

SAN FERNANDO VALLEY BUSINESS JOURNAL

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Up Front



Melissa Carbone got in the 'Shark Tank' and came out \$2 million richer. **PAGE 3**

News & Analysis



Want to buy some space in Thousand Oaks? Call Amgen. **PAGE 6**

People



Rock-climbing, blues-pickin' Bill Watkins will change your opinion of economists. **PAGE 11**

List



The greater Valley's 40 largest manufacturers. **PAGE 13**

SPECIAL ISSUE FOCUS ON MANUFACTURING



PHOTO BY DAVID SPRAGUE

SPARKING GROWTH

Manufacturing has received lots of attention this recovery. It's better, but California jobs are still heading to other states and overseas. In our annual industry issue, we focus on the state of local manufacturers, including Automotive Design and Fabrication in San Fernando where **Roman Magurerui**, above, welds a seat frame. The issue also features a special report **beginning page 15** that highlights firms that may not be hiring – but have increased productivity through new technology.

Westlake Village Center Hits the Bullseye

RETAIL: Target, other stores tone down logos at Shoppes outdoor mall.

By **STEPHANIE FORSHEE** Staff Reporter

Not every city can make demands on well-known retailers such as **Target Corp.** or **In-N-Out Burgers Inc.** It's usually the other way around – unless it's a chichi shopping center in a place like Westlake Village.

As passersby on the 101 freeway may have noticed recently, Target altered its famous red bullseye to more of a rich bronze tone to conform with city standards at its new location.

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PHOTO BY THOMAS WASPER

Sitting Pretty: Developer Daniel Selleck at mall.

Billionaire Takes Superior for Ride

INVESTMENTS: Mario Gabelli seeks voice at wheelmaker.

By **JOEL RUSSELL** Staff Writer

The proxy battle at **Superior Industries International Inc.** should end next week, but the strategic tensions behind it may take years to unwind.

For shareholders of the Van Nuys manufacturer of aluminum wheels, the immediate question is whether to elect a board slate proposed by Superior management or to support a dissident slate of three nominees from **Gamco Asset Management Inc.**, a \$30 billion



Gabelli

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Industrial Park Blooms in Valley

REAL ESTATE: Developer about to break ground in Chatsworth.

By **ELLIOT GOLAN** Staff Reporter

A Gardena developer is making a big bet on Valley manufacturing – perhaps as much as \$40 million.

In a month or so, **Overton Moore Properties** will break ground on an industrial development with some retail at De Soto Avenue and Nordhoff Street in Chatsworth.

The project is on 7.5 acres, which in June Overton purchased from **United Technoloiges Corp.** of Hartford, Conn. The defense contractor owns adjacent land where Aerojet Rocketdyne is still operating a rocket-engine plant.

The Overton development can't come fast

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Residents Sour On Sunkist Plan

By **ELLIOT GOLAN** Staff Reporter

More than a year after **IMT Capital Inc.** picked up the former Sunkist headquarters in Sherman Oaks, the developer is moving forward on its plans for a high-end mixed-use project on the 8.3-acre property.

And though the entitlement process has just started, one of the Valley's most powerful homeowners groups is already wary over the congestion the \$100 million project could bring.

IMT, a large multifamily developer based in

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'This is what has always been imagined for this space. It was pretty obvious that the community wanted to make sure the building was preserved.'

MARK ARMBRUSTER, Armbruster Goldsmith & Delvac LLP



Historic: The Sunkist building, which was constructed in the early 1970s. Right, rendering of the planned development, which critics say is too dense.

Development: Sunkist Building To Be Refreshed

Continued from page 1

Sherman Oaks, is proposing a 360,000-square-foot project of 298 apartments, commercial space and a six-story parking structure for the 14130 Riverside Drive site.

The 43-year-old, 123,000-square-foot Sunkist office building, which the citrus cooperative has leased through August next year, would be freshened up under preservation guidelines and leased as offices.

Mark Armbruster, partner at law firm Armbruster Goldsmith & Delvac LLP in Los Angeles, who is working for IMT on the development, said that despite the community concerns, the IMT project would have far less impact than what other developers had envisioned for the site.

"This is what has always been imagined for this space. A number of developers were looking at the site, but most wanted to demolish the Sunkist building, making it an open pallet," he said. "But it was pretty obvious that the community wanted to make sure the building was preserved."

IMT acquired the property in February 2013 from the citrus cooperative for about \$36 million, according to the Glendale office of Charles Dunn Co. Inc. Armbruster said the total cost of the project, including property, will be about \$135 million.

Project hurdles

Richard Close, president of the Sherman Oaks Homeowners Association, said his group is less concerned about historic preservation than the size of the project.

"We already have bad traffic now, so it doesn't take much to realize that traffic is going to get worse for people there now as well as people coming into the area," he said. "And this is much greater density, both in number of units and commercial space, than I think we ever expected."

IMT did not respond to requests for comment.

The IMT development, dubbed ICON Sherman Oaks, specifically calls for a mix of

208 one-bedroom and 98 two-bedroom apartments in three separate buildings, totaling about 320,000 square feet. In addition, there would be 40,000 square feet of retail, 7,000 square feet for restaurants and the parking structure with two below-ground levels and four above.

Armbruster said the developer expects the environmental impact report process to take about 10 months, with the project then undergoing a review by the L.A. City Council, as it would require some zoning changes. At the earliest, construction would start in 2016 and last 18 months to two years.

"We're in the very early part of the entitlement process," Armbruster said. "IMT has committed to doing a full and complete environmental impact report, so all the issues, such as traffic, population growth and air quality, will be extensively reviewed."

Among the changes IMT is seeking is to rezone the southeast portion of the property to allow for construction of the parking structure, in addition to rezoning for residential and ground floor commercial/retail uses.

IMT also will request a conditional use permit to allow for the sale of alcoholic beverages on the property, in the hopes of luring a specialty grocer into the commercial space on the ground floor of one of the two 120-unit residential buildings that will run along Riverside Drive. The third building on the western portion of the land would be significantly smaller, consisting of 58 units.

There undoubtedly is demand for the development. Multifamily vacancy in the Valley is historically low, hovering around 3 to 4 percent, according to Adam Christofferson, first vice president and regional manager at the Encino office of Marcus & Millichap Inc.

"We're not seeing this trend slow down. Intellectually, you'd think demand would slow down, but it does not seem to be," he said. "And IMT would know better than any of us. They're a smart firm and don't do anything without due diligence. They've got a great track record."

IMT, founded in 1992 by Michael Browne, Bryan Scher and John Tesoriero,

has more than 21,000 units under management across 90 communities in five states. The company has a strong footprint in the Valley, including apartment buildings in Sherman Oaks, Encino, Reseda and North Hollywood.

Still, the ICON project has drawn attention not only from what would be the closest residents.

Gerald Silver, president of Homeowners of Encino, said his organization is sympathetic to the concerns in Sherman Oaks.

"We have major reservations too because of traffic and population growth issues," he said, adding that the drought should be taken into account when considering the project. "There's a major disconnect between the planning process and the infrastructure concerns, especially water."

L.A. City Councilman Tom LaBonge, who represents Sherman Oaks, said he hopes to find a balance between necessary development and homeowner's comfort.

"It's important that we have the process. Some people don't want to see another thing built in Los Angeles, but that's not a reality," he said. "It's about making sure what gets built is built correctly and appropriately. I want to make sure it works well for everybody."

Busy area

One factor that has exacerbated concerns among Sherman Oaks residents is the potential of large development projects in the neighborhood.

Outside of the Sunkist project, there has been talk of a 300,000-square-foot renovation and expansion of the Westfield Fashion Square, operated by Australian mall giant Westfield Group LLC. The mall received some minor improvements, such as repainting the interior, last year.

Close thinks the neighboring developments should be served by direct freeway access, keeping traffic off nearby streets.

"One possible solution is that IMT and the Fashion Square pay to reconfigure the Woodman Avenue exit off the 101," he said. "They could mitigate all problems, but developers don't want to spend the money. And that's when it gets complicated, to force them

to do what's best for the community even though it will cost them money."

Less than two miles down the road, Santa Monica developer M. David Paul Associates has been locked in a battle for more than 10-years over its Il Villaggio Toscano mixed-use project, which was approved by the L.A. City Council last year and consists of 325 units on Sepulveda Boulevard near Camarillo Street.

Late last year, a community group called the Sherman Oaks Residents for a Safe Environment filed a lawsuit over the 625,000-square-foot project, alleging it would "expose the project's residents and guests, including children and the elderly, to a constant plume of dangerous levels of diesel," among other harmful toxins.

Armbruster is hoping the Sunkist project won't go through the same ordeal the Toscano one has. He said IMT fully intends to "engage with the community" and try to mitigate any potential issues after conducting the environmental report.

"Any entitlements for projects these days tend to be an arduous task, but rewarding as well," he said. "Ultimately we want to end up with the win-win situation and we're optimistic we'll end up with that and that the project will be approved."

And despite all the pushback from the local community, Christofferson, the broker, said Sherman Oaks is the right community for this type of development.

"It's mainly an apartment community. To think it's something different is probably a little bit misguided," he said. "A lot of people want to live there and a lot of investors want to be there. If we list an apartment building for sale in Sherman Oaks, we expect 15 to 20 offers."

As for Close, he's cautiously optimistic that local residents and IMT can figure out a balance. However, he was adamant that the homeowners are prepared to fight if necessary.

"My philosophy has always been that it's not my job to tell a developer what he should build," Close said. "But if developers won't sit down at the table and work with us, they put us in a position where we have no choice but to push back and delay their projects."