashing stations in addition to 32-ounce bottles of hand sanitizer secured by a local distillery. Every employee you come across will be wearing a Balfour Beatty branded face mask, implementing shift work, and adhering to the CDC’s six-foot physical distancing guidelines. The Balfour Beatty jobsite trailers have been reconfigured in full alignment with the company’s “Workplace Readiness Plan.” As a further protective measure, Balfour Beatty assigns a designated COVID-19 Coordinator to ensure site-wide compliance with all rapidly changing protocols.

STAYING ON SCHEDULE

Understandably, many clients are concerned about the impacts that potential material delays and a possible reduction in the workforce could pose for project schedules. Balfour Beatty teams are leveraging virtual pull-planning sessions, increasing the frequency of schedule updates, and communicating any potential delays in real-time while proactively working with design partners to select materials less likely to be impacted by market volatility. Balfour Beatty is leveraging national and global supply chain partners to get ahead of long-lead items – minimizing schedule impacts.

LEVERAGING TECHNOLOGY TO STAY CONNECTED

Remote working has dramatically changed the way we conduct business. Through the power of technologies like Microsoft Teams and other cloud-based platforms, Balfour Beatty has remained connected and collaborative. From owner-architect-contractor (OAC) meetings, client interviews, industry presentations – and even the occasional social hour – they’ve maximized the use of virtual communication with teammates, clients, and partners alike.

GOING FORWARD

This is a challenging time for everyone; nevertheless, the construction industry is used to overcoming new challenges every day. With proper ingenuity, resiliency, and a Zero Harm Safety Culture, Balfour Beatty’s team of experts and allies will stand by ready to meet the needs of clients, passionately delivering on the purpose to be the best building partner in California.

Information for this article was provided by Balfour Beatty. To learn more, visit balfourbeattyus.com.

Supporting Our Business Customers During Covid-19

• Generous rebates on energy efficient equipment for food service, lighting, and cooling systems to help you save on electricity costs
• No late fees charged during the crisis
• Flexible pay plans available

We’re in this Together
LADWP.com/COVID19Response
NAIOP recently released the results of its second survey on the impact of the COVID-19 crisis on commercial real estate. Although respondents are broadly similar to those released in April, the results reveal a moderate rebound in acquisitions and new development and a modest decline in the outbreak’s effects on current development projects.

Among the key highlights:
The outbreak’s effects on current development projects are slightly less pronounced than they were in April.

The proportion of respondents who reported delays in permitting or entitlements (62.3%) and lower leasing activity for current projects (57.2%) since the outbreak. However, except for a small increase in the share of respondents who reported delays in financing, the share of respondents reporting negative effects on current projects was lower for every metric (delays in permitting, decline in leasing, delays in leasing due to onsite social distancing, government shutdowns, supplies shortages and others) measured than in April. The most notable difference from April is a sharp decline in the share of respondents who reported delays in construction supplies, from 31.1% to 19.1%.

Survey results also point to an increase in acquisition and development activity in industrial and multifamily properties.

The proportion of respondents who reported witnessing new development in the industrial sector increased from 38.5% in April to 25.5% in May, and those reporting acquisitions of existing industrial buildings or those currently under construction increased from 57.3% to 62.6%. The share reporting development of multifamily properties increased from 16.8% to 21.5%.

More respondents expect the outbreak’s effects on their business operations will last longer than a year.

Although a majority of respondents (54.5%) still expect the outbreak will have a significant effect on their business operations for a year or less, the share of respondents expecting this impact to last more than a year has grown, from 36.4% in April to 45.5% in May.

“We are seeing a slight uptick in activity and indications that the immediate negative impact on commercial real estate development may be behind us,” said Thomas J. Bisacquino, NAIOP president and CEO. "The number of respondents who say the outbreak’s effects will linger longer than a year may signal that the economic recovery will be more gradual than initially expected.”

The first survey was completed by 446 NAIOP members between April 20-22, 2020. Respondents represent a range of professions, including developers, building owners, building managers, brokers, lenders and investors. The second survey was completed by 461 NAIOP members between May 18 and 20, 2020. NAIOP plans to issue the next survey this month.

NAIOP: The Commercial Real Estate Development Association is the leading organization for developers, owners, investors and related professionals in office, industrial, retail and mixed-use real estate. NAIOP advances responsible, sustainable development that creates jobs and benefits the communities in which its members work and live.

For more information, visit naiop.org.

Navigating a Safe Return to Work: Best Practices for U.S. Office Building Owners and Tenants

In a new guidance memorandum released last week, NAIOP, the Commercial Real Estate Development Association, has released best practices for the safe return to work in the wake of the COVID-19 shutdown. "We are glad to see the gradual and steady reopening of our office workplaces," said NAIOP President and CEO Thomas J. Bisacquino. "We have to do this correctly to keep people safe and to avoid a resurgence of this disease. Commercial real estate is front and center among the economic factors that will lead us out of this crisis."

NAIOP offers best practices for building owners:

Equipping and Training Staff
All staff require training in the proper usage and disposal of personal protective equipment (PPE), the proper application of disinfectants, proper hand washing techniques and social distancing measures that are in accordance with Centers for Disease Control and Prevention (CDC) and Occupational Safety and Health Administration (OSHA) guidelines.

Cleaning and Disinfecting
Adopting advanced cleaning and sanitation protocols is one of the most immediate and important steps that building owners must adopt to improve occupant health and safety.

Inspection and Maintenance
Maintenance staff need to thoroughly inspect buildings for any damage that might have occurred during vacancy and to ensure that all building systems are in good working order.

HVC systems
HVAC systems are of particular importance due to their role in circulating and purifying the air. Prior to reopening, conduct an air flush of the building to reduce pollutants and particulate matter in interior space.

Facilitating Social Distancing and Hygiene
Use signs to identify the safest routes for foot traffic within buildings. Where possible, owners should collaborate with tenants to identify and demarcate one-way traffic flows that allow occupants to circulate within the building without passing each other in narrow corridors.

Screening for Coronavirus Symptoms
Building owners should consider screening their own staff for fevers and asking employees to monitor their health for other symptoms of the coronavirus. Temperature checks would normally be considered a medical exam and restricted by the Americans with Disabilities Act, but the Equal Employment Opportunity Commission has updated its guidance to employers, permitting them to screen employees for fevers due to the coronavirus outbreak.

Entry and Receiving Protocols
Staff can reduce the number of building entrances to more easily direct entrants to monitored routes that receive additional cleaning.

State and Federal Guidelines for a Phased Return to Work
Building owners should frequently consult the most recent state and local regulations that apply to their buildings and tenants, as guidelines are continually being updated.

NAIOP also offers best practices for tenants:

Communication is Key
Fears about the virus are likely to be a significant and ongoing concern for employees during the outbreak. Encourage employees to express their concerns so that they can be effectively addressed. Solicit input through emails, surveys and virtual suggestion boxes. Once employers develop new protocols for returning to the workplace, these must be communicated clearly and frequently to employees through emails, virtual meetings and virtual training.

Reconfiguring Work Arrangements
Employers should consider returning their employees to the office in phases until the outbreak is no longer a major threat to public health. To allow more employees to access the office while maintaining safe spacing, employers can place non-vulnerable employees on a rotational schedule so that they alternate between days in the office and days at home.

Reconfiguring Space
Most employers will need to reconfigure office interiors to adhere to physical-distancing measures. In offices where employees do not already sit six feet apart, employers will need to increase the space between them. This can be accomplished by a combination of measures — assigned seating, employees alternating workdays in the office, moving desks farther away from each other, and removing chairs from desks or shared workstations.

Be Ready for a Second Wave
Employers should prepare for the possibility that a second wave of infections could force them to close their office again. To that end, they should have a plan in place for a smooth transition to a remote work environment. Employers can review the steps they took during the initial closure to identify measures that worked well and those that did not. Communicate any plan to employees so that everyone is prepared should they need to return to teleworking.

Download NAIOP’s complete guidance at naiop.org.