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Development planned for long-vacant downtown L.A. site

An L.A. apartment building development would cost \$300 million and house about 1,000 residents on what is now a 3-acre parking lot on 8th Street flanked by Grand Avenue and Olive Street.



A rendering shows a proposed 700-unit, \$300-million apartment complex that has been approved by L.A. for construction at 8th Street and Grand Avenue. (Astani Enterprises / January 27, 2006)

A long-vacant site in the heart of downtown Los Angeles has been sold to investors who are expected to start work within two months on one of the largest new apartment buildings to be built in the region since the economic downturn.

The seller was Beverly Hills developer Sonny Astani, who secured city approval to build a 700-unit, steel-and-glass apartment building with a rooftop pool on nearly a full city block. It would include enough ground floor retail space for a grocery store and almost an acre of open space.

The development would cost \$300 million to build and house about 1,000 residents on what is now a 3-acre parking lot on 8th Street flanked by Grand Avenue and Olive Street. The existing buildings on the block are early 20th-century office structures, facing 7th Street, including the Brockman Lofts.

A 40-foot pool on the roof of the eighth floor surrounded by cabanas, a lounge and barbecues would be the centerpiece of the development, said Astani, who won't be involved in building the project. "It was a complicated structural engineering process to design it," he said of the large pool.

Astani sold the entitled land to a Colorado limited-liability corporation called CPIVG8 for \$63 million. At \$500 a square foot, it was one of the most expensive land deals ever in downtown L.A., Astani said.

With vacancy falling and rents rising in much of Southern California, apartments are considered a choice investment among many institutional and individual investors.

"Downtown is a great center for job growth, and the multifamily market has stayed vibrant through the downturn," real estate broker Bradford McCarthy of CBRE Group Inc. said.

Astani built the \$260-million Concerto, a 30-story condominium tower, a few blocks away at 9th and Figueroa streets. He sold his interest in the property in 2011 after a complex legal battle with hedge fund Starwood Group after federal regulators seized control of Astani's lender.



Italian investors buy Fine Arts Building in L.A.

Italian investors who specialize in buying trophy historic properties have acquired one of the best in Los Angeles — the 84-year-old Fine Arts Building.

Sorgente Group of America Corp., which controls the famous Flatiron Building in New York, bought the Fine Arts Building for \$28.5 million from Los Angeles attorneys Brian Kabateck and Mark Geragos.

"Our acquisitions always have historic and architectural relevance, as our passion and dedication lies within the value of iconic buildings such as the Fine Arts Building," said Veronica Mainetti, president of Sorgente Group of America.

The Los Angeles Times called the 12-story tower at 811 W. 7th St. "one of the finest business blocks in the Southland" when it opened in late 1926. With its elaborate, artistic flourishes, the Fine Arts Building became one of the best-known properties in the region.

The design reflected an era when sculpture was integrated into architecture as a way of expressing the meaning and purpose of a building, according to USC archives. The builders hoped to attract tenants in arts-related fields, and elaborate display cases were built into the lobby to show off works by tenants.

Kabateck and Geragos bought the Fine Arts Building for \$23.5 million in 2008. Mainetti vowed to conserve the structure.

"We are excited to ensure this prominent Los Angeles building remains a cultural landmark," she said.

Law firm leases new downtown L.A. location

Law firm Morrison & Foerster will move to Aon Center after signing one of the largest leases of the year in downtown Los Angeles.

Morrison & Foerster has agreed to rent 77,300 square feet in the skyscraper at 707 Wilshire Blvd. between Flower and Hope streets, real estate brokerage Jones Lang LaSalle said.

Financial terms of 15-year agreement were not revealed, but landlord Beacon Capital Partners asks for about \$1.87 a square foot per month in rent, according to real estate data provider CoStar.

The law firm is expected to move about 200 workers from Gas Company Tower to Aon Center in December, CoStar said. The 62-story Aon building was completed in 1973.

San Francisco-based Morrison & Foerster is one of the biggest law firms in the state.