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ISSUE 1

Spring 2008

IN NAIOP ENEWS...

A Message from President Terry Thompson	Page 1
NAIOP SoCal Members Lead the Future of Sustainable Development	Page 3
Legislative Update	Page 4
Terry Thompson Shares Insight on Green at Real Estate 2008	Page 6
Night at the Fights – An Olympic Experience	Page 7
Congratulations to the YPG 2007-08 Graduates!	Page 8
Kudos: Members Making a Difference in the Community	Page 9

Members in the News	
Spring 2008	Page 10
New Members List	Page 12

President’s Message from Terry Thompson

In spite of the current market and economic slowdown we are now facing as an industry, NAIOP SoCal is off to a fast start in 2008 in providing leadership, direction and value to our sponsors and members. We’ve all been witness to the various opinions about our capital markets, a potential recession and how long it will take to recover from this latest market cycle. While I cannot give you a concrete answer to how long this cycle will last, I can say that now *more than ever* NAIOP SoCal is working on your company’s behalf to improve your business and our industry during these turbulent times. Not only are we committed to providing superb education and relationship-building events for your employees, but we are already fighting a number of industry-killing legislative proposals which would have a dramatic, negative economic impact on our industry.



On the educational front, I am pleased to announce that NAIOP SoCal recently celebrated the 3rd graduating class of the Young Professionals Group (YPG). YPG provides outstanding value to the companies and employees who have participated in this program. In addition, we continue to provide our members-only NAIOP-U educational programs in Orange County and Los Angeles with great success. We also continue to work with UCI, UCLA and USC on educational programs that benefit our members and our industry.

Legislatively, we are facing one of the most critical years that our industry and economy has ever faced. I cannot stress enough how imperative it is that you become familiar with legislation threatening our industry and assist NAIOP SoCal through donations to the Political Action Fund (PAC) and with your active involvement in helping us fight these issues and provide awareness to our industry and voters. Please take a look at our legislative update for more details.



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Chapter leaders from NAIOP SoCal also recently took a trip to Washington DC where we spoke directly with members of Congress and lobbied them about the impact the items stated above could have on our industry and our economy.

As the year continues, NAIOP SoCal will continue to provide our sponsors and members information and educational opportunities that will help them create additional value and steer their way through this latest market cycle. NAIOP SoCal is the only commercial real estate organization that offers this complete platform to its sponsors and members. We are driven to be an organization of leaders, significance and substance to the commercial real estate industry. Thank you for your continued support and involvement with NAIOP SoCal.

I hope to see all of you at this year's 19th Annual Night at the Fights event on May 15th. It will be an experience of Olympic proportions!

Terry Thompson



NAIOP SoCal Members Lead the Future of Sustainable Development

"NAIOP believes that sustainable development is much more than a trend or movement – it is the future of real estate," says Terry Thompson, president of NAIOP SoCal. Many chapter members are implementing strong sustainable development platforms. **The Boeing Company** is creating one of the first LEED-certified, mixed-use developments in California. Douglas Park in Long Beach will encompass about 3.3 million square feet of commercial projects and 1,200 homes on the site of the former Douglas Aircraft plant. "We can't afford to ignore green building as a strategic element at large-scale projects like Douglas Park," said Stephane Wandel, senior real estate manager.

Hines and **Snyder Langston** recently teamed up to build the first core and shell LEED-certified office building in California at 2211 Michelson in Irvine. The 266,600-square-foot building contains 60 percent more glass than traditional buildings, innovative mechanical systems to reduce energy consumption and provide fresh air, and the use of recycled water for all toilets and landscaping engineering. "This momentum demonstrates that our members recognize the positive impact that sustainable development has on the environment, employee retention, workforce productivity and fiscal success," says Thompson.

LPA, Inc. currently has 15 sustainable projects in the works and recently designed the Flight Projects Center at the Jet Propulsion Laboratory in Pasadena, which is being built by **Swinerton Builders**. The six-story structural steel building includes a 428-seat auditorium, is scheduled for completion in 2010 and will achieve a LEED Gold certification.

Interior Office Solutions (IOS) is the state's first furniture dealer to be LEED-CI certified and began its green transformation in 2006 when it purchased an Irvine building for its corporate headquarters and built a LEED-CI certified showroom to demonstrate the advantage of sustainable construction and products. As Thompson remarks, "these members are the region's leading innovators in sustainable development, investment and design."

Legislative Update

"Legislators often pick the worst economic times to target our industry with detrimental legislation and we've already witnessed this to be the case in 2008."

Jim Camp
Legislative Chair

Split Roll Taxation Damages Local Economy

Policymakers are looking towards split roll taxation again as a so-called "solution" to the state's \$16 billion budget deficit. They believe that raising taxes on your properties is a much better idea than reigning in ballooning spending. Sacramento wants California businesses to pay between \$3 billion and \$7 billion a year in higher property taxes under a new split roll tax, which will eliminate Prop. 13 protections for business!

The split roll property tax reinterprets the change-of-ownership rules of business property to trigger a reassessment when there is a sale of more than half of a company's stock. And it could constitutionally require reassessment and higher tax rates on business properties.

A split roll property tax would imperil the state's economy and would be the single most damaging tax policy change that could occur in California. Ultimately, split roll will increase costs to businesses due to higher property taxes, which could result in higher product prices, reduction in employee salaries, as well as a reduction in overall economic activity.

DC Visits Success

During the recent Leadership Conference in Washington, D.C. SoCal delegates took time to personally visit the offices of eight members of Congress and joined with the other California NAIOP Chapters to host a Congressional reception. The purpose of the meetings was to support our lobbying efforts on national legislative priorities. In addition, our representatives also discussed Southern California regional issues including:

- Funding California's Infrastructure – Transportation and Goods Movement
- 241 Toll Road Extension Appeal to U.S. Secretary of Commerce
- California Water Crisis – Storage, Delivery and Will-Serve Letters to New Development
- Green/Sustainable Building Policy



Left to right: Brian Meihaus, Shea Properties
Representative John Campbell
Patrick Strader, Starpointe Ventures
Vickie Talley, NAIOP SoCal Dir. of Legislative Affairs
Melissa Huffman, NAIOP National Director of State & Local Affairs



Attorney General Pushing for Global Warming to be Included in CEQA

California Attorney General Jerry Brown is not waiting for the California Air Resources Board to adopt specific implementation measures to meet the green house emission reductions outlined in AB 32. He has filed lawsuits against local agencies for not addressing global warming and the reduction of green house gases in local CEQA documents and has announced local government workshops aimed at “providing concrete tips for addressing global warming in CEQA documents.”

A visit to the [Attorney General's website](#) provides insights into the office's aggressive activities including filing lawsuits, comment letters on proposed projects, and a fact sheet listing various mitigation measures that local agencies may consider under CEQA to offset or reduce global warming impacts. As a reminder, AB 32 requires green house emissions to be reduced to 1990 levels by 2020, and to 80% below 1990 levels by 2050. It seems that Jerry Brown has a far more aggressive timetable in mind!

NAIOP Chapters Provide Funds for CA Carbon Footprint Study

In an effort to address the requirements of AB 32, NAIOP SoCal and the NAIOP State Council joined with CBPA, ICSC, and BOMA in funding an industry-wide representative to engage in the complicated regulatory process and to commission a study to:

- 1) Correctly identify the 1990 baseline emissions by the industry
- 2) Quantify energy usage reduction commercial facilities have obtained since that time to make an argument for “early action” carbon credits
- 3) Combat mandates that are being proposed at the state and local levels for strict adoption of LEED certification programs as mandated building code policy

NAIOP SoCal Weighs In On Key Issues

NAIOP SoCal, on your behalf, has weighed in on the following key issues:

- **State of California Green Building Code Standards:** A 14-member California business coalition submitted comprehensive comments and recommendations on the state's proposed green building codes discussed at the Green Code Advisory Committee hearings. CBPA represented our industry at the meetings and reported that the discussion resulted in the support of our requests to remove all objectionable parts of Chapter 4 that would have codified planning processes best left to local agencies.
- **SCAG Regional Transportation Plan:** The Legislative Committee has reviewed the draft SCAG Regional Transportation plan and drafted recommendations and concerns. The chapter supports the development of well-balanced communities in fringe areas to provide jobs and housing which would result in the reduction of commutes to outside job centers.
- **Coastal Commission 241 Toll Road:** The chapter continues to support the completion of the 241 toll road and is closely monitoring the appeal of the Coastal Commission's decision to deny the extension of the road.
- **Multi County Goods Movement Action Plan (MCGMAP):** NAIOP SoCal commented on the Multi-County Goods Movement Action Plan (“MCGMAP”) and is pleased to be a participant in the Stakeholders Advisory Group. We support efforts to have the Plan adopted by public agencies and to work closely with private sector organizations and individuals in its implementation.

Los Angeles Going Silver.....GREEN

The Los Angeles green building ordinance is moving through the approval process virtually unopposed by the business community. Most Los Angeles business and commercial real estate organizations have been focused on tweaking the ordinance, not opposing it. The measure will require commercial projects of more than 50,000 square feet to meet the U.S. Green Building Council's Leadership in Energy and Environmental Design Silver certification standards.



Terry Thompson Shares Insight on Green at Real Estate 2008

"For a number of years now, the real estate industry has been building to green standards on a voluntary basis. It is a bit of a misnomer that real estate hasn't taken a proactive stance on sustainable development," shared NAIOP SoCal President Terry Thompson at the recent Real Estate 2008 conference in Los Angeles. "Hines, Lennar, Opus and many other leading developers are all building to sustainable green standards."

As a featured speaker on the sustainable development panel, Thompson also delivered larger questions to the audience to demonstrate the feasibility and profitability of sustainable development. "What would cause a developer to build their projects using sustainable practices? Answer: Tenants who are willing to pay more in rent for a higher level of standards."

"The most important issue now is that we need to pay attention to our demographics," remarked Thompson. "The next generation is paying attention to the environment. We also need to assess what it means for buildings built 10 to 20 years ago. How will they be retrofitted for the next generation?"



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Night at the Fights – An Olympic Experience

The ceremonies begin on May 15th! This year's Night at the Fights joins commercial real estate and the explosive sport of boxing in an Olympic Experience. Join us at the Hyatt Regency Irvine for a grand occasion in the spirit of competition, sports excellence and the Olympic Games. General registration is now open, and seats are going fast - register now! Contact the Chapter office at 714.979.9131 for full details.



Congratulations to the YPG 2007-08 Graduates!

The third group of YPG students celebrated commencement ceremonies last month, with 33 graduates receiving awards and certificates in honor of their year-long course of study. This brings to over 100 the number of young professionals who are now YPG alumni.



NAIOP SoCal congratulates the 2008 graduating class of YPG

An inaugural "NAIOP SoCal Developing Leader Award" was presented to Malcolm Johnson, Bank of America, for demonstrating leadership, teamwork, communication skills and individual growth during the year, and his passion for the YPG program. Recommendations for recipients were solicited from his YPG peers.

Special thanks to all of the YPG sponsors, without whose support this program would not be possible. [Click here for a complete listing.](#)

Congratulations again to the YPG Class of 2007-08!

**KUDOS: Members Making a Difference in the Community****Snyder Langston BRIDGE Program Encourages Employees to Reinvest in the Community**

In 2007, Snyder Langston's employees gave \$25,000 to various community service organizations. As part of the company's BRIDGE program, an effort designed to encourage and provide employees with the opportunity to direct community service and funds to charitable organizations of their own choosing, Snyder Langston's employees' efforts benefited 46 organizations. Through the BRIDGE program, Snyder Langston matches employee time dedicated to community service activities with monetary support for organizations of the employees' choice. Some of the organizations touched by these efforts in 2007 included CASA, Boy Scouts of America, American Diabetes Association, Hoag Hospital and the Susan G. Komen Foundation.

Led by Jason Rich, the Snyder Langston BRIDGE Program plans in 2008 to organize 15 company and employee sponsored volunteer events, participate in the Habitat for Humanity San Juan Capistrano housing project, donate at least 3,000 employee hours to community service programs and increase company donations to community organizations by 40 percent.

LET US HEAR FROM YOU! If your company has a community project you would like us to recognize, please submit details to Julie@amies.com.



Members in the News

Amies Communications hired Megan Morales and Randie Golkin as account strategists.

KBS Realty Advisors acquired Evergreen Park in Hillsboro, Oregon. Located just outside of Portland, the Class A property consists of a 10.56-acre light industrial park totaling 172,200 square feet and is 83 percent leased to seven tenants.

KBS Realty Advisors reports that KBS REIT has acquired Rivertech Park, a 285,772-square-foot property in Billerica, Massachusetts for \$45.2 million. The office/R&D property consists of twin buildings which are 100 percent leased to two high-technology tenants.

Opus West Corp. named Greg Wattson vice president of retail development for the firm's six-state western region. In this role Wattson will pursue and implement new retail development opportunities throughout Southern California as well as coordinate with Minnesota-based parent company Opus Corporation on national retail development strategy. Wattson will also oversee all existing retail projects in the area, including The Shoppes at Chino Hills, a 400,000-square-foot lifestyle center and The Commons at Chino Hills, a 500,000-square-foot power center.

Opus West reports that construction is now underway on Horizon Tech Center @ Scripps Ranch, a 158,000-square-foot corporate campus within Phase III of Scripps Ranch Business Park in Central San Diego County. Set on 11.3 acres framed by eucalyptus groves, the low-rise business center will be Opus West's first project in Southern California developed in accordance with the Leadership in Energy and Environmental Design (LEED®) Green Building Rating Systems™ certification requirements. Horizon Tech Center @ Scripps Ranch will feature three two-story office and research and development buildings providing between 45,600 and 58,200 square feet each, with easy access off I-15, between SR-56 and SR-163.

Pacific Coast Capital Partners (PCCP) formed a joint venture with Chase Merritt, a real estate investment and asset management firm, to acquire a 424,393-square-foot mixed-use property known as Four Corners in Houston. The property consists of two adjacent class A office buildings totaling 395,473 square feet, two retail buildings totaling 28,920 square feet and two parking structures. Four Corners is situated directly adjacent to the 2.4 million-square-foot Galleria retail complex approximately nine miles west of the Houston CBD. The property is 84.3 percent occupied by a diverse mix of tenants.

PM Realty Group (PMRG) reports the expansion of its development and acquisitions services, naming Chris Stirling as senior vice president of development and acquisitions for its Western Division. Stirling will seek out development opportunities and acquisitions for multiple product types, including office, medical office, mixed-use, industrial and multifamily, on the West Coast.

RiverRock Real Estate Group has announced the formation of a joint venture with Wilson Johnson Commercial to be known as Wilson Johnson RiverRock. The joint venture, operating from its main Palm Desert office, will be the only Accredited Management Organization (AMO) based in Palm Desert. The area serviced will include La Quinta, Rancho Mirage, Indian Wells, Palm Desert and Palm Springs. The agreement increases RiverRock's total management and leasing portfolio and expands its geographic reach into a new Southern California market, the Coachella Valley. Brian Strahl has been named to run the management practice in the region.

Shea Properties announces a deal with R.D. Olson Development to bring one upscale 180-room Kimpton boutique hotel and two major-brand select-service hotels (totaling 140 suites and 160 rooms) to Legacy Park



in Tustin. This is the first hospitality development deal to transpire at the 820-acre mixed-use community located on the site of the former Tustin Marine Corps Air Station.

Stirling Capital Investments has commenced construction on a one million-square-foot speculative class A industrial facility situated on approximately 46 acres at Southern California Logistics Centre (SCLC) in Victorville, Calif. The completion of the building is anticipated in December 2008 and will join four other buildings at SCLC, bringing a total of nearly two million square feet of property to the market by the end of this year. The five buildings are part of Phase I development plans which total 6.5 million square feet of industrial space over 350 acres of land. The one million-square-foot distribution facility will be a “green building” and is registered for LEED Certification.

Voit Commercial Brokerage reports the closing of four lease transactions totaling \$12 million in Orange County. The four transactions include:

- Walker Zanger signed a 10-year lease on a 60,000-square-foot industrial building in Tustin. David McKenney of the Irvine office represented the lessor, SKB, in the \$6.8 million lease transaction.
- Preferred Hotel Group, Inc. signed a multi-year lease on a 9,992-square-foot office building for \$2.5 million located in Newport Beach. Doug Killian of the Irvine office of Voit represented the lessee; and the lessor, The Irvine Company, represented itself.
- Swell Commerce, Inc. signed a \$1.6 million lease on a 34,155-square-foot industrial building in San Clemente. Pat Walker and Tim Walker of Voit’s Irvine Office represented both Iglesia 4, LLC, the lessor, and Swell Commerce, the lessor, in the transaction.
- THK Photo Products signed a five-year lease on an 18,718-square-foot industrial building in Huntington Beach. Mike Bouma of Voit’s Anaheim Metro office and Jeff Williams of Voit’s Irvine office represented the lessor, Woodwind Commerce Park, in the \$1 million transaction. Vince Manshee of **Cushman and Wakefield** represented the lessee, THK Photo Products.

Voit Commercial Brokerage recently won the leasing assignment for the largest industrial portfolio in Orange County. The portfolio, owned by Walton Street Capital, consists of nine industrial parks totaling 1.5 million square feet. The industrial portfolio includes Garden Grove Business Center and Hoover Business Park in Garden Grove, Commerce Park Anaheim in Anaheim, Fullerton Business Center in Fullerton, North County Business Park in Yorba Linda, Harbor Business Park in Santa Ana, Harbor Warner Business Park in Orange, Spectrum Centre Business Park in Lake Forest and Irvine Business Park in Irvine.

Ware Malcomb reports that design and construction are completed on Lamborghini Calabasas, a full-service auto dealership. Ware Malcomb’s Auto Group, which operates out of Irvine, designed an exterior remodel and tenant improvements for the 8,600-square-foot single story dealership. The trademark design includes an elegant façade, striking white entry, simple aluminum canopies and bold dark base accents.

Wentz Group announces the hire of 30-year construction industry veteran Richard Majestic. As Vice President based in the firm’s Newport Beach office, Majestic is responsible for new business development and Southern California operations. Recent Wentz Group projects include the construction of Pelican Hill Villas and Golf Clubhouse, The Montage Resort in Laguna Niguel and the North River office building in San Bernardino.



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NAIOP SoCal Welcomes New Members!

NAIOP SoCal would like to welcome 112 new members to the chapter. We look forward to seeing each of them at our upcoming events!

The Abbey Company

Cory Whitman, Adam Matthew Voelker

Allen Matkins Leck Gamble Mallory & Natsis LLP

Julia Michelle Sischo

AMB Property Corporation.

John Sheriff

Anderson Environmental

Matt Rodda

Arden Realty, Inc.

Brian Mericle

Bacchus Development

Steve Beckett, Tibor Kelemen, Michael Vukovich

Bixby Land Company

William Welch

Broadreach Capital Partners

Lillian Kuo, Mark Tronstein

Buchanan Street Partners

David Witham

CB Richard Ellis

Tom Conzelman, Reed Gottesman, Jeff Osborn

Champion Development Group

Robert Champion

Churchill Mortgage Corporation

S. Rowan Wilson

CIP Real Estate

Bob Storm

Cole Companies

Aron Leckband

Colliers International

Joseph Garrett

Commerce National Bank

Herb Reynolds

Core Realty Holdings



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Nels Billsten, William R. Colvin, Nicholas Rosenthal

Cox, Castle & Nicholson LLP

Keith Walker

CoStar Group Inc.

James Watson

CT Realty Corporation

Daniel Culler

Cushman & Wakefield of California, Inc.

Christopher Cumella

First American Title Insurance Company

Larry Schmidt

GE Real Estate

Dawn Eisenberg, Erich Pryor, Rob Quarton

Gibson, Dunn & Crutcher LLP

James Richard Sechrist

Greenberg Glusker

Jonathon Fitzgarrald, Steven Lurie

Grubb & Ellis Company

Robert Giusti, Scott Hay, Robert LeMoine, Gregory Osborne

Hanover Pacific

Richard Sack

Highland Commercial Roofing Company

Alex Stewart

Hill International

Tonya Smith

Holliday Fenoglio Fowler L.P.

Charles William Halladay

Howard S. Wright

Derek Debraal

iRealty Inspection Services LLC

Jeff Manas

The Irvine Company Office Properties

Robyn Uptegraff

J.D. Diffenbaugh

Valerie Leonard

Johnson Capital

Kevin Burkhalter, James Chapman



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Kimball Tirey & St. John LLP

Deborah Biggs

LBA Realty

Jeff Badertscher

Lee & Associates

Tyler Patrick Thompson

Legacy Partners

Charles McClure

Liner Yankelevitz Sunshine & Regenstreif LLP

Casey Sobhani

LNR Property Corporation

Justin Lemmon

Majestic Realty Co.

John Eastman, Scott Perkins

Mar Ventures Inc.

Kelly Crawford

McShane Corporation

Travis Elenitsky, Edward Pitula

Messenger Investment Company

Steven Sims

NAI Capital Commercial

Matthew Moore, Wayner JR Williamson

Northwestern Mutual Investment Management

Anthony Nargi

Opus West Corporation

Greg Wattson

Pacific Building Care Inc.

William Conley

Pacific Coast Capital Partners, LLC

Bill Lindsay

Pacific Southwest Realty Services

Kostas Kavayiotidis, Colin Searles

Panattoni Development Company

Jill Arias, Jon Marchiorlatti

PM Realty Group

Chris Stirling



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ProLogis

Eric Gomez

The Reynolds Group

Don Herman

Reznick Group

Anthony Davis

RLA Real Estate

Ania Bloniarz

Rockefeller Group Development

Brian Dollar

ROEL Construction Company

Zoe Hickey, Jason Hunking

Rothschild Commercial Capital Funding

Jorge Bueno

RREEF

Brian Harnetiaux

SARES•REGIS Group

Rick Scherer

Shea Properties

Andrew Richards

Silagi Development and Management, Inc.

Alexander Koustas

Snyder Langston

Steve Gabbert, David Kelly, Praveen Sukumaran

Stirling Enterprises

Mark Huber

Swinerton Builders

Mike Pulley

TA Associates Realty

Clifford Chandler

Terracon Costa Mesa Ochoa

Jessica Ochoa

Thomson Property Tax Services

Susan Orloff

Trinity Property Consultants

Robert Jordon



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University of California

Genaro Bugarin

University of Southern California

Alexander Knott, Jared Parker

US Bank

Robert Quinn

Verizon

Linda Ceron

Voit Commercial Brokerage

Dan Berkenfield, Stefan Rogers, Hayden Socci, Kevin Turner

Ware Malcomb

Anita Makwana

Watt Companies

Lee S. Segal

Wentz Group

Richard Majestic

Westfield Group

Blake Hysni

Wrightwood Capital

David Kadin