

VARIETY

Show Business is Returning to a Glitzier, Taller Hollywood



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Hollywood — the city, not the industry — is taking a giant leap into the future. Within the next few years, the Sunset Boulevard corridor between Highland and Western avenues will be lined with an array of glassy monoliths joining the eye-catching Emerson College to create a new center for the entertainment business.

While in recent years the Oscars returned to Hollywood, and new hotels and clubs drew tourists, office development had been lagging. Now the clusters of Hollywood studio lots are about to be joined by development on an unprecedented scale — that is, if the well-heeled residents of the Hollywood Hills and other neighborhoods approve.

Next year Viacom will relocate MTV, BET and Comedy Central to Columbia Square, a new office, residential and retail campus built around the art deco former headquarters of CBS that's also home to NeueHouse, the brand-new invite-only social club/workspace. And BuzzFeed Motion Pictures is relocating to Siren Studios on Sunset and Gower.

By 2017 Netflix will move into a new office building on a historic lot at Sunset and Bronson Avenue (where the first talkie, "The Jazz Singer," was made in 1927). In all, projects with more than 1.8 million square feet of office space are in various stages of development, much of it aimed at drawing entertainment, media and technology companies.



The Netflix offices will be on Sunset Blvd. near Van Ness
COURTESY OF NETFLIX

Though Hollywood will be looking more “Star Trek” than “L.A. Confidential” in the next few years, a few nods to history will be preserved, including the Streamline Moderne 1936 Crossroads of the World building on Sunset. An adjacent seven-acre site will house hotels, shops, restaurants, residential units and creative office space.

“We are trying to create a district here,” says David Schwartzman, president and CEO of Harridge Development Group, which is working to establish the site. “Sort of like the Meatpacking District in New York, this is the Crossroads district.”

The prospect of increased traffic, density and building height has been the source of some tsuris, though.

Some neighbors have hired well-known land use attorney Robert Silverstein, and sued and halted (for now) several other projects, including the tallest of those buildings proposed, the Millennium 39- and 35- story towers near the Capitol Records building.

Last month, tenants of a new apartment complex at Sunset and Gordon were forced to move out after a judge invalidated building permits, while a Target store stands half-finished amid a dispute over height variance.

“Every time you do a development project, you take the risk of neighborhood opposition,” Schwartzman says. Although the Crossroads project proposes a 31-story hotel, a 32-story apartment tower and a 30-story condo tower, he sees a number of differences between his project and Millennium, including a greater acreage to spread the density.

But developers are just at the start of a lengthy environmental review, and plan to conduct a public meeting in the next couple of weeks. Harridge is partnered with a large private equity

company in the project, he said, although he declined to identify it. According to a city planning report, some of the approvals that the project may need include a zone and height district change, and a conditional use permit to allow “floor area and density averaging in a unified development.” The project is being designed by Skidmore, Owings & Merrill and Rios Clementi Hale Studios.

An update of the Hollywood Community Plan, which would have allowed for greater density in some parts of Hollywood, particularly near mass transit, was deemed “fatally flawed” by a state court judge in 2013. City planners are now revising the updated plan, and a spokesman for Councilman Mitch O’Farrell said that they expect it would come up for adoption next year.

Dick Platkin, a former city planner, noted that the current community plan, dating to 1988, still allows for developers to build tall buildings, but the now-scuttled update would have been a windfall in land values, as it would have meant areas were “up-zoned.”

“It is more cumbersome for developers to go building by building [for approvals], but the people who are investing in Hollywood don’t mind doing that,” he said. He has concerns not just about traffic, but affordability of housing in some of the new projects and whether that will displace or shut out lower- and middle- income residents.

It’s not just residential neighbors who have concerns. In August, Kilroy Realty Corp., developing the Columbia Square project and another called Academy Square, is challenging a proposed project that surrounds the Hollywood Palladium and calls for two towers up to 28 stories tall. Kilroy contends that it is too dense for the area.

Cost is one of the motivators for firms to move to Hollywood. Santa Monica and Venice have gotten so expensive that Hollywood is beginning to look more attractive to entertainment firms.

John Tronson, a principal at Avison Young Real Estate who has long specialized in the area, has noticed the change. “There are a lot of tenants you thought would exclusively look at the Westside who are now looking at Hollywood,” he said. Only in recent years, when developers saw proof that they could get rental rates north of \$4 per square foot for new space has it seemed much more viable to embark on larger-scale projects.

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REAL ESTATE AGENT JOHN TRONSON

One developer that has committed to the area is Hudson Pacific Properties, owner of Sunset Gower Studios (the former home of Columbia Pictures) and the Sunset Bronson Studios, which will house Netflix’s L.A. office in a new 14-story building called Icon. It will occupy just over 200,000 square feet, or about two-thirds of the building.

Victor Coleman, CEO of Hudson Pacific, said that a draw for Netflix is its proximity to Sunset Bronson soundstages. He noted that media companies are drawn to a campus-like

environment, so the tower will include higher floor-to-ceiling spaces, internal stairways and communal areas, as well as a sophisticated security system.

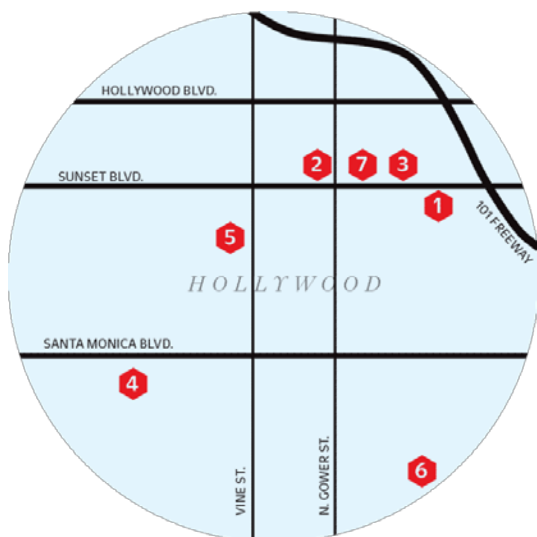
Hudson Pacific got its feet wet in the area with a six-story office building that was leased to Technicolor in 2008, in what Coleman said was the first major new office building in Hollywood since the 1970s. It showed the demand for space tailored to creative companies.

Perhaps nowhere is that more evident than in Paramount's planned makeover of its lot over a 25-year period, adding about 1.4 million square feet, the bulk of it for production offices and executive office space, while soundstages will be upgraded. With the recent release of a draft environmental impact report, studio executives have been meeting with neighborhood groups over the past two months. Among concerns have been the height of a proposed 15-story building, and, of course, traffic.

But Paramount's Sharon Keyser said execs wanted to maintain the historic integrity of the 56-acre studio, yet still upgrade and expand facilities for the digital age. "We had to go vertical in a couple of areas of our conceptual plan," she allowed.

Paramount is working on a traffic plan that will coordinate not just studio operations but other Hollywood employers, in an effort to turn habits toward carpooling or mass transit. A mobile app will help employees connect with others who wish to ride-share.

With a denser, taller Hollywood already in the city's future, now the trick is to convince showbiz workers to use public transportation.



CHANGING SKYLINE: Rapid development is occurring in every corner of Hollywood, with some of the largest-scale projects concentrated near Sunset Boulevard. Not shown on the map is Crossroads Hollywood, located on Sunset at Las Palmas.

1. Netflix: Move-in is slated for 2017

- 2. Columbia Square: Viacom moves in next year**

- 3. 5901 Sunset: An 18-story tower will replace a parking lot**

- 4. Hollywood 959: Offices opposite Hollywood Center Studios**

- 5. Academy Square: A 23-story tower is planned**

- 6. Paramount: A 15-story building is proposed**

- 7. BuzzFeed Motion Pictures at Siren Studios**