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Auto dealers downshift sales
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MAIL TO:

OC Retail Keeps Streak

Biggest Shopping Centers Post 1.7% Increase, Top \$8B in Sales

By MEDIHA DIMARTINO

The largest shopping centers in Orange County managed a seventh straight year of growth in taxable sales with a 1.7% gain.

Retailers, restaurants and entertainment venues at the various centers posted \$8.13 billion in sales, based on this week's Business Journal list, which measures revenue for the 12 months ended June 30.

Twenty-one of 34 centers reported increases, 11 had declines, and data for the remaining two shopping centers was estimated.

The pace of growth declined from last year's 8.6% increase but nonetheless offered a sign that the grouping of largest centers remained strong enough to offset the departure of longtime entry **Laguna Hills Mall** from the list.

The mid-market mall—which ranked No. 19 with \$122.5 million in sales last year—dropped off this year's list, which has a cutoff of \$40 million in taxable sales for the 12-month period. The center's owner, **Merlone Geier Partners** in San Francisco,



SOCO: posted biggest sales percentage gain, with 35% hike

is remodeling the property, a project that required demolishing nearly a third of the 74 shops and a vacant Sears building.

The centers on the list combined for 23.1 million square feet of gross leasable space and 2,647 tenants—about flat from a year ago.

The list's leaders include:

- **South Coast Plaza** retained its perennial No. 1
► *Shopping Centers 72*

Burnham-Ward's Next Retail Act Set for LB

REAL ESTATE: SOCO developer sees similar potential at Boeing site

By MARK MUELLER

The developer behind the South Coast Collection shopping center in Costa Mesa is gearing up to break ground on a hip retail project near Long Beach Airport.

Newport Beach-based **Burnham USA** and its **Burnham-Ward Properties** affiliate last month got approval from Long Beach's

► *Burnham-Ward 74*



Ward: 'moving fast' now that city planning commission has approved project

IE Billionaire in Deal For Google Campus in Irvine

REAL ESTATE: Estimated \$255M tops for OC office deals since 2012

By MARK MUELLER

A billionaire from the Inland Empire has acquired the five-building office campus in Irvine that holds the local operations of **Google Inc.** and others in what appears to be the largest office deal in Orange County in several years.

Property records show that an entity controlled by **Jack Dangermond**—the founder

► *Google Center 17*



Dangermond: software company specializes in digital maps

Will Shakeup in Chip Sector Include Microsemi?

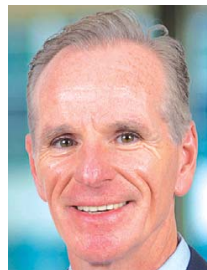
TECHNOLOGY: Longtime acquirer likely to draw several bidders

By CHRIS CASACCHIA

Another big shake-up could play out soon in Orange County's chip sector, which has lost several local headquarters over the last few years amid a growing appetite for consolidation.

Word has spread that Aliso Viejo-based **Microsemi Corp.** hired **Bank of Montreal** to drum up potential buyers after **Skyworks Solutions Inc.** ex-

► *Microsemi 67*



Griffin: Irvine-based boss of Skyworks 'looking for opportunities that really drive the entirety of the business'



Black Belt, Fast Rise



Zabat-Fran: part of UCI Law School's first graduation class in 2012

St. John Knits' Zabat-Fran Brings Varied Background to General Counsel's Job

By MEDIHA DIMARTINO

Christina Zabat-Fran brought a black belt in taekwondo and an exhibition-quality art portfolio to go with her law degree when she took the job as the in-house counsel at **St. John Knits International Inc.** in Irvine.

Martial arts training gives her poise during contract negotiations, while the painter in her helps her

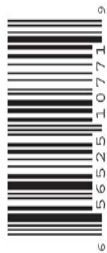
troubleshoot with St. John's management, according to Zabat-Fran, who was honored as Rising Star at the Business Journal's seventh annual General Counsel Awards dinner on Nov. 2 at Hotel Irvine.

"We are not there just to flag what they can't do," she said about the legal team's close collaboration with company logistics and operations units. "We are there to guide them to where they want to go,

► *Zabat-Fran 74*

Abbott Medical Optics' Craig Bryson, page 6
Smile Brands' Victoria Harvey, page 8

Western Digital legal team, page 9
Billabong's Libby Stockstill, page 11



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Burnham-Ward

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planning commission to move ahead on the Long Beach Exchange.

The 266,000-square-foot retail project—about six miles from Seal Beach and Orange County—will be the main retail component of Douglas Park. The business park alongside Long Beach Airport covers 260 acres previously used by Chicago-based **Boeing Co.** for aircraft manufacturing.

It will be the first sizeable retail project built in Long Beach since the recession.

Burnham-Ward bought a 26.6-acre portion of the land at Douglas Park from Irvine-based **Sares-Regis Group**, the current master developer of the business park, last year.

It's been working over the past 18 months to create "one of the most exciting projects in Southern California," said **Bryon Ward**, a partner in Burnham-Ward Properties. "We hope it becomes a lot more than just a retail project."

The planning commission's recent approval has the developer aiming to break ground in about a month, Ward said.

The goal is to have the project open by the end of next year.

"We're moving fast," he said.

Irvine-based **Snyder Langston** is acting as the general contractor.

Nod to Past

Plans filed with the city show the company will construct 11 buildings at the project, which will include six anchor tenants occupying between 18,000 square feet and 40,000 square feet.

The centerpiece of the food-focused project is a roughly 17,000-square-foot building modeled on a 1940s-era airplane hangar that will hold about 15 smaller retail and food tenants.

The area around the hangar will also incorporate a large amount of community gathering space, the developer said.

The design at Long Beach Exchange has echoes of Burnham's work at the South Coast Collection shopping center, a similarly sized retail project just off the San Diego (405) Freeway in Costa Mesa (see Shopping Centers list, page 16).

SOCO is anchored by the OC Mix, an indoor collection of boutique retailers and food



Rendering: 26.6-acre retail portion of business park will nod to past as aircraft manufacturing center

offerings.

SOCO in general, and the OC Mix in particular, have become a template of sorts for other redesigned malls in the area in recent years, with an emphasis on hip food vendors as core elements of their design.

Online shopping continues to nip away at sales at traditional malls, so developers have to do "a much better job of creating an experience," Ward said. Food vendors, in particular, "are a great way to get people to interact" at the centers, he said.

The Long Beach Exchange also is expected to include elements such as a farmers market and lots of outdoor entertainment, although there will be some new elements, including repurposed shipping containers, which, like the plane hangar, are a nod to the area's history.

"If you don't pay homage to the past, you're being irresponsible," Ward said.

Burnham-Ward Properties sold a majority stake in SOCO a year ago to **Rockwood Capital LLC**, a Los Angeles-based real estate investor, in a deal reported to be worth \$120 million.

Rockwood is also acting as a financial partner in the new Long Beach project, according to the developers.

Burnham-Ward acquired the Costa Mesa project—then known as South Coast Home Furnishings Center—in 2009 for about \$35 million. It spent millions more redesigning the property, which at the time was largely va-

cant.

Burnham still owns an unspecified stake in the retail center, which was ranked No. 26 center in Orange County last year, based on taxable sales, according to this week's list of shopping centers (see related story, page 1; list, page 21).

SOCO showed the biggest year-over-year increase in taxable sales of any center on the list, with a 35% increase to \$82.7 million.

Whole Foods Concept

Ward told Long Beach city officials last month that his company is in active talks with tenants to take up a bulk of the space, although no specific retailers or food vendors have been confirmed by the developer.

Signs point to at least one noteworthy grocer taking up an anchor position at the center.

The website for **365 by Whole Foods Market**, a new grocery store concept by the Austin, Texas-based grocer, lists the Long Beach location among its first batch of Southern California stores.

A recent statement from 365 by Whole Foods Market describes its stores as "a streamlined, quality-meets-value shopping experience" with cheaper prices than the traditional Whole Foods brand.

The first slate of 365 by Whole Foods stores that have opened across the U.S. have averaged about 30,000 square feet, or roughly 50% smaller than regular Whole Foods loca-

tions.

The first Orange County 365 by Whole Foods Market is expected to be a Los Alamitos site on Katella Avenue that now holds an industrial building.

A timeframe for the opening of the site—next to Los Alamitos City Hall—hasn't been disclosed.

Ward says he's hoping his company's new project will draw customers from OC, as well as the greater Long Beach area. "We think it's going to be a destination center," much like SOCO, he said.

Other developers at Douglas Park spoke in favor of the project at last month's city hearing. The project will supplement a bevy of new hotels, industrial buildings and medical offices that are moving ahead there or have been recently built.

"They will do whatever it takes" to make the project successful, said **Cory Alder**, president of Santa Ana-based developer **Nexus Cos.**, which has built one hotel at Douglas Park and has another one—a dual Hampton Inn and Homewood Suites hotel—under way.

The "center will be a much-needed and popular amenity for its corporate neighbors, including **Mercedes-Benz**, **Virgin Galactic** and **Boeing**; for guests of the two adjacent hotels; and for the community as a whole," said Sares-Regis senior vice president **Larry Lukanish** in a statement. ■

Zabat-Fran

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and sometimes that means you have to be creative and come up with some really good solutions."

Zabat-Fran, a member of **University of California-Irvine** School of Law's inaugural class, started at the high-end apparel manufacturer in 2010 as a summer intern.

"Growing up here in Orange County, I always knew of St. John, this wonderful, family-built company," she said. "And also as someone who loves fashion, I knew that it's a global brand, so when the opportunity was posted to learn more about legal practice with the in-house team, I jumped. It was a three month engagement, and they wanted me to learn as much as possible about what it's like to practice in-house. They never had anyone continue more than a summer—this was not how they recruit."

The internship, however, continued into her second and third years of law school. She spent her summers drafting licensing agreements and "working on major deals right beside our general counselor.

"At the end, they decided to create a position and bring me on board" as manager of legal affairs, she said.

Zabat-Fran has since been promoted to gen-

eral counsel, advising on manufacturing, distribution and retail-related issues. She negotiates and prepares the brand's commercial contracts, including international license agreements, distribution, supply and vendor arrangements; marketing and technology contracts and real estate leases.

Fashion Sense

St. John employs about 400 in Irvine and another 600 at a plant in Mexico. The brand's sales are down substantially from its peak about a decade ago, according to industry sources. It has 230 retail outlets globally, including **Neiman Marcus**, **Saks Fifth Avenue** and **Nordstrom** department stores. St. John operates 35 boutiques and 20 outlet stores of its own.

Marie Gray co-founded the company with husband, **Robert**, in 1962. **Escada AG** in Germany paid the Grays \$45 million for an 83.5% share in 1989 and took the company public in 1993. New York-based private equity firm **Vestar Capital Partners** acquired a majority stake in the brand in a 1999 deal that pegged St. John's value at \$522 million and took it private.

Zabat-Fran joined the company full time in 2012, and went to work on a deal with Shanghai-based investment firm **Fosun International Ltd.**, which picked up a 33.3% interest in St. John in late 2013 for \$55 million. She

also helped President and Chief Executive **Bruce Fetter** get back on board for his third tour at the OC luxury label, a move that was prompted by then-Chief Executive **Geoffroy van Raemdonck's** departure to **Ralph Lauren**. Executive Chairman **Bernd Beetz** served as interim chief executive until Fetter came back in January 2015.

Zabat-Fran managed "several key deals in conjunction with executing the leadership's brand development strategy" that included taking back its business in China from **Heiman**, which had operated seven St. John boutiques under a 10-year license.

She also drafted and negotiated agreements to establish St. John's e-commerce platform last year, an effort that's "been successful in the past year."

"Now I'm working closely with our team here to think of how can we open that platform to even more customers, and marry practices we do on e-commerce with what we do in our boutiques," Zabat-Fran said. "For example, this summer we looked at how we could better harmonize return and shipping policies, even with cross-border transactions."

Roots

Zabat-Fran is part of a "big Filipino family" who encouraged her to take martial arts classes.

"It helped me build my confidence growing up," said Zabat-Fran, who won a bronze medal at the World Taekwondo Championship. "And it continues to be a part of your mindset, being thoughtful in how you react. If you are in negotiation for a particular deal, and you're speaking with opposing counsel or whoever you are negotiating with, martial arts brings you great composure and courage in your position. You can be really graceful in your effectiveness—you don't have to be in-your-face aggressive in order to get where you want to go."

OC-born Zabat-Fran has stayed close to her roots, earning a bachelor's degree in political science, arts and humanities at UCI in 2006. After graduation she worked as a public affairs coordinator for Orange County Clerk-Recorder **Tom Daly**. UCI Law School Dean **Erwin Chemerinsky** called her in 2009 to join him and "start something new" as the institution got ready for its first class.

She not only agreed but also founded UCI School of Law's Student Bar Association and the Law Review.

Zabat-Fran is chairperson of the **Orange County Bar Association's** corporate counsel section. She's also founder of **Filipino-American Lawyers of Orange County** and provides pro bono legal counsel for **Legal Aid**, **Public Law Center** and **California Lawyers for the Arts**. ■