



BOMA Greater LA: Creating a Better Workplace Environment

By MICHELE DENNIS and MARTHA COX-NITIKMAN

CREATING a workplace environment that fosters prosperity inside *and outside* of commercial buildings is the primary mission of the Building Owners and Managers Association of Greater Los Angeles. Our two-fold set of goals aims to maintain LA's standing as one of the best places in the world to do business within offices that make people happier and more productive.

Within our own commercial real estate membership community, we at BOMA strive to celebrate excellence in all aspects of building operations. We want our buildings to be more sustainable, so they will use less energy and cultivate a healthier environment for creative and stimulating work. We know that employees' surroundings influence their performance. To help raise the quality bar, we annually sponsor competition among building operators by giving The Outstanding Building of the Year Awards for structures in many categories. (Please note the accompanying article on TOBY award winners this year.)

Fundamental Problems

But, frankly, creating better building environments is only part of our job. Working with others to ensure that the Los Angeles area is a more appealing locale for business location and expansion is much more challenging. Along with others in the business community, we struggle to stem the outflow of companies to areas of the country and the world that offer greater incentives. Every week we hear of LA and California employers relocating. These out-migrations occur at a greater rate than we have been able to attract net new companies. We cannot continue this trend.

If an area's economy is doing poorly, we cannot just blame outside factors. Chances are, to paraphrase Shakespeare's *Hamlet*, the fault is not in the stars, but in ourselves. The fact is we, in the Greater Los Angeles area, have repeatedly shot ourselves in the foot. We have often been our own worst enemies

when it comes to economic development, and the proof is in all the companies that are moving out of our area to regions that in numerous ways *support*—rather than oppose—economic growth.

At BOMA/GLA, our members are highly sensitive to governmental policies that discourage economic development. When officials enact laws and promulgate regulations that make it harder to do business in our area, we lose tenants, and the numerous types of businesses that service tenants and sell them and their employees products are damaged. Net result: LA loses jobs and tax revenue, and the entire quality of life in our area declines.

Some Solutions

What can we do about it? We have identified many issues which, if resolved, will reverse the negative trends in LA.

- **Taxes and Fees:** In an LA County Business Federation poll of over 300 business owners, high taxes and fees were listed as the most concerning or problematic issue facing business owners in 2011.

Widely publicized efforts to enact a "split-roll" tax threaten the profitability of every business in the state—and discourages companies thinking of locating in California. It would change Proposition 13 to make it easier to raise property taxes on corporations. It would impose a complex, burdensome property tax by triggering reassessments of property owned by publicly traded companies once every three years. And it would expand the definition of ownership for property tax-reassessment purposes by stating that a change in ownership occurs when 100% of the ownership interests are sold or transferred in a single transaction.

Local taxes such as LA's gross receipts tax penalize businesses. Many surrounding cities do not have a gross receipts tax, putting LA at a disadvantage. Mayor Villaraigosa is looking at eliminating it. He recently proposed eliminating it for car dealerships. BOMA supports a phased

elimination of this burdensome tax.

LA area cities and counties have moved toward imposing fees on businesses to pay for services. Permit fees for sewer access, new business signage, fire inspections and other services significantly increase costs and don't ensure that the service will be accomplished in a timely manner. We support reasonable fees that have a nexus to the service, but they should be in proportion to the work done by the City.

- **Environmental regulations:** Building owners have faced an onslaught of state regulations limiting everything from how equipment is run to how products are used. After passage of AB 32 four years ago, a greater focus has been placed on carbon emissions at building sites. BOMA/GLA has continued to provide input to a possible "cap and trade" program where energy credits would be bought and sold.

Further, the state Public Utilities Commission has been pursuing the goal of "zero net energy" for all buildings by 2030, even though the building community has indicated it is nearly impossible to attain. Active lobbying by BOMA/GLA has begun to create more realistic expectations by regulators.

BOMA California is working with state regulators to implement legislation to achieve more reasonable energy benchmarking, recycling and the new green building code, which affect every property owner.

BOMA/GLA is very concerned about air-quality regulations promulgated by the South Coast Air Quality Management District (SCAQMD) which fine owners using chillers and boilers emitting certain levels of carbon emissions. The alternative is for the owner to purchase costly new equipment, driving up the cost of doing business for building owners and their tenants.

- **Electricity and water rates:** While rates have been fairly low in southern California for electricity and water, fee increases have been proposed that would significantly increase building operating costs. BOMA/GLA has been most concerned with

Mayor Villaraigosa's push to increase the purchase of renewable resources such as solar and wind energy, which are much more costly. BOMA/GLA feels that these types of energy should be phased in to keep costs down during this difficult economy.

- **Building Code Implementation:** While BOMA/GLA maintains excellent relationships with code officials in the LA area, consistent application of the laws continues to be an issue. Further, the local implementation of the state green code has been difficult at times. Some officials have sought out BOMA/GLA's input, which has improved the final product.

- **Economic Development:** BOMA/GLA is concerned that Gov. Jerry Brown's repeal of redevelopment laws eliminates an important tool for focused growth in many municipalities. While there may have been instances of abuse in some areas, the law can be amended to limit uses without eliminating the tool completely. It is unclear what activities cities will be able to undertake without redevelopment areas, but government needs to find ways to encourage businesses to come to California and stay.

These are just a few of the challenges BOMA/GLA and the business community of Greater LA face in a state with the highest percentage of labor unions in the nation, where costly work rules, higher salaries and benefits add to the expense of doing business. Taken as a whole, these are some of the reasons California has garnered a reputation of being unfriendly to business development. In difficult economic times, corporate executives are focused intensely on their bottom lines. What can we do to make LA and California more appealing? That is our challenge. Please join us in helping to revive LA's robust economy.

Dennis is president of BOMA Greater Los Angeles and Cox-Nitikman is BOMA/GLA's senior director of public policy and education.

At A Glance

Building Owners and Managers Association of Greater Los Angeles

144 million

BOMA/GLA represents more than 144 million square feet of commercial real estate in LA County

1,450

BOMA/GLA represents more than 1,450 commercial real estate professionals and many thousands of people who serve the buildings community, such as contractors, architects, building maintenance workers and suppliers.

5

Through its regional councils, BOMA/GLA represents five regions within LA County: Downtown, Westside, Long Beach/South Bay, San Fernando Valley, Northeast-Burbank-Glendale-Pasadena

92

BOMA/GLA is one of the largest of 92 other BOMAs around the world.

50%

Since 2002, through BOMA/GLA's political action efforts, it has saved 50% in property transfer taxes from being enacted.

35

BOMA/GLA annually conducts more than 35 courses in best-practices commercial real estate operations that result in more productive and sustainable workplaces.

1

BOMA/GLA is the largest commercial real estate organization in greater Los Angeles.

99

BOMA/GLA has for 99 years represented building owners and managers and their tenants.

BOMA GREATER LOS ANGELES

2011 TOBY AWARDS WINNERS



Pacific Corporate Towers

The Ritz-Carlton Hotel & Residences and JW Marriott at L.A. LIVE, designed by Gensler



The Gas Company Tower



Har-Bro Construction Headquarters



Hawthorne Federal Building



San Gabriel Valley Corporate Campus



6420 Wilshire Blvd.



The Alhambra

The Outstanding Building of the year "TOBY" Awards Program has been identified as the most prestigious of its kind in the commercial real estate industry. It recognizes quality and awards excellence in the daily management of the office buildings. The local winners may advance and must win at the regional level to advance to international.

► Edison Award

Pacific Corporate Towers

Location: 200 N. Sepulveda, El Segundo, CA
Management Company: CBRE
Director: William F. Lewis
The Southern California Edison Energy Management award recognizes achievement of excellence in property management through the effective implementation of energy efficiency, demand response and green house gas reduction programs.

► Visionary Award

Gensler

This organization was founded outside of San Francisco in 1965 as M. Arthur Gensler & Associates, a 3-person design shop. Within ten years, the firm had a national presence, and established its first Southern California office. Since opening its doors in 1976, Gensler's Los Angeles practice has undergone an amazing evolution. From a predominant focus on interior design, in the last 15 years Gensler L.A. has built one of the largest, most diverse, and most influential architectural practices in the region.

► Pueblo Award

The Gas Company Tower

Location: 555 West 5th Street, Los Angeles
Management Company: MPG Office Trust, Inc.
Property Owner: Maguire Properties, 555 W. Fifth, LLC
General Manager: Lynne Miller
Senior Operations Manager: Michael Brooks
Description: The Gas Company Tower (GCT Participates, Sponsors and Volunteers in numerous community activities such as the BOMA/GLA Toy Drive, Hope For Firefighters. GCT also manages a transportation program to reduce vehicle traffic in downtown Los Angeles, which consists of subsidized transportation pass sales, carpooling, rideshare matching, a guaranteed ride home program, rideshare participation incentives as well as an on-site transportation coordinator and transportation center. GCT's Energy conservation and recycling program is important in maintaining The Building's LEED Gold Certification And Energy Star Rating.

► Corporate Facility

Har-Bro Construction Headquarters

Location: 2750 Signal Parkway, Signal Hill
Property Owner: Lassen-Chatsworth Partnership (Har-Bro management)
Managed By: Jim Franklin (President of Har-Bro et al), Tom Henley (Vice President) and Karen Kaplan (CFO)
Description: The concrete, tilt-up style building encompasses our Long Beach Branch office and our Har-Bro corporate office which administers to our nine offices throughout the West coast.

► Government Building

Hawthorne Federal Building

Location: 15000 Aviation Boulevard, Hawthorne
Management Company: General Services Administration
Property Owner: United States of America
Senior Property Manager: Dana Macfarlane
Deputy Property Manager: Jeff Brown
Description: The Hawthorne Federal Building is a class B office building owned and operated by the General Services Administration. The building is the regional headquarters for the Federal Aviation Administration and they are the building's sole occupant. The building is considered to be historically significant and is in the process of being placed on the National Register of Historic Places.

► Renovated Building

6420 Wilshire Boulevard

Location: 6420 Wilshire Boulevard
Owner Name: The Realty Associates Fund VIII, L.P.
Management Company: Davis Partners, LLC
Director: Kimberly Hains
Senior Property Manager: Neal Perkey
Description: 6420 Wilshire is a twenty story 206,860 square foot building located in the Miracle Mile district and has undergone a multimillion-dollar renovation by TA Associates Realty. 6420 Wilshire was acquired with the vision of transforming the aging "Petersen Publishing" building into a dynamic multi-tenant workplace.

► Suburban Office Park Low Rise

San Gabriel Valley Corporate Campus

Location: 4900 Rivergrade Road, Irwindale
Owner Name: MetLife
Management Company: CBRE
Director: Amy Kalfin
Manager: Nicole Di Antonio
Description: Situated in the heart of the San Gabriel Valley, the three building, low-rise office Campus ranging from one to three stories, comprising a total of 693, 164 square feet, spaces configured around lush green gardens, peaceful fountains, beautiful walking paths and scenic views of the San Gabriel Mountains.

► Suburban Office Park Mid Rise

The Alhambra

Location: 1000 South Fremont Avenue, Alhambra
Owner Name: The Alhambra Office Community LLC, a partnership of The Ratkovich Company and AIG Global Real Estate.
Management Company: The Ratkovich Company
Director: Michael Taylor
Description: The Alhambra is a unique campus originally built as the corporate headquarters of the engineering firm C.F. Braun from the 1920's through the 1980's. The 45-acre campus, located at the western edge of the San Gabriel Valley along Fremont Avenue in Alhambra, CA, was purchased by The Ratkovich Company in 1999 with the vision of creating an idyllic "urban community" filled with a diverse representation of industry and activity.

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CONGRATULATIONS WATT PLAZA

2011 TOBY AWARD WINNER

PRESENTED BY
BOMA
Greater Los Angeles



Watt Companies congratulates General Manager Cameron Benson and the entire Watt Plaza team on winning the TOBY (The Outstanding Building of the Year) Award. Their hard work and dedication has helped set Watt Plaza apart as an industry leader in environmental sustainability, technology and customer service. Thank you for your commitment to making Watt Plaza one of the most outstanding office buildings in Los Angeles.



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1875-1925 Century Park East
Los Angeles, CA 90067
310.789.2179
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BOMA GREATER LOS ANGELES



Noble Professional Center



3415 S. Sepulveda Blvd.



2700 Colorado



Watt Plaza



The Gas Company Tower

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► **Under 100,000 Square Feet**
Noble Professional Center

Location: 15060 Ventura Boulevard, Sherman Oaks
Owner Name: Hines Interests Limited Partnership, Noble Professional Center, LLC
Management Company: Hines Interests Limited Partnership
General Property Manager: Kevin S. Houser
Property Manager: Shawn Sharifpour
Description: Noble Professional Center is located on 15060 Ventura Boulevard in the city of Sherman Oaks approximately one-half mile southeast of the junction of 405 and 101 Freeways. Noble is located in the midst of city's business district and approximately one-half mile from the Sherman Oaks Galleria.

► **100,000-249,999 Square Feet**
3415 South Sepulveda Boulevard

Location: 3415 South Sepulveda Boulevard, Los Angeles

Owner Name: SMIII Sepulveda Center, LLC (State of Michigan)
Management Company: CBRE
Real Estate Manager: Joyce Liberman
Description: Sepulveda Center is 178,157 square foot, 12 floor asset has been repositioned with the Best In Class level of service and state of the art building equipment. Located right off the 405 freeway, this polished landmark building has a dedicated team committed to provide its tenants with exceptional service and maintain a Class A business environment.

► **250,000-499,999 Square Feet**
2700 Colorado

Location: 2700 Colorado Avenue, Santa Monica
Owner Name: Centurion Real Estate Partners
Management Company: Worthe Real Estate Group
Asset Manager: Stephanie Fulkerson
Property Manager: Stacy Mcpeak
Description: 2700 Colorado Avenue is a prominent five-story, 313,000 square foot entertainment/media campus ideally located in the

heart of Santa Monica's "Professional and Entertainment District." The project features high quality and creative office space set within a comfortable, low-rise campus configuration with lush landscaping, accessible balconies, wide-open floorplates, a generously sized subterranean parking structure and first-class amenities, including a fitness center, state-of-the-art screening room, modern recording studio, and on-site pre-school center. The property is home to MTV Networks, Lionsgate Entertainment, and EMI Music Publishing.

► **500,000- 1 Million Square Feet**
Watt Plaza

Location: 1875 Century Park East, Los Angeles
Owner Name: 1875/1925 Century Park East Company, a California general partnership
Management Company: Watt Management Companies
General Manager: Cameron Benson
Property Manager: Joseph Marcinek
Description: Watt Plaza is a twin 23-story office

tower complex consisting of approximately 900,000 square feet including an amenity-rich 36,000 square foot retail corridor adjoining the complex on the ground floor. A motor court parking facility is located directly under both towers coupled with a ten-level parking structure located adjacent to the North Tower. Valet parking is available in front of the building.

► **Over 1 Million**
The Gas Company Tower

Location: 555 West 5th Street, Los Angeles
Property Owner: Maguire Properties, 555 W. Fifth, LLC
Management Company: MPG Office Trust, Inc.
General Manager: Lynne Miller
Senior Operations Manager: Michael Brooks
Description: Built in 1991, The Gas Company Tower is a LEED Gold Certified, Class A office building. Soaring 54 stories on Fifth Street between Grand Avenue and Olive Street, the property was the second tower in the Los Angeles Central Library Redevelopment Plan.

Design, Planning & Consulting **Worldwide**

Gensler

Gensler is honored to be the recipient of **BOMA/GLA's 2011 Visionary Award**. We proudly support the role of BOMA in the Los Angeles commercial real estate community.

Gensler

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