

Brockman Building to Be Sold

Historic Seventh Street Block Set to Go Condo

By Jason Mandell

The Brockman Building at Seventh and Grand, also known as the Brooks Brothers building, is in escrow to be sold to Urban Pacific Builders. The firm plans to convert the dilapidated 12-story structure into the Financial District's first for-sale condominium development.

The Long Beach-based developer is set to close escrow Dec. 22, said Mark Tarczynski of CB Richard Ellis, the broker on the deal for both sides. The current owner, Denver-based Thermo Companies, purchased the building at 530 W. Seventh St. in 1996.

Mark Tolley, a managing partner at Urban Pacific Builders, said the company is buying the structure for close to the \$7.5 million asking price. Tolley said the firm has already applied for permits to develop 76 condominiums and 7,800 square feet of ground-floor retail in the Brockman Building and the adjacent five-story annex.

Tolley said construction could start in January and finish in October, with a development cost of roughly \$12.5 million. Though the condos will start in the high \$200,000 range, some units will be among the priciest Downtown. Tolley said the firm plans to install a two-story, 2,300-square-foot penthouse with a private rooftop deck, which will likely sell for more than \$1 million.

The units will have polished concrete floors, brick walls and oversized windows. Also planned are a rooftop deck with an infinity pool, gym, and community rooms with barbecues and fireplaces.

The building's main selling point, however, will be its location in the bustling Financial District. "You can walk to any of 15 Class A high-rises in less than two minutes," said Tolley. "To us, the potential is obvious."

Life Among the Skyscrapers

The Brockman Building is part of an emerging residential community in the Financial District, an area that has traditionally shut down after 5 p.m., when office workers head home. Though modern skyscrapers define the landscape, the neighborhood also houses a collection of vacant historic buildings that are gradually being converted into residences in a process known as adaptive reuse.



The Brockman Building will be converted into 76 condos. Photo by Gary Leonard.

the three structures that make up the Brooks Brothers block, the Brockman is the oldest and most architecturally significant. Built in 1912 and designed by Harrison Albright, the edifice thrived for decades as a retail and office building, ultimately becoming a Brooks Brothers outlet. In 1987, Brooks Brothers closed, and the entire block has since been boarded up and vacant. Recent failed attempts to develop the building included plans for a \$30 million hotel. In 2001, Thermo was in negotiations with Sage Hospitality to turn the properties into a Courtyard by Marriott hotel with National Historic Registry status.

Two structures next to the Brockman, the Coulter and Mandell buildings, are being converted into 55 lofts by George Peykar, a property owner in the Fashion District. The 322-unit Pegasus lofts opened this summer in the former Mobil Oil headquarters just a couple blocks away. Three former Gas Company buildings at Eighth and Flower, three blocks from the Brockman, will soon house 251 lofts as part of CIM Group's \$220 million mixed-use South Village.

Tolley noted that the neighborhood features numerous conveniences and amenities within walking distance, such as Macy's Plaza, the Standard Hotel and the Los Angeles Athletic Club. He added that the 2005 opening of Ralphs grocery store in CIM's project will provide a major boost to residential life.

The Brockman marks Urban Pacific Builders' second project in Downtown. The company began converting the Security Building at 510 S. Spring St. into 153 lofts, but later transferred the project to Simpson Housing Solutions. Tolley said his firm wanted to tackle a for-sale project.

"We're very bullish about the pent-up demand for ownership opportunities in the Downtown marketplace," said Tolley.

Tolley said lenders did not share his firm's enthusiasm for Downtown. He said that securing financing for the project was extremely difficult. "They're still, even with all of the hype, very, very cautious about this marketplace," said Tolley. "Only a handful of lenders are interested in talking about it in the entire United States."

Tolley said the announcement that Ralphs would arrive helped him muster financial support. "One of the major complaints of our investors was, 'Where do people shop?'"

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