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Up Front



It's a snap for Ian Stikeleather to add magnetic collars to his shirts. **PAGE 3**

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MAIL TO:

Safety, Scenery Come to Fore in Golf Ball Fight

CONDOS: Tower builder, country club divided over super-high fence.

By **HOWARD FINE** Staff Reporter

It's an eye-popping proposal: a 166-foot-high fence – as tall as a midrise office tower – to keep errant golf balls from flying off a golf course. And it's at the center of a spat between the famed **Los Angeles Country Club** and developers looking to build two luxury condo towers on the old Robinsons-May site next door

166 ft.

Golf fence would be as high as the tallest commercial building in Beverly Hills – and block views of planned condos.

800-foot-long mesh fence – with palm fronds on top – near the 16th hole of the south course to keep wayward balls from hitting the luxury condos, thereby shielding itself from potential costly lawsuits.

in Beverly Hills.

The country club operates the 103-year-old golf course straddling Wilshire Boulevard just west of Beverly Hills. It wants to build the

But the condo development company, **BH Wilshire International** of Coral Gables, Fla., says the fence is way too high and will block the view for prospective condo owners, making the residences harder to sell. The fence would be more than five times the 30-foot height allowed under the city of L.A.'s zoning code.

Late last year, after two city of L.A. planning bodies approved a variance to allow the super-tall fence, BH Wilshire filed an appeal to block its construction, calling the fence a last-ditch attempt by the country

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Homed In: City Planner Mark Gallatin at the Skycourts project in San Gabriel.

RINGO H.W. CHIU/LABJ

Build Boom

Influx of Asians driving San Gabriel development

By **KAY CHINN** Staff Reporter

SOME things in San Gabriel have stayed pretty much the same over the last 20 years.

The population of the bedroom community about 12 miles east of downtown Los Angeles has remained relatively constant at 40,000. Its commercial core is still very much a local affair – dominated by mom-and-pop operations with no Starbucks or chain grocery stores.

Despite all that, the city is undergoing a cultural makeover, one that has led to more than \$225 million in hotel, retail and residential development planned or under way.

The rush to build, city officials said, comes partly because the easing of the recession has

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Booze-Filled 7-Eleven Left Reeling

RETAIL: City ups shop's alcohol content then bans late-night sales.

By **ALFRED LEE** Staff Reporter

The 7-Eleven on the west side of sleepy La Cañada Flintridge might have a soda fountain and two-for-a-dollar doughnut deals, but it is not a normal convenience store. In fact, it is not a convenience store at all.

Customers are greeted upon entrance with rows of alcohol in all varieties – \$4 red wine blends and pricy Pinot Noirs from historic Santa Barbara vineyards, Coors Light 12-packs and craft IPA beers. Here is the only 7-Eleven in the country where the stock is mostly alcohol – a liquor store with a Slurpee machine.

Dallas' **7-Eleven Inc.**, which owns and runs the store, does not even want to sell liquor there.

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RINGO H.W. CHIU/LABJ

Cheers: La Cañada Flintridge's 7-Eleven Liquor.

Tide Finally Turns In San Pedro for Residential Project

By **BETHANY FIRNHABER** Staff Reporter

A long-stalled 61-acre residential project in San Pedro has been given the go-ahead by the Los Angeles City Council, paving the way for work to begin on one of the largest infill residential developments in the city.

New York real estate investment trust **iStar Financial Inc.** last week received unanimous approval to move forward with Ponte Vista, a 676-unit development at a former U.S. Navy housing community that has lain fallow for 17 years. The vote came after iStar, which took control of the

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'Obviously, this affects 7-Eleven's ability to do business. It's arbitrary, capricious and discriminatory.'

STEPHEN JAMIESON, attorney representing 7-Eleven

'It is ironic that we're saying, "No convenience store. You have to be a liquor store." But that's also what our code is.'

LAURA OLHASSO, San Gabriel mayor

Retail: 7-Eleven Liquor Owner Had His Fill of City

Continued from page 1

But La Cañada Flintridge bans freestanding convenience stores, so when a 7-Eleven franchisee applied to open an outlet at the site of a former liquor store in 2011, city officials forced him to maintain that use. The city even sent over an inspector to make sure it wasn't selling too many snacks, issuing a citation at one point for not stocking enough alcohol, which was upheld after a nine-hour hearing.

Then, late last year, officials passed a new ordinance banning store sales of alcohol past midnight – affecting only the 7-Eleven, which is open all night.

7-Eleven has fought the requirement to be a liquor store in court and last month filed a legal challenge to the new late-night alcohol ban.

"Obviously, this affects 7-Eleven's ability to do business," said **Stephen Jamieson**, an attorney representing the chain. "It's arbitrary, capricious and discriminatory."

The result is a curious fight between a store fighting to sell less alcohol but also seeking to sell it for longer hours, and a city that wants to clamp down on alcohol sales but is forcing a store to sell liquor.

City officials, for their part, defend their right to impose restrictions. They said they were obeying long-held zoning laws in requiring the 7-Eleven to sell liquor and are justified by public safety concerns to prohibit late-night alcohol sales.

"We thought there was no reason to have any kind of attraction for alcohol-related incidents in the community," Mayor **Laura Olhasso** said of the late-night ban. "It is ironic that we're saying, 'No convenience store. You have to be a liquor store.' But that's also what our code is."

Navigating city

The city passed the freestanding convenience store ban in 1995, and neither Olhasso nor City Planner Fred Buss, who has worked on the 7-Eleven project, could outline the reasons for it. But such stores don't fit neatly into the image of La Cañada Flintridge, an enclave of 20,000 people in the foothills northwest of Pasadena that boasted median household income of \$155,000 in 2012, two-and-a-half times higher than the statewide figure.

The city is home to a 160-acre botanical garden and the world's first Frisbee golf course. Property records show that 22 homes within a half-mile of the 7-Eleven sold for more than \$1 million in the last year.

George Sumra opened two 7-Eleven stores in La Cañada Flintridge in 2012 as a franchisee. One was connected to a gas station, and so allowed to open. The other, at the corner of major thoroughfare Foothill Boulevard and Alta Canyon Road, had no gas pumps. But since it was on the former site of a liquor store, city officials agreed to grandfather it in as a liquor store. They required it to dedicate 60 percent of its floor space to alcohol, sell liquor in addition to beer and wine, and have the word "liquor" in its name.

The result is 7-Eleven's only "7-Eleven Liquor" store. (There are two stores called "7-Eleven Liquor" in Arkansas and Texas but neither appears to be affiliated with the nationwide chain.)

Though many 7-Eleven stores sell beer and wine, only about 6 percent in the United States sell liquor at all. Most of those limit alcohol shelf space to 10 percent or 15 percent of the store, according to Jamieson. Recently, the company has experimented with selling more



RINGO H.W. CHIU/LABJ

Regulated: La Cañada Flintridge's only 7-Eleven Liquor store; 7-Eleven objects to regulations.

alcohol, upping the number of wine varieties in stores and opening "party stores" in Michigan that dedicate more floor space to alcohol.

But 7-Eleven spokeswoman **Margaret Chabris** said the La Cañada Flintridge store was unique.

"Our category manager for alcohol knows of no other store we have in the U.S. that is like this or comes close to the percentage of floor space devoted to alcohol," she said in an email.

What that precise percentage is has been a matter of heated debate. When the store opened, it had more alcohol than it does now. But city officials claim the store began lowering the amount and adding other items, crossing the line into a convenience store.

The city sent a code enforcement officer to examine the store in late 2012. The officer concluded the store wasn't meeting the 60 percent threshold and issued \$400 citations to both Sumra and **Catalina Partners**, which owns the ground beneath the store.

The \$800 in fines drove both sides to marshal their forces.

A two-day hearing at City Hall followed, during which the city presented 19 pieces of evidence, including color photos and original floor plans, in order to show that the store wasn't filling 60 percent of its space with alcohol. It was represented in the hearing by a code officer, the city's director of community development and a city attorney. Sumra, Catalina Partners, attorney Jamieson and a representative of 7-Eleven were also present.

A hearing officer upheld the citations. "I can't think of another time where I've been asked to provide a space that has more alcohol and more liquor," said Jamieson, who has represented hundreds of 7-Eleven stores.

Sumra rejected the findings and sued the city in Los Angeles Superior Court last year, arguing there was nothing in the city's code requiring a liquor store's floor space to be at least 60 percent alcohol. He did not return calls for comment. 7-Eleven corporate has since taken control of the store, though the details of

the transition are not clear. Sumra's case against the city is pending; 7-Eleven has not joined the litigation.

It's unclear if Sumra took on the liquor store assuming he could reduce the amount of space devoted to liquor or if he intended to keep it as a liquor store but grew disenchanted with it.

Another fight

7-Eleven originally got its name from its hours of operation (7 a.m. to 11 p.m.), but in the 1960s it claims to have been the first convenience store chain to keep stores open 24 hours a day. Now, staying open all day is one of its calling cards. More than 99 percent of 7-Eleven stores stay open all day, including the liquor store location.

In December, La Cañada Flintridge officials passed a citywide ban on alcohol sales at stores past midnight, which will go into effect at the end of this year; 7-Eleven Liquor was the only store that was affected.

After forcing the store primarily to stock alcohol, the city was saying the store couldn't sell that merchandise after midnight. State laws require stores to stop selling at 2 a.m.

Officials cited public safety concerns. There have been six alcohol-related incidents near alcohol retailers in the city between midnight and 3 a.m. in two years, according to city staff reports, which at least one council member argued wasn't very many.

"One is too many," Olhasso said. "We're a bedroom community, very family oriented. Most people will tell you that they have moved here because of the excellent school system and as such we don't have a lot of night life and we kind of like it that way."

The ban does not apply to restaurants serving alcohol.

"There's something about being in your car and being able to buy alcohol which you are consuming not when you're sitting in a restaurant," Olhasso added. "You might bring it home but you might be consuming it in your car illegally or you might be taking it down the

street or parking a car and drinking it. We thought that would be the differentiation of what was appropriate."

Last month, 7-Eleven sued to stop the late-night alcohol ban in Los Angeles Superior Court, saying it was invalid and that the company was being unfairly targeted.

Jamieson alleged the city was targeting 7-Eleven because of its brand, though he declined to specify whether this was due to an aversion to large chains or because 7-Eleven is seen as a less upscale store.

"If the business at that location was not branded a 7-Eleven, none of this would be at issue or be the subject of litigation," he said.

Olhasso denied singling out the store. But, overall, chains are rare in the city. About 90 percent of businesses are independently owned or family operated, said La Cañada Flintridge Chamber of Commerce President **Pat Anderson**.

"The character of our community is that most of our businesses are independently owned," she said. Anderson supports the city's moves to regulate 7-Eleven Liquor, but also said 7-Eleven was a welcome business in the community.

"I've not seen anything quite like this," said **Damon Mamalakis**, an attorney who reviewed the case for the Business Journal. He believes a settlement would normally be achievable in this kind of case, as long as officials aren't prejudiced against the business.

"If the city has concerns with the way 7-Eleven is operating, you can work with them on changing the percentage of alcohol or hours operating and so on," he said. "If they don't want you in their backyard, that's going to be a harder one. If you've got a city that's potentially fighting this hard to get rid of you, is that an environment you want to continue to do business in? At some point, the litigation is expensive and a business decision needs to be made about whether to pursue a scorched-earth attack against the city, or whether it's time to sell and move on."