

Engineering Firm First Tenant for Media Town Spaces

RELOCATE: Sherman Oaks business exchanging high rise views for open environment.

By Mark Madler, Monday, June 25, 2012



Moving: Commercial Resource invested \$3 million to create Media Town Spaces.

Sherman Oaks-based ARC Engineering Inc. is moving from its current high-rise tower to an open floor plan environment at Media Town Spaces, a repurposed commercial property in Burbank.

ARC Engineering will be the first tenant to move into the 65,000-square-foot Media Town Spaces development, located in the 200 block of Lake Street a few blocks west of the Golden State (5) Freeway.

“This will give us the ability to build our team around a collaborative and cohesive environment,” said Principal and Owner Muhannad Abdulhamid.

The firm works with architectural firms in designing broadcast and production facilities, soundstages, radio stations and performing arts centers. Clients have included Sony, Warner Bros. Studios, The Walt Disney Co. and Technicolor.

Media Spaces had long been a photo finishing and processing lab. In 2006, Community Chevrolet began using the building to prep and store vehicles. In 2011, VAST RE/sources, an acquisition and development entity connected to Burbank-based real estate brokerage and property management firm Commercial Resource,

bought the property for \$6.2 million and invested \$3 million to repurpose and market the property to multiple tenants.

The development features six units that range from 7,500 square feet to nearly 20,000 square feet and can be combined depending on the needs of the tenant. Lease rates are from \$1.15 per square foot to \$1.35 per square foot.

Commercial Resource CEO Bob Carter and Executive Vice President Mark Pettibone are encouraged that ARC has signed a lease for one of the smaller units in their building and expressed interest in buying it.

“A lot of time, companies don’t want to be the first” tenant in a new building, Carter said. Once the first tenant space is filled, however, “it sets the stage for increased activity.”

ARC Engineering had looked at potential sites in Sherman Oaks and North Hollywood before settling on the Media Town Spaces. ARC worked with Cresa Partners, a real estate advisory firm, to broaden the search for a new location.

By renovating the building for use by multiple tenants, Commercial Resource made it into a space that appealed to ARC. The exposed duct work gives an industrial feel and the lack of private offices borrows from what Google did at its headquarters, Carter said.

“We wanted an open floor plan that allows employees to work together and execute the project,” Abdulhamid said.

Amenities in the building include high capacity fiber optic broadband, 400 amps of power per unit, efficient high-end lighting, polished concrete floors, and nearby public transportation. ARC employees also have convenient access to a Metrolink station and downtown Burbank within walking distance. The new location also puts employees close to their homes.

“Some can ride their bikes to the office,” Abdulhamid said.

The city of Burbank also benefits from the deal, as ARC Engineering will help to support the city’s vital media and entertainment industries and put to use an old industrial building.

Burbank economic development officials say they would like to see more adaptive reuse projects within its borders.

Property owners have to take the time and effort to assemble the right types of buildings and then go through the planned development process that includes a public hearing on changing the use of the property, said Mary Hamzoian, economic development manager for the city.

Pettibone said interested tenants tour the space at least every other day, and many of the Hollywood studios have been by to take a look at what is available.

“There are serious discussions and interest from medium-sized production and post-production companies that

are expanding or looking to move,” he said.

Carter and Pettibone say they may consider doing other adaptive reuse projects. Burbank is a better place to do such projects because it came through the recession with a stronger economy relative to the rest of the Los Angeles market, Carter said.

The strongest candidate for the next project is an 80,000-square-foot building on a major corner near Bob Hope Airport, Carter said.