

## Up Front



'Cupcake Wars' spoils are for sale in Northridge. **PAGE 3**

## News & Analysis



Even picky kids might eat what FreshLunches serves up. **PAGE 5**

## Comment



Editor Laurence Darmiento has mixed feelings on Wal-Mart. **PAGE 42**

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Harvest Time: Michael Stephenson, vice president of operations, stands next to sweet sorghum crop in Brazil grown from seeds genetically engineered by Ceres.

# GROWING PAINS?

## Crop seed developer Ceres burns through cash.

By **ELLIOT GOLAN** Staff Reporter

The technology behind **Ceres Inc.** is proven, if sophisticated. The small Thousand Oaks firm develops genetically engineered seeds, with a focus on sweet sorghum. The crop harvested from those seeds is refined into ethanol, a fuel used in vehicles. But ultimately the company is like most other agricultural outfits – it can't research its way past the weather. At the end of the day, Ceres needs rain, which it hasn't received. The company's fate is currently tied to Brazil,

where the vast majority of its sweet sorghum crops are planted. But weather in the South American country has been especially dry. Investors are not pleased. Since going public in a \$65 million initial offering in February 2012, Ceres' two full seasons of planting in Brazil haven't lived up to expectations. Now the stock is down nearly 90 percent from its \$13 IPO price. Shares closed at \$1.47 on Sept. 11. "There's no question Ceres is behind relative

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# Senior Complex Beyond Assistance

**HEALTH CARE:** In unusual move, operator closing La Crescenta site.

By **ELLIOT GOLAN** Staff Reporter

**Be.group**, a Glendale operator of senior housing that struggled during the recession, is closing down a longtime assisted living facility in La Crescenta and selling off the land. Tenants of Twelve Oaks Lodge, which has operated for about 80 years as a retirement home, were informed last month that they had to move out by Nov. 1. **Dan Hutson**, vice president of communications

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Home: Cottage at Twelve Oaks Lodge.

PHOTO BY THOMAS WASPER

# Questions Fly In Airport Sale

**AVIATION:** Robert Maguire deal could prompt antitrust review.

By **MARK R. MADLER** Staff Reporter

The sale of **Maguire Aviation's** operations last month will leave **Signature Flight Support** dominating the business of providing fuel and other services at Van Nuys Airport. It also could draw the attention of the Justice Department, which has scrutinized similar deals with Signature in the past. The Orlando-based aviation company, the largest fixed-base operator (FBO) in the country,



Maguire

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# Wal-Mart Plan Marked Down

**DEVELOPMENT:** Retailer's growth strategy shelved in Burbank case.

By **JOEL RUSSELL** Staff Writer

**Wal-Mart Stores Inc.** has banked on a strategy of opening new outlets in vacant storefronts to better and faster penetrate the huge Los Angeles County market. But the retailer's stumble this month in Burbank – where a Superior Court judge sided with opponents and halted a planned store – shows the limits of that strategy. It doesn't work everywhere, nor in every instance. "This is one case of trying to fit a square peg into a round hole," said **Gideon Kracov**, an attorney for the residents who filed the lawsuit and who has worked to stop other Wal-Mart projects.

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# Teledyne's Spending Binge: \$400 Million Tab, Still Growing

By **MARK R. MADLER** Staff Reporter

**Teledyne Technologies Inc.** spent nearly \$400 million last year acquiring companies that reflect its broad business focus. One made oscilloscopes that measure electrical signals in medical and engineering equipment, another produced underwater cables used in oil exploration or aboard oil platforms and a third manufactured 3-D scanning sonar to inspect dams, harbors and bridges. And the buying spree hasn't slowed much this year.

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# Development: Judge Finds More Review Needed

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The Bentonville, Ark. retailer had sought to open a 143,000-square-foot store and grocery at the site of a former Great Indoors furniture store in the city's busy Empire Center.

But the lawsuit filed by three Burbank residents contended that the store would lead to traffic congestion and required an environmental review. It also contended grocery sales were not automatically allowed at the site.

Los Angeles County Superior Court Judge **Allan J. Goodman** ruled on Sept. 3 that the 1301 N. Victory Place project clearly required at least an "environmental assessment" and that the city had failed to complete traffic improvements it had long promised at the center.

And since the store site was originally approved for home furnishing sales, the judge said grocery sales would have to be approved by the city manager and director of community development.

**Drew Sugars**, spokesman for the City of Burbank, said the city will take no action until after the city attorney meets with the city council to discuss options. He expects that to happen in two or three weeks.

"The city council will ultimately decide what direction the city will take," Sugars said.

Likewise, Wal-Mart is reviewing its legal options.

"We believe the vacant former Great Indoors store is suited for Wal-Mart and the permits were granted properly by the City of Burbank — like the more than 1,300 similar permits granted for this shopping center over the last 13 years," said **Rachel Wall**, senior manager of community affairs at Wal-Mart, in a statement.

Wal-Mart's game plan of occupying vacant stores has worked in many Southern California cities. A year ago, the company opened a



**Not So Great:** Site of now closed store where a Wal-Mart has been planned.

Neighborhood Market, a small format grocery in the 25,000 to 45,000 square-foot range, in Panorama City at a former Valley Foods Warehouse location.

In June, it announced plans to open a Neighborhood Market in Simi Valley at a former Vons supermarket in the Santa Susana Plaza on Tapo Street. The company is also on track to fill a vacancy at Valencia Town Center in the Santa Clarita Valley.

The strategy has also worked at a former Kmart store in Torrance, a former party-supply store in Downey and a former Mervyn's in West Covina.

#### Unrelenting opposition

However, Wal-Mart continues to face strong opposition from other retailers, neigh-

borhood groups and labor unions. Earlier this month, 21 people were arrested during union-organized protests in downtown Los Angeles over the alleged low wages and poor benefits of Wal-Mart employees.

Kracov, the attorney who opposed the Wal-Mart in Burbank, is also counsel for the United Food & Commercial Workers Union Local. Previously, he has filed lawsuits to stop planned Wal-Marts in Torrance and Chinatown near downtown L.A. However, he said the union was not a party to the Burbank lawsuit.

Kracov declined to comment on whether he would begin further legal action if the land-use issues were cleared up and Wal-Mart gains approval. "I'm not going to speculate on what might happen in the future," he said.

Kracov believes the basic question in the

case was whether Wal-Mart had to follow the same rules as every other business in Burbank, and the specific facts of the case determined the outcome.

"I'm aware of Wal-Mart's strategy to move into existing space and claim that its activities are 'by right' and the city cannot make any decisions, but that doesn't work in every instance," he said. "For example, on the grocery issue, if grocery is not allowed, then that strategy could run into trouble."

#### Future stores

**Dale Goldsmith**, a land use attorney at the firm **Armbruster, Goldsmith & Delvac LLP** in Los Angeles who was not involved in the Burbank suit, said that while the fill-a-vacancy strategy didn't work in Burbank, he expects Wal-Mart will continue to use it elsewhere.

It is based on the legal doctrine that if a city has pre-approved land for a certain use, it no longer has discretion on the matter. Because the approval is "ministerial," rather than political, Wal-Mart can avoid showdowns with opposing parties in planning meetings and city councils.

"The strategy is a sound one because if the city doesn't have the ability to say yes or no, nobody can sue the city," Goldsmith said.

Indeed, Burbank city officials throughout Wal-Mart's application process said they had no discretion to deny the retailer's intention to open a store at the Great Indoors site.

Goldsmith noted that Wal-Mart's strategy seems to work best for the smaller Neighborhood Market format, rather than larger stores such as the planned Burbank location because it's hard for opponents to argue that smaller stores will be the death knell for nearby retailers.

"Having a store that's more narrowly tailored, it's harder to make that argument," he said. "At 40,000 square-feet, it will compete with supermarkets, but not wipe out the mom-and-pops."

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