

Century City Firm Could Help Bring Retail To Downtown Arts District

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A Century City-based real estate firm has reportedly partnered with an East Coast investment company to purchase five warehouse buildings in Los Angeles's Arts District. The \$32.5 million acquisition, which was announced June 11, could open the door to a new retail development.

Blatteis & Schnur partnered with Maryland-based ASB Real Estate Investments to acquire the five Arts Districts warehouse buildings, it was announced last week.

"In keeping with our focus and passion, we intend to create the dominant retail project for the District. A brilliant design is planned, allowing us to attract unique, compelling and artisanal retailers and food purveyors. We will remain conscious of the neighborhood's unique place in Los Angeles and look to build on that foundation caringly," Blatteis & Schnur co-chairman Robert Schnur stated.

A bulk of the investment was made by ASB, with the real estate firm stating it plans to put another \$30 million into redeveloping the warehouse buildings. The planned redevelopment would convert the industrial complex into what ASB describes as a 125,000-square-foot urban retail center with a 430-foot parking structure.

The Los Angeles City Council would need to approve the redevelopment project. If ultimately realized, the new center would feature 900 feet of retail street frontage along Palmetto and Mateo streets in the eastern portion of Downtown Los Angeles.

According to ASB, plans also include a fresh grocer anchoring the center, plus bars and shops.

Believing the Arts District is underserved by retail, ASB states the new center would be "an open-air, urban retail destination."

GQ Magazine labeled the Arts District of Downtown Los Angeles as America's "Next Great Neighborhood." ASB stated at least two-dozen new or planned residential projects are in the works within the district, with technology and entertainment companies filling up office space there as well.

Gentrification within the Arts District is reportedly expected to continue within the next five years, with ASB predicting the enclave's population to double in that time frame.

Beyond Downtown Los Angeles, ASB has worked with Blatteis & Schnur in acquiring prime storefront properties in Hollywood and on the Westside. Since the beginning of 2013, one of the firm's funds has purchased more than 71,000 square feet of retail space on Abbot Kinney, Hollywood, and Robertson boulevards.

A separate partnership between Blatteis & Schnur and an ASB fund developed the Apple store location on the Third Street Promenade in Santa Monica.

Other retail properties within Blatteis & Schnur's portfolio include the Brentwood Town Center and a building at 233 South Beverly Drive in Beverly Hills that includes The Coffee Bean and Color Me Mine storefront.

The firm's Century City office is at 1940 Century Park East.

The Arts District abuts the eastern edge of Downtown Los Angeles, bordered by First Street to the north, Seventh Street to the south, Alameda Street to the west, and the Los Angeles River to the east. An Urth Caffe currently exists in the heart of the Arts District, which is adjacent to Boyle Heights and is in the shadows of the East L.A. Interchange (where the 5, 10, 60, and 101 freeways all converge).