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Prominent L.A. developer to build unconventional office at Playa Vista



Developer Robert F. Maguire III, a prominent developer who helped shape L.A.'s skyline in the 1980s and '90s, is back with plans to build an office building in Playa Vista.



By **Roger Vincent**

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'Santa Monica is full. The obvious replacement for major tenants is Playa Vista,' L.A. office developer says

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Robert F. Maguire III, a prominent developer who helped shape L.A.'s skyline in the 1980s and '90s, is back.

Maguire led development of several of the city's best-known office buildings including U.S. Bank Tower, the tallest structure in Southern California. Now, at 79, Maguire says he is gearing up to develop again.

He plans to build an unconventional office at Playa Vista, the expansive former headquarters site of aviation titan Howard Hughes that has become a magnet for so-called creative firms such as YouTube.

The monolithic granite and glass towers Maguire built for corporate titans of the late 20th century are not attractive to technology, entertainment and digital media firms now leading the region's economic recovery, he says.

"Smart companies want innovative space," he said. "Conventional office space is going to have a hard time competing."

The Playa Vista office market is roaring, in part because the tech-centric Westside, sometimes known as Silicon Beach, is running out of space.

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His plan is to build an office called WE3, which would be the third building at an office campus called Water's Edge at the intersection of Lincoln and Jefferson boulevards. Maguire has held part interest in Water's Edge since he built it in 2002.

The complex, about a mile from the Pacific Ocean, was intended from the start to be a campus for creative technology types, but the timing was off. The roaring tech boom of the late 1990s was over by the time Water's Edge hit the market and it sat empty until video-game giant [Electronic Arts Inc.](#) moved there in 2004.

EA ran into financial challenges and labored to sublease much of its space, but Water's Edge is now at more than 90% occupancy, Maguire said. He plans to sell the complex to an investor willing to become a partner in the development of WE3.

"We are interested in joint venture so we can start the building on spec," he said, meaning that work on the \$67-million building would begin before any agreements with tenants have been reached.

The design, by architect Zoltan Pali of Studio Pali Fekete Architects, calls for a vivid blue and red four-story building.

"There is color everywhere, inside and out," Maguire said. "It's in total contrast to conventional office space."

WE3 would have polished concrete floors, operable windows and 14-foot ceilings — about 60% higher than is typical.

Water's Edge already has an LA Fitness gym, a screening room, a cafe, a soccer field, a basketball court, a sand volleyball court and an Olympic-length lap pool.

"This really reflects the way people want to work and what progressive companies like to buy into in terms of space," Maguire said. "It's changed."

Demand has indeed been strong in Playa Vista lately. A former [U.S. Postal Service](#) hub on Jefferson Boulevard now called the Reserve leased 380,000 square feet in less than two years to such tenants as Microsoft, entertainment media company TMZ and content delivery network EdgeCast.

Landlords asked for nearly \$3.25 a square foot per month in Playa Vista last quarter, according to brokerage Cushman & Wakefield. In downtown Los Angeles landlords asked for less — about \$3.04 a foot.

One of Maguire's former partners, Ned Fox, says he didn't see the shift toward unconventional office buildings coming during the construction heyday that lifted the city's skyline.

"Back when we were building high-rises downtown in the late '80s early '90s we were performing research on how tenants were utilizing space," Fox said. "There was a lot of talk about the Information Age, but none of us knew what that really meant. We didn't appreciate that the way people work was going to radically change."

Technological advances eliminated the need for file cabinets, libraries and even offices and assigned desks. Many organizations became less hierarchical, Fox said, and now desire offices that enable managers and staff to quickly cluster in groups as they work on various projects.

"It's getting to the point where companies have learned how to make open space highly collaborative," Fox said, "where you can bring a lot of talent together."

Fox's firm Vantage Property Investors has converted an old [Citibank](#) research-and-development plant in Playa Vista into offices for creative firms. Dogs are permitted and tenants take breaks to play with the foosball and pingpong tables.

People don't need a lot of office space, he said, but "they do need breakout and relief space."

Maguire, who was known for his demanding personality in the past, will probably make WE3 work, Fox said.

"His tenacity and creativity may drive a lot of people nuts," Fox said of Maguire, "but he always ends up with something that is different and typically very good."

Maguire said he intends to build more beyond WE3, following the example of his grandfather, who practiced law until the age of 93, and his father, who flew planes until he was 80.

"We are coming up with something that is totally different than we are used to building, which is fun," Maguire said. "When I stop having fun, I won't do it anymore."

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