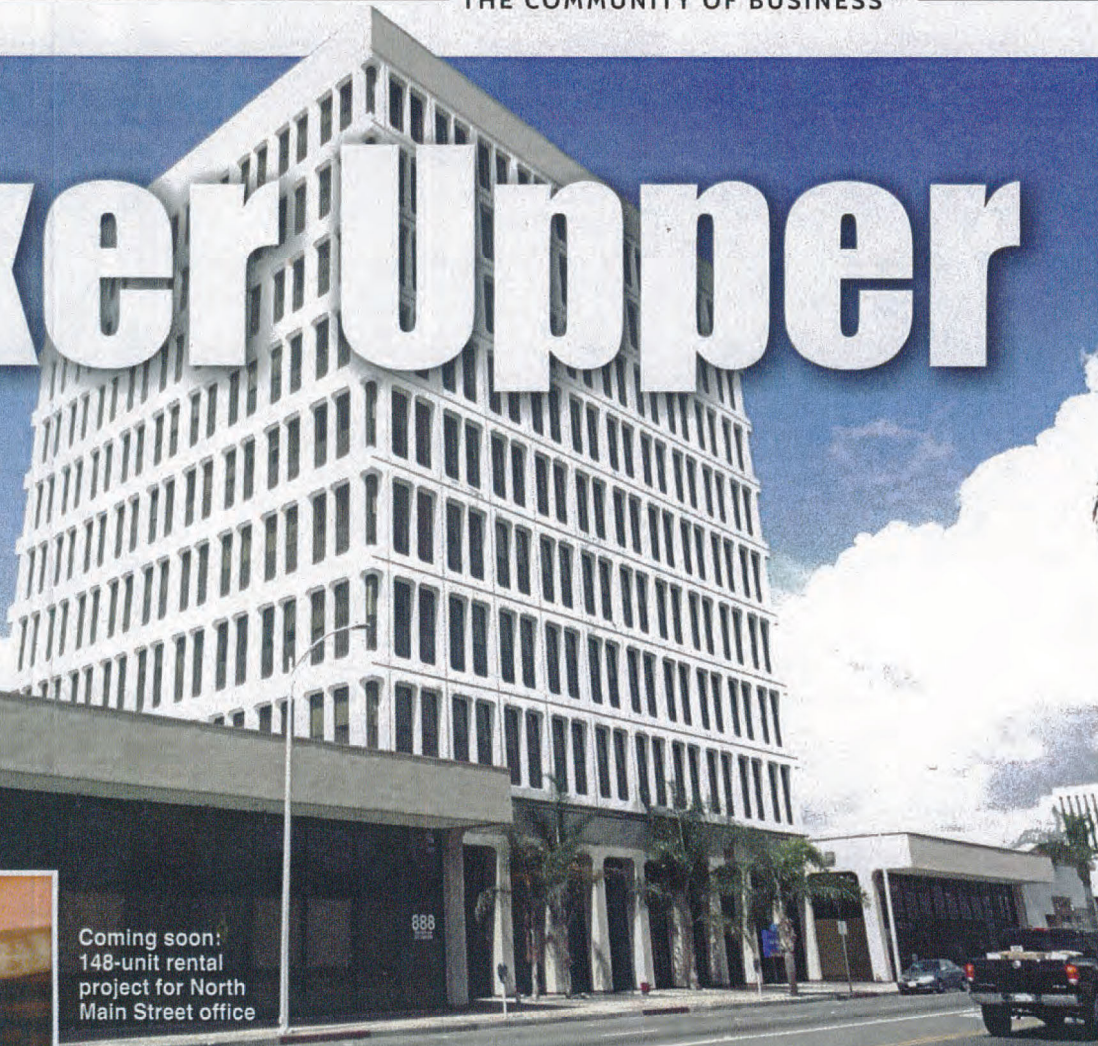


# Fixer Upper



Coming soon: 148-unit rental project for North Main Street office



Harrah: Santa Ana 'very progressive' on housing push

## Big Mike's Latest Vision: Adaptive Reuse Housing in Santa Ana

By KATIE MURAR

Mike Harrah is getting into the apartment development game in downtown Santa Ana.

Befitting the larger-than-life, unconventional developer—who's long been one of the largest commercial real estate owners in the city—Big Mike isn't looking to build a ground-up, midrise project in the mold of numerous other

complexes springing up around the city and other areas in Orange County.

Instead, his Santa Ana-based **Caribou Industries** is turning an office building near the city's downtown hub of state, local and federal facilities into a big adaptive reuse project, one geared at adding more housing to the area.

His 10-story, 114,000-square-foot building

➔ Harrah 49

## Lucky: Facebook's Loss is OC's Gain

Anduril Thrives Outside Silicon Valley

By MARK MUELLER



Palmer Luckey wears his banishment from Silicon Valley like a badge of honor.

The 26-year-old, founder of pioneering Irvine virtual reality firm **Oculus VR**, readily told OC one of world's fellow attendees at the 'best entrepreneurial environments' March 12 Business Journal Excellence in Entrepreneurship Award event that "I used to work for Facebook. But I was fired."

That blunt summation misses a few steps from a career that, less than a decade in, already stands far apart from those of other Or-

➔ Luckey 50



### Other Honorees

- Reza Jahangiri, page 4
- Darin Anderson, page 6
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## Interior Designer Acts Like Industrial Engineer

Hendy Builds Offices to Look Great

By SUBRINA HUDSON

## Harrah

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at 888 N. Main St., a 52-year-old office last used by **Orange County Social Services** but vacated a few years ago, is in the midst of being converted into a 148-unit apartment complex.

Harrah hopes to start renting the one- and two-bedroom apartments by June, with prices starting around \$1,600 for units ranging from 550 to 800 square feet.

Construction work was underway earlier this month when the Business Journal got an exclusive tour of the building, with one completed unit that had an array of modern design flourishes on the top floor serving as a model. A good portion of the former office space in the interior of the building had been demolished.

Harrah said he is currently in talks with restaurants, coffee shops and gym studios to occupy space on the lower levels of the building, which he bought in 1995.

He estimates the project's cost at about \$40 million, aiming to complete by the end of the year, he said.

The "highest and best use is mixed-use, and the city is very progressive on that," Harrah said, noting that other buildings he owns in the vicinity could soon follow with similar redevelopment plans.

"There is a huge demand for more residential in the area."

### Adaptive Use Adopter

The 888 N. Main building stands as one of the more prominent examples of Santa Ana's push a few years ago to convert old commercial buildings into housing, a plan that's



Room with a view: 10-story office to have rents starting around \$1,600/month

helped revitalize a good portion of downtown Los Angeles in recent years but has yet to take hold in OC.

The city's Adaptive Reuse Ordinance, established in 2015, waived the requirement to include affordable housing in commercial-to-residential conversions, while also relaxing certain building, fire code and parking requirements.

About a dozen buildings in the city were initially earmarked as likely candidates for conversion.

Other similar projects in the works include a five-story office at 1666 N. Main St., which is being turned into "58 high-quality affordable apartment units for working artists and their families," according to project developer, L.A.-based **Meta Housing Corp.**

Other cities are also looking at similar plans. For example, in downtown Anaheim, **LAB Holding's Shaheen Sadeghi** is preparing to convert a structure along West Center Street Promenade into a 57-unit apartment complex that could include 16,500 square feet of commercial and office space.

The 888 N. Main project could prove to be a catalyst for more development of this type across the area, according to Harrah, whose collection of older buildings would appear ready-made for this type of adaptive reuse project. He's owned 71 buildings consisting of over 5 million square feet in Santa Ana over the years, and says he now has about 50 buildings in the area to his name.

"There wasn't a precedent for a project like this in Santa Ana, and now there is," Harrah said.

### One Broadway Ties

In Harrah's world, most roads lead back to One Broadway Plaza, and that's the case for 888 N. Main.

The building sits about a block from the site where he has long planned to build OC's tallest office building, running nearly 500 feet high.

He envisions the apartment building as a home for future workers at the proposed 37-story One Broadway tower, not to mention families of students attending the nearby **Orange County School of the Arts**, of which Harrah is a large donor.

Numerous families with students at OCSA

live outside the county, noted Harrah, who said he's helping build "a 3,500-square-foot art exposition center for artwork and performances" at the school.

One Broadway, nearly 20 years in the making, remains a work in progress, and flux. A heavy amount of groundwork was completed about two years ago, but the tower's yet to go vertical.

Around the start of the year, Harrah brought on a new brokerage team for the project and a related proposed mixed-use development a few miles away at the 625 N. Grand Ave., former headquarters of the Orange County Register, now known as 625ive.

Brokers with **Lee & Associates Commercial Real Estate Brokers** are marketing the developments to potential tenants. They have touted the two projects' locations within Opportunity Zones to help garner investment interest.

The zones were implemented as part of the 2017 Tax Cuts and Jobs Act to spur economic development in underserved communities by providing tax benefits to investors.

Harrah told the Business Journal that he's lined up a new investor from Switzerland to help fund One Broadway, whose value he pegs will be about \$500 million when completed. Specifics on the investor weren't provided; he said he's hoping construction for the tower could begin as soon as July.

Along with office space, he said he's considering adding a residential element to some floors at the tower, along with restaurants and perhaps an educational facility, among other amenities.

The decision to add a residential component was influenced by the city's push for multi-use development in the area, which could reduce the density of the project, he said. ■