



## **Blackstone tackles new office conversion: a school for students displaced by LA fires**

**By Brannon Boswell**

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*Employees for real estate giant volunteer to remake vacant space in suburb of Pasadena*



*Blackstone is creating a school from office space in the One Colorado mixed-use complex in Old Town Pasadena, just south of where the Eaton fire torched roughly 6,000 commercial and residential structures. (CoStar Group)*

The global co-chief investment officer of one of the world's largest real estate firms has been hard at work with colleagues cobbling together furniture instead of deals.

Blackstone's Ken Caplan is one of roughly 40 employees converting a vacant Los Angeles office into a new educational home for students displaced by the most destructive wildfires in California history.

The property is within Blackstone's One Colorado mixed-use complex in Old Town Pasadena, just south of where the Eaton fire torched 14,000 acres and roughly 6,000 commercial and residential structures, including the Altadena campuses for Odyssey Charter Schools. The students start moving in next week to the converted office, a 9,000-square-foot outpost for 175 students, from fourth to eighth grades, for the rest of the school year, at no cost.

"We often talk about the benefits of our large portfolio to our investors and employees," Caplan, visiting from company headquarters in New York City, told volunteers before tackling an Ikea shelf. "But today, the real benefit is that we're able to identify space in our portfolio that could be used for students that were impacted by these devastating fires."

It's the latest example of the commercial real estate industry pitching in to help those affected from the fires, with firms like national brokerage JLL and office investor Carolwood putting their skills and portfolios to charitable use.

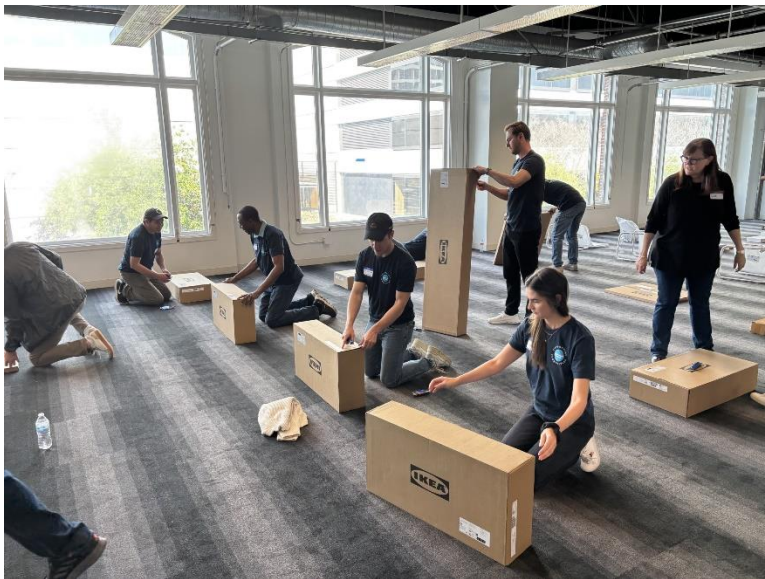


*Ken Caplan, Blackstone's global co-chief investment officer, spent an afternoon assembling schoolroom furniture in one of the firm's office properties. (Brannon Boswell/CoStar)*

Employees from Blackstone's portfolio companies ShopCore, EQ Office and April Housing spent four hours with Break a Difference, the company's nonprofit partner, and school leaders to outfit the space with a new teachers' lounge, reading nooks and a mural, as well as assembling office and classroom furniture for the space at 35-41 Hugus Alley.

One of Odyssey Charter Schools campuses in Altadena was destroyed by fire while another was badly damaged. About 30% of the school's students have either lost their homes or have been displaced, said Carlos Garcia Saldana, executive director of Odyssey Charter Schools.

Break a Difference and Blackstone jumped in quickly to help, kicking off the conversion of the top-tier office space at the start of this month, just as the fires became contained.



*Blackstone employees assemble desks and chairs for students who will be arriving soon. (Brannon Boswell/CoStar)*

"Two and a half weeks ago it was without carpeting, without ceiling tiles, and now it will become classrooms for our students in just a matter of days," Saldana said. "Being able to regather and have a physical location for our students, our teachers and our families was our first and primary goal."

Support pours in

Blackstone has \$315 billion in real estate assets under management, and deployed \$25.3 billion in real estate investments last year, including a deal to take Retail Opportunity Investments private.

In addition to the space, Blackstone is giving Odyssey a \$200,000 grant through the Blackstone Charitable Foundation so it can continue its educational programs during the time of rebuilding.

The foundation has also donated \$300,000 to Pasadena Community Foundation Eaton Canyon Fire Relief and Recovery Fund; California Community Foundation Wildfire Recovery Fund; and the LA Fire Department Foundation.

One Colorado spans a full city block in the heart of historic Old Pasadena. Tenants range from The Cheesecake Factory and The Container Store to Alo Yoga and Anthropologie. The school is in the project's interior courtyard near an upscale movie theater and an under-construction Javier's restaurant.

Pasadena has become a hub for efforts to source new homes and buildings for displaced residents and tenants of the Eaton fires that destroyed most of nearby Altadena. JLL helped charity Altadena Girls find a street-front headquarters near the new Odyssey Charter School in Old Town.

Odyssey isn't the only school finding new digs in vacant office space after the fires. Four displaced schools from the Pacific Palisades neighborhood have sublet office space in Santa Monica, with one school taking over 75,000 square feet at the Colorado Center office complex, according to city officials.

There's plenty of vacant Los Angeles office space to go around. Tenants have given back 3 million more square feet than they have leased in the past year, driving vacancy to 16.2%, up from 15.5% a year ago, according to CoStar data. In Pasadena, office tenants have given back 183,000 square feet more than they leased and office vacancy is 13%, up from 12.4% a year ago.