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Redevelopment Agency to Leave Historic Core

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CRA Plans to Relocate to City West After 30 Years

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DOWNTOWN LOS ANGELES – The Community Redevelopment Agency's long history of being headquartered in the heart of Downtown is coming to an end.

The CRA Board of Commissioners today approved a plan for the agency to leave its nearly 30-year home at the Banco Popular Center on Spring Street for the Garland Center, a largely city government-occupied building in City West. CRA officials expect to move next fall.

Some have expressed disappointment over the announcement.

"Obviously, as a redevelopment agency, you would like them to be in a redevelopment area," said Central City Association President Carol Schatz.

CRA officials said that despite an exhaustive search, they could not find office space within the Historic Core or Downtown's other redevelopment areas, such as Little Tokyo, that met the agency's price and space needs.

"We looked at every building that was available that could meet the size requirement," said CRA interim CEO Calvin Hollis. "We're being prudent with the kind of rent we're going to pay."

With the revitalization of the Historic Core in recent years, Hollis added, the CRA's physical presence in the area is not as important as it once was.

"At the time we came in, we played an anchoring role," he said. "We showed that there was someone willing to make an investment in this area. Development has occurred around us, and now I think it's less important to be in the Historic Core."

Safety and Maintenance

The CRA, charged with turning around L.A.'s blighted neighborhoods, occupies six floors of the Popular Center.

The agency moved in to the building at 354 S. Spring St. in 1980, as part of an effort to revitalize the Historic Core. At the time, the area was mostly devoid of residents and amenities, and was dotted with empty commercial buildings. That all changed with the passage of the Adaptive Reuse Ordinance in 1999, which paved the way for residential conversions of vacant office buildings. Today the neighborhood teems with residents, restaurants and retailers.

The Popular Center has changed hands a few times since the CRA arrived, and has been under the control of Jamison Services since 2002. Jamison, headed by internist Dr. David Lee, is one of the largest commercial landlords in Southern California and controls numerous properties in Downtown.

A recent CRA memo cites chronic [safety and maintenance problems](#) at the property since Jamison took over as the impetus for leaving. Complaints include Building and Safety code violations, a faulty HVAC system, recurring unexplained fumes and rat infestation.

Paul Kim, the head of Jamison's management arm, and Popular Center building manager Regina Cho did not return phone calls this week.

CRA officials began looking for an alternative in June 2008, according to the memo. Hollis said the agency had trouble finding the roughly 100,000 square feet it needs in any Downtown redevelopment area for the price it wants to pay — about \$1.50 a square foot.

Ed Rosenthal, a senior vice president at the Downtown office of real estate firm Grubb & Ellis, agreed that the CRA's space and price requirements could be hard to find in today's Downtown.

"A lot of the space that at one time was available has been absorbed through residential development," he said.

Typical Downtown commercial high-rise rental rates, Rosenthal said, currently run about \$2.20 a square foot.

Still, he said, "I think it's unfortunate in the sense that they would be moving out of the area. They were able to facilitate some of the redevelopment by being so close to what was happening."

Shopping Around

The *Los Angeles Times* building at Broadway and First Street and the Title Guarantee Building at 433 S. Spring St. (not to be confused with the Title Guarantee Lofts on Fifth Street) were contenders in the search for a new headquarters, according to the CRA memo.

Both properties met the agency's basic size and price needs. However, the *Times* discussions were dropped because of complications related to owner Tribune Company's ongoing bankruptcy, Hollis said, and the Title Guarantee Building did not meet the CRA's standards in terms of earthquake safety.

"It would've cost too much for the property owner to make the repairs necessary for us to be comfortable with the building," said Hollis. "It has not been adequately retrofitted to meet the current codes for historic buildings."

Ultimately, it came down to the Garland Center at 1200 W. Seventh St., which also houses the city's Housing and Community Development departments, among other offices.

Garland Center landlord Charter Holdings, Inc. would give the CRA about 96,000 square feet for \$1.50 a square foot, according to the CRA report. If the deal and the final lease are approved by the City Council, the agency would move in fall 2010 and stay at least through February 2019.

While some will be sorry to see them go, others see it as a natural evolution.

"I think that the value of the CRA is on a project basis," said developer Tom Gilmore, who pioneered residential development in the Historic Core with his Old Bank District project, which is a block east of the Popular Center. While the CRA's presence was a boon for the neighborhood 30 years ago, he said, these days, "I don't think their location in Downtown or in the Historic Core is, in and of itself, an essential component of their job."

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