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16-Story Condo Tower to Be Built in San Pedro

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By Roger Vincent

Galaxy Commercial Holding and Carlyle Group will co-develop the \$175-million project.

San Pedro, long known as the blue-collar waterfront of Los Angeles, is set to get its first high rise condominium building as the city's housing boom sweeps into another historic neighborhood.

Construction is set to begin in the spring on a 16-story tower at 5th and Palos Verdes streets called Vue. Plans call for 318 units priced from the mid-\$300,000s up to \$1 million that should be completed by early 2008.

The condos in San Pedro's old city center will replace Pacific Trade Center, an 11-story office building at 255 W. 5th Street, which is owned by Beverly Hills landlord and developer Galaxy Commercial Holding, said Raffi Cohen, the company's president.

Galaxy is set to develop the \$175-million tower with Carlyle Group, a private equity firm based in Washington. The partners also plan to convert an office tower on Wilshire Boulevard in Beverly Hills into a high-end residential complex.

The San Pedro project is intended to appeal to first-time homebuyers with views comparable to other waterfront locations in Southern California, said Ed Samek, a principal at Carlyle. Plans call for a swimming pool, fitness center and roof deck.

Constructing a high-rise condo building in San Pedro would be "a measured risk," said Pat West, director of community development in Long Beach.

The fact that investors are willing to finance the project suggests that they think San Pedro offers "an untapped opportunity" for housing development, West said.

San Pedro was incorporated in 1888 and annexed by port-hungry Los Angeles in 1909. It became home to a fishing industry that declined after World War II, but San Pedro is still part of the massive combined ports of Los Angeles and Long Beach.

A large-scale residential development in the historic core could have a financial ripple effect, said Joe Magaddino, who heads the economics department at Cal State Long Beach.

"If you can raise the number of residents significantly, you can support retail and entertainment" development too, he said.