WHO'S BUILDING L.A.

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

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In 2013, OUE Limited purchased the iconic US Bank Tower in Downtown Los Angeles investing nearly $60 million in renovation and improvements. And what improvements they are! The beautiful lobby renovation of the US Bank Tower is one of the latest contributions to the revitalization of Downtown Los Angeles, creating a pronounced and welcoming entry on Fifth Street, engaging the public and enlivening the streetscape. Among other improvements, the new facade consists of a high performance glass curtainwall system that significantly improves visibility into the lobby and enhances the building's overall appearance.

Developer (OUE), contractor (Hathaway Dinwiddie) and architect (Gensler) truly collaborated to achieve a memorable and effective result.

**PROJECT HIGHLIGHTS**

- Heart of Downtown location
- Renovations bring the Tower a new, stylish personality
- 11,261 SF
- Glass curtainwall system dramatically improves visibility
One hundred and HDR. A century of pushing the boundaries of what’s possible. A legacy of bringing innovative solutions to every project—no matter the challenge. A future of collaborating and creating the only way we know how. Together.

Proud to be working with LA Metro on the Link Union Station (Link US). Continuing our tradition of building communities, and connecting people and places while improving lives.
The new Downtown West Medical project, currently under construction by Oltmans Construction Co., marks the first substantial healthcare investment in a historically under-served Los Angeles area. The success of this initial development could herald further healthcare investments in the area. Renderings of the project, designed by architecture firm Ware Malcomb, portray a contemporary 4-story, 60,000-square-foot outpatient medical office building and 9-story parking structure situated at Washington Boulevard and Hoover Street at the I-110/I-10 freeway intersection.

Real estate investment firm Robhana Group and development firm Inception Property Group have already leased out the new building to Healthcare Partners, a DaVita Medical Group. It will be used for primary and urgent care services.

Urban, ground-up, four (4)-story, 60,000+ sf, new construction core and shell for B occupancy, Class-A medical office building, Type II (b) primary care medical offices for Healthcare Partners with a supporting parking structure.
L.A. Metro Division 14 Expo Line Light Rail Operations & Maintenance Facility

SANTA MONICA

Just as LA Metro’s emergence in Santa Monica has been groundbreaking in that it catapulted public transportation westward, the state-of-the-art Division 14 Operations Facility is also setting a new standard for transit facilities in general. Designed to exceed Los Angeles County Metropolitan Transportation Authority’s sustainability, wellness and innovation goals, the facility enhances the operations and maintenance for the Expo light rail line, promotes employee wellness and integrates seamlessly into the surrounding community. The project is beautiful and functional, but also healthy and safe for employees.

LA Metro’s development team worked seamlessly with contractor Kiewit Building Group and architect RNL Design to achieve a result that is sure to inspire transportation operations facilities in development nationwide.

**PROJECT HIGHLIGHTS**
- Strategic Santa Monica hub location
- Design focus on employee wellness and safety
- 360,000 SF (site area)
- 70,000 SF (buildings)

Building what matters takes a great team.

Skanska salutes the people who are shaping the future of Los Angeles and inspiring the next generation of construction professionals.
A Century of Pushing Boundaries

By LARA PAULINO

For more than a century, HDR has partnered with clients to shape communities and challenge the boundaries of what’s possible. Nearly 150 HDR professionals live and work in Los Angeles County. In fact, our architecture and engineering staff recently took over an entire floor — 28,000-square feet — at Two California Plaza in the Bunker Hill District of downtown Los Angeles. But our expertise doesn’t stop in LA. It spans 10,000 employees in more than 225 locations around the world. Our engineering, architectural, environmental and construction services bring an impressive depth of knowledge to LA and beyond. Finding the right solution for our clients defined our past. Today, the HDR network continues to help communities solve complex issues by customizing solutions to enhance quality of life and deliver long-term value.

HDR ON THE MOVE

HDR continues to play a major role in helping build a more resilient transit infrastructure to serve future generations of Angelinos. We are leading the way with innovative engineering and architectural services to deliver the largest transit and infrastructure projects for the Los Angeles County Metropolitan Transportation Authority (Metro) including the Link Union Station (Link US) and Emergency Security Operations Center (ESOC). We are also the program manager for the LA Sidewalk Repair Program.

Along with Metro, our goal for Link US is to increase rail service capacity and operational flexibility in a region experiencing tremendous growth while improving the passenger experience with a new concourse. We want to drastically reduce greenhouse gas emissions from idling trains. Enhanced design to improve local connectivity to the Los Angeles River and surrounding neighborhoods is a guiding principle. And these are just some of the exceptional benefits our shared vision for Link US offers to better serve the Los Angeles community.

In partnership with LA Metro, HDR is providing the engineering, architectural, environmental and community outreach services to advance this premier regional commuter rail project in Southern California. It will be instrumental in stimulating the local economy by creating jobs, spurring transit-oriented development, attracting commerce and promoting public-private partnerships (P3) opportunities.

Metro is one of the largest and most advanced transportation agencies in the U.S., offering an extensive network of bus and rail service options. Its success is measured by the degree to which the public entrusts Metro to provide reliable service in a safe environment. HDR designed the ESOC with the goal of improving emergency and security operations to heighten Metro’s state of alertness. The ESOC creates a central hub that meets current physical security standards that are considered critical infrastructure for maintaining normal transit operations. With the volatility in the world today, Metro’s investment in the ESOC provides state-of-the-art technology in communication, access control, surveillance and emergency management systems to enhance readiness should a hazard, natural disaster or act of terror occur.

HDR also serves as program manager for the city of Los Angeles Sidewalk Repair Program. The city’s 30-year, $1.4 billion program aims to repair sidewalks to comply with the Americans with Disabilities Act and ensure universal access for all Angelenos. There are roughly 11,000 miles of sidewalks in LA, many of which hinder passage because of cracks, buckles and bulging tree roots. HDR is managing program implementation and providing design and construction management services for all planned improvements. In early 2015, we helped the city launch its Sidewalk Repair Program through an on-call contract and quickly integrated with the Department of Public Works to form a seamless team. In addition, we are augmenting the city’s pool of resources by providing computer-aided design and graphics rendering, database programming, ADA coordination and real estate services. All require a thorough understanding of the California Environmental Quality Act and ADA.

We remain committed to delivering transportation infrastructure projects designed to improve mobility, air quality and overall community health. Ongoing involvement in these projects increases jobs and improves quality of life, creating a promising future for Los Angeles residents and businesses alike. At HDR, we understand how smart investments in infrastructure can position communities for continued success and support a forward-thinking and world-class transportation plan for Los Angeles County.

LEADING BY DESIGN

Envisioned as a new beginning, the Martin Luther King Jr. Outpatient Center was designed to reestablish the campus as a healthcare leader in the community. A model for culturally sensitive healthcare, the LEED Silver-designed facility uses a 360-degree approach to overall wellness and preventative care through 20 outpatient clinics offering a wide range of services. The contemporary design, cantilevered clear glass façade and architecturally pleasing finishes reflect the bright new vision for the medical “village.” The award-winning facility, for which we served as architect of record, celebrates Dr. King’s legacy in both a public and personal way.

Lara Paulino is HDR’s Los Angeles Marketing Services Manager.

1. A beautiful night photo of the Martin Luther King Jr. Outpatient Center in LA; (2) Bulging tree roots that will be addressed as part of the City of LA Sidewalk Repair Program; (3) Drawing of the Los Angeles County Metropolitan Transportation Authority’s Emergency Security Operations Center (ESOC); (4) Looking East from the Metro’s Link Union Station (Link US).
Four Ecologies Reimagined: Development in Los Angeles Comes of Age

By ANDREW J. STARRELS

Nearly 50 years ago, British architectural scholar Reyner Banham embraced Los Angeles for its non-convention, identifying four separate ecologies – beach, foothill, flatland and freeways – that characterized its development. Banham’s Los Angeles: The Architecture of Four Ecologies is widely regarded as a classic component of the city’s literature, mentioned with Raymond Chandler, Christopher Isherwood and other writers who defined L.A.

Banham did not dismiss Los Angeles for its stereotypical quirks, rather he idolized its superficialities – sprawl, sun-worshipping, car-centric and indulgent. Today’s Los Angeles is undeniable and without quirk a major urban place. A vibrant and diverse resident culture in Downtown Los Angeles is but one example of a true renaissance, and mature urbanism thrives in other L.A. communities. The pattern and practice of development in today’s Los Angeles reflects a maturation from the age of Banham’s hyde&van boodoomoo.

Development in Los Angeles now embraces infill locations and has largely abandoned sprawling dispersed into suburbs. Infill locations, especially those located near transit resources and often utilizing adaptive reuse opportunities, reflect both millennial demand and available opportunities. Adaptive reuse is particularly suited to housing, as large industrial or institutional structures are converted to multifamily residential. One such example is East River Group’s repositioning of the former Sears shipping facility in Boyle Heights. The conversion of the historic building on Olympic Boulevard includes 345,000 square feet of retail space, 1,030 live/work units, 250,000 square feet of creative office space and a parking structure with 1,500 spaces. Taking advantage of small unit sizes and transit-based development incentives, the project is “affordable-by-design” and will provide a mix of housing and employment to Boyle Heights.

Using existing physical infrastructure to provide housing in infill locations is not unique to Los Angeles, but in many transitioning urban areas adaptive reuse has invigorated communities and fostered more redevelopment. Moreover, a vibrant mix of new development and repurposed older uses lends permanence to communities and counts the faddishness of earlier eras of Los Angeles development.

In a more enlightened way than Banham’s celebration of the freeway ecology, contemporary L.A. continues to re-evaluate its relationship with the automobile. Development patterns now reflect increased use of transit, shared vehicle services and alternative forms of transport.

"decouple" parking from housing so that residents can choose between a parking space or a transit pass when they sign a lease. When and if residents do not use all of a building’s parking, the landlord is free to market its parking amenity to other users, such as transit riders who commute from neighboring rail stations.

The construction of parking facilities themselves has also undergone a maturation. Unlike the sloping ramps throughout parking structures that once made alternative uses impractical, contemporary parking construction utilizes flat floors that can be converted to storage or commercial uses. Flexibility and functionality are further illustrated in parking facilities like the automated parking facility that developer Wally Marks has recently opened at his Helms Bakery District in Culver City. Efficiently built by Christopher Alain’s dishar Lawless inc. to accommodate 200 cars in a fully automated structure that occupies nearly a third less space than a traditional garage, the AUTO Parkit facility parks, stores and retrieves vehicles for office tenants while freeing up other space for retail parking or future development.

The L.A. development community breathed a collective sigh of relief at the recent failure of “Measure S,” but there remains little cause for widespread celebration. Although voters cautiously embraced density, and resisted the fee-bating anti-development constituencies, the battles over growth will continue. The costs imposed by recent initiatives aimed at wage inequity and homelessness challenge some projects’ viability, and pose frictions for the development of affordable housing and transit-oriented development.

Andrew J. Starrels is a Los Angeles-based attorney and partner at Holland & Knight, where he oversees the West Coast Land Use and Environmental Group’s practice in Los Angeles. He focuses his transactional law practice on a variety of issues surrounding the development and operation of commercial real estate. He can be contacted via Andrew.Starrels@hklaw.com.
Attracting the Best Talent to Build the Best Projects

By JAY WEISBERGER

The passage of Measure M last fall was another boost to the construction boom in Los Angeles. Combined with Measure R, this new initiative funds tens of billions of dollars in infrastructure projects throughout the region. New commercial and residential development along new transit lines will create even more construction opportunities in addition to other projects of all sizes throughout the region. What’s more, the passage of SB1 is the latest addition to the funding stream for transit construction projects. R, this new initiative funds tens of billions of dollars’ worth of transit construction projects.

What our industry needs is a concerted effort to attract people to the construction industry. From project management staff at the office to the next generations of superintendents and craft hands, there has never been a better time to get into construction. The question is: does the talent we need know that is true?

BACK TO SCHOOL

Our traditional apprenticeship and internship programs do a lot of good, but we need to consider additional tactics to recruit the necessary resources. The effort needs to start early, be persistent and communicated to a large, wide and diverse audience. Students preparing for college have likely already made their choices about careers and, too often, are seeing construction as old-fashioned dirty boots instead of long-term, well-paying careers. Especially here in California, where startup dreams seem to be one good idea for a new-app-away, we need to do a better job exposing young men and women to construction early in high school and even in middle school, inspiring them with ways they can apply their unique talents to help provide innovative solutions to building complex projects.

One way we are doing this is through participation in the ACE Mentor Program. Through the local chapters of this national organization, we are able to give high school students hands-on experience with the tools of the trade, going through the steps construction teams take on jobsites. They are also exposed to the digital tools we are using that are making various parts of the construction process more safe and efficient, with the hope of connecting interests and driving further innovation in our industry.

Beyond ACE, we need to show that a high school graduate can have a very successful career in construction, particularly in the field. Our industry has a shortage of skilled superintendents and one of the best ways to get there is through work in the field. While there are plenty of pathways into the trades, we need to do a better job of showing the short- and long-term career possibilities for students who do not see college as their next step. While many consider a bachelor’s degree a prerequisite for many jobs, the construction industry is uniquely able to offer high school graduates a well-paying career path.

ATTRACTION TALENT FROM OTHER INDUSTRIES

Changes in our industry also bring new opportunities for people who come from other lines of work. People with civil engineering experience are now developing digital tools ranging from virtual design and construction to virtual reality walkthroughs for stakeholders. People who might have been video game developers at one point in their lives are creating and advancing these tools. Some of these folks probably never imagined working in construction. Again, we must do a better job of showing the possibilities to a wider audience. Large construction firms have many of the same functions as any large company. When it comes to marketing, accounting, human resources and other support functions, why should we cede the best talent to the companies that are best known for those functions? Putting smart people of all abilities together only leads to better overall thinking.

In one of our markets, we are considering a program that would go as far as to put candidates looking to shift careers through a structured training program that would place them on a project management track. It underscores the greater need in the industry: we need more people and we need to do more to bring them into construction providing them with excellent career opportunities.

COMPETITIVE ALLIES

We are all competing for the best talent, but that should not hold us back from working together to increase interest in our industry. Programs like ACE provide a model for how we can work together to foster a larger interest in our industry. We need to do even more of it with all of the work on the horizon.

Jay Weisberger is Vice President of Skanska USA.

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WHO's BUILDING L.A.
Led By China, Foreign Investment in U.S. Commercial Real Estate is on the Rise

Over fifth of surveyed realtors practicing in commercial real estate closed a sale with an international client in 2016, and as foreign investors flock to smaller-sized commercial properties in secondary and tertiary markets, many realtors are confident that increased sales and leasing activity will occur in 2017.

This is according to the 2017 Commercial Real Estate International Business Trends survey released last month by the National Association of Realtors, which analyzed cross-border commercial real estate transactions made by realtors during 2016. Most realtors who specialize in commercial real estate reside in smaller commercial markets where the typical deal is less than $2.5 million.

Similar to NAR survey findings on foreign purchases of residential real estate in recent years, China was the top country of origin in both buying and selling commercial real estate in 2016, and Florida was the top destination of both buying and selling commercial real estate years, China was the top country of origin in purchases of residential real estate in recent years, investors flock to smaller-sized commercial markets where the typical deal is less than $2.5 million.

Nearly two-thirds of commercial foreign buyer and seller clients were non-resident foreigners. The top countries of origin for buyers were China (17 percent), Mexico (14 percent) and the United Kingdom and Venezuela (both at 7 percent), while sellers were typically from China (17 percent) or Brazil, Canada, France and Mexico (all at 10 percent).

Florida and Texas were the top two states where foreigners purchased and sold commercial real estate last year, with California being the third most popular buyer-destination and Michigan ranking as the third top state where foreigners sold real estate. The survey also found that foreign buyers of commercial property typically bring more cash to the table than those purchasing residential real estate. Sixty percent of international transactions were closed with cash, while NAR’s 2016 residential survey found that exactly half of buyers paid in cash. For those not using all cash, 34 percent of commercial deals involved debt financing from U.S. sources. An overwhelming majority of buyers either purchased commercial space for investment purposes or acquired it for business use.

“Nearly half of realtors reported that they experienced a greater number of international clients looking to buy commercial space over the past five years,” said Yun. “Economic expansion has slowly chugged along since the downturn, but in comparison to the rest of the world, the U.S. remains one of the most attractive and safest bets for investors. There’s little evidence this will change anytime soon.”

NAR’s second quarter Commercial Real Estate Outlook, released in May, offers overall projections for four major commercial sectors and analyzes quarterly data in the office, industrial, retail and multifamily markets.

The NAR commercial community includes commercial members, real estate boards, committees, subcommittees and forums; and NAR commercial affiliate organizations – CCIM Institute, Institute of Real Estate Management, Realtors Land Institute, Society of Industrial and Office Realtors, and Counselors of Real Estate.

Approximately 70,000 NAR members specialize in commercial real estate brokerage and related services including property management, counseling and appraisal. In addition, more than 200,000 members are involved in commercial transactions as a secondary business.

Information for this article was provided by the National Association of Realtors, “The Voice for Real Estate,” America’s largest trade association, representing more than 1.2 million members involved in all aspects of the residential and commercial real estate industries.