



CIM Group Acquires Key Downtown Los Angeles Blocks for Redevelopment; Company Plans to Bring Full-Service Grocery Store to the Site as Part of a Mixed-Use Development

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LOS ANGELES--(BUSINESS WIRE)--Dec. 21, 2001--CIM Group, a leading investor in urban infill and mixed-use properties, has acquired a major 7.2-acre property that spans portions of three blocks located between 8th and 9th Streets in downtown Los Angeles. The seller, Shuwa Investment Corporation, acquired the former Southern California Gas Company headquarters site ten years ago. The acquisition is the second downtown investment in the past two months by CIM Group through its CIM Urban Real Estate Investment Fund.

"This is an underutilized infill site in the heart of a district carefully planned by the city for redevelopment -- an acquisition tailor made for our urban investment fund. Here we can enhance the neighborhood and serve the interests of the community and the city," said Shaul Kuba, co-founder and principal of the CIM Group.

Bounded by 8th and 9th Streets and Grand Avenue and Figueroa Street, the site is located in what is referred to as the South Park District of downtown Los Angeles that includes the Staples arena and proposed entertainment/retail development. The CIM Urban Fund's first downtown investment was in the Lee Group's Flower Street Loft project, also in the district. "Our project will connect the redeveloped area around the Staples Center and Grand Hope Park to the downtown financial core, an important link that is missing today," noted Kuba. CIM's master plan for the project includes a mix of residential, retail and commercial uses and combines renovation of existing buildings with new construction. The retail component is designed to fill the void in community services and includes a full-service grocery store to meet the needs of downtown residents and employees who currently must travel outside the city core for this basic necessity. The former Southern California Gas Company headquarters building, located on the 800 block of Flower Street, is planned for conversion to residential lofts.

In recent years downtown Los Angeles has benefited from a variety of residential and entertainment developments. New housing projects, from apartments to lofts, and venues such as the Staples Arena and soon to be completed Disney Hall and Los Angeles Cathedral are bringing new residents and visitors to downtown.

"CIM Group is committed to helping Los Angeles realize its goal of creating a vibrant, 24-hour downtown. Our project will bring important components to an already re-energized live/work environment," Kuba concluded.

CIM's 7.2-acre site includes a total of 517,000 square feet of office space in multiple buildings (the oldest of which dates back to 1924), public parking areas and 200,000 square feet of developable land. **Mark Tarczynski of CB Richard Ellis represented both the buyer and seller in the transaction.**

CIM Group, established its \$180 million California Urban Real Estate Fund earlier this year with investments from The California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), two of the nation's largest pension funds.



A leader in California's urban renaissance, CIM Group has been a major investor and redeveloper of properties located in such popular street retail destinations as Third Street Promenade in Santa Monica, Old Pasadena, and the Gaslamp Quarter in San Diego. The company created a new, three-block pedestrian downtown for Brea, in northern Orange County, and has renovated a number of National Register historic properties, including the Colfair Building in Pasadena. Underway is the redevelopment of the historic US Grant and Walker Scott buildings in San Diego and an historic building in downtown San Jose.

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