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The Barnes Approach

A \$10 Million Conversion Creates 68 Apartments, but the Developer Has Claimed the Penthouse

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DOWNTOWN LOS ANGELES -There are several unusual things about the Haas Building, a \$10 million Jewelry District project that opened May 1. Among the most unlikely is the sprawling two-level penthouse.

Although it is massive, with 16,000 square feet of indoor and outdoor space, it is not being marketed as a high-end apartment. Instead, the unit atop the building on the northeast corner of Broadway and Seventh Street will become the province of the project's developer, Zuri Barnes. He plans to use the penthouse as a part-time residence and rent it out as an occasional party venue.



Zuri Barnes in the 16,000-square-foot penthouse of the 1915 Haas Building. He purchased the structure in 1989, when he only saw profit potential in the ground-floor retail spaces. Photo by Gary Leonard.

"People thought I'm crazy at the beginning, building myself a unit," he said during a Wednesday morning tour of the structure. He added with a smile, "If I was borrowing money, probably the bank wouldn't allow me to do this."

But because Barnes owns the building at 219 W. Seventh St. outright, and funded the conversion of the former office structure into apartments on his own, the longtime Downtown landlord and entrepreneur finds himself in an enviable situation. Not only has he constructed his dream building, but he is under little pressure to quickly lease units despite the abysmal economy and ample competition.

There are other ways the economics of the project don't fit with what is considered traditional. Barnes has donated a 1,300-square-foot, second-floor space to the Jewish Community Center Chabad of Downtown L.A., the area's first synagogue in 60 years. Rabbi Moshe Greenwald, who runs the synagogue, said the rent-free space is ideal.

"The space is beautiful," Greenwald said. "I think the Jews that live Downtown are... less traditional than your average Jewish community, so the space works for them. It became a match made in heaven."

Though Barnes spent five years converting the Haas Building, forgoing a contractor and haggling himself with suppliers and workers to keep costs down, the time and effort were worth it, he said.

Even with nearby rental projects on the market, including the Chapman Flats at 756 S. Broadway and the Judson building at 424 S. Broadway, Barnes said he is not worried.

"For me, this is actually the best time financially, because I don't have construction costs anymore," he said. "When you don't owe money to the bank, you don't worry."

Powered by Chicken

Barnes emigrated from Israel to Los Angeles in 1973 and soon began purchasing residential and commercial buildings in Hollywood, West Hollywood and Downtown.

Most of his Downtown projects before the Haas Building were low-income residential conversions, Barnes said, including the Yorkshire Hotel at 710 S. Broadway and the Portsmouth Hotel at 1308 S. Hill St., which he developed with the Community Redevelopment Agency and eventually sold. He currently owns two other properties in Downtown, both single-story buildings on Los Angeles Street occupied by garment-industry tenants.

Barnes purchased the 12-story, 1915 Haas Building (formerly known as the Broadway Exchange building) in 1989. He acquired the edifice, along with another building on the southeast corner of Broadway and Seventh Street that has since been torn down to make way for a parking structure, for \$7 million.

At the time, Barnes said, he was focused on the Haas Building's ground-floor retail opportunities and had no plans to activate the upper levels.

"I figured the worth of the building by the retail, because everything upstairs was empty," he said. "There was no use for it. Then, when lofts started making waves, I started to research it."

Revenue from Barnes' other residential projects, plus income from several Carl's Junior and Kentucky Fried Chicken franchises that he owns (including a KFC near the Haas Building on Broadway), funded the 68-unit conversion.

The project was designed by the Santa Monica-based architect Lucas Rios Giordano, whose firm has worked on Downtown projects including the Santee Village complex in the Fashion District. Maintaining the Haas Building's historic character was a priority.

"The building was empty for many years, so we had to put a lot of work into it, but we kept some of the elements of the offices," said Giordano. For example, the thick, white- and gray-swirled Carrera marble that once covered the walls and floors in the building's hallways are now found in the units' bathroom countertops and in the trim lining the hallways and doors. The splotchy, imperfect terrazzo tile floors add another historic touch.

"Those were the original floors," said Giordano. "We just patched them and let the patching be seen. We didn't fight the character of the building."

The Light Stuff

Of all the Haas Building's quirky details, Barnes takes the most pride in its lighting schemes.

In addition to standard overhead lights, the apartments feature lights over the kitchen countertops, above the windows and other places.

"Lighting is my favorite," Barnes said as he proudly demonstrated different units' lighting configurations. "Every bedroom has maybe four or five switches. It's something that most people don't notice, but I love lighting."

The units, which range from 575-1,200 square feet and rent for \$1,299-\$2,600, boast other distinguishing features, including walk-in closets in even the smallest apartments, exposed brick walls, individual air conditioners and state-of-the-art, stainless steel kitchen appliances.

The kitchen equipment testifies to Barnes' knack for balancing thrift and luxury. All of the appliances were custom-made in Israel and shipped here, he said, because, "they're good quality, they gave me a good deal and I wanted to give them work."

Then there is the penthouse, which when not being used by Barnes will be marketed for events under the moniker Loft Seven. It features an 8,000-square-foot layout with a vast living area, three bedrooms and a full catering kitchen. Marble stairs and a private elevator lead to an 8,000-square-foot rooftop with another kitchen. There is also an enclosed Jacuzzi — it seats 20.

Touch panel screens control the apartment's strategically placed LED bulbs, allowing for literally thousands of lighting combinations in all colors. The panels also control heat and air-conditioning, and can lower and raise the shades over the long row of south-facing windows on the first level, which provide a view of the turquoise façade of the nearby Eastern Columbia Building.

There has been some concern from local stakeholders about the types of events Loft Seven will attract.

"There has not been a presentation to the community about what kinds of events will be there, and we have to some degree a concern," said Russell Brown, executive director of the Historic Downtown Business Improvement District.

While the event schedule for Loft Seven is unknown, the Historic Downtown BID plans to hold a meeting there this week, and Brown said he expects to learn more about the project. Barnes said he envisions the space as a community amenity, and in the future hopes to host events for the 2-year-old Downtown Fashion Week there.

As for other plans, Barnes said he hopes to bring a market and coffee shop to the building's ground floor. Meanwhile, units are slowly filling, with 15 leased so far.

Barnes said he always planned the project as a rental building and does not expect to convert it to condominiums, even after the housing market recovers. He also intends to hold onto it for the long-term.

"I decided I'll leave it for my grandkids," he said.

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