

Opportunity in Mall Turmoil

REAL ESTATE: Investor looks to reshape assets

By **NEIL NISPEROS** Staff Reporter

Pacific Retail Capital Partners is loaded up in a hard-hit sector, with 10 malls in its portfolio and digital disruption of brick-and-mortar retail in full gear.

But the El Segundo-based real estate investor doesn't feel stuck.

Most of its malls – eight traditional indoor properties and two outdoor “lifestyle centers” – are class B properties.

Yet the privately held outfit isn't dismayed by experts' predictions that hundreds of malls around the U.S. will close over the next five years or so.

Pacific Retail is busy getting on to the next thing for its retail centers, many of which will transition to new uses such as residential and



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Future Focus: Steve Plenge plans to put class B malls on A list.

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Cal Cartage Carried Away

By **SHWANIKA NARAYAN** Staff Reporter

The largest-draw age firm at the ports of Los Angeles and Long Beach was acquired last week as the shipping industry's short-distance goods transportation sector continued to consolidate.

Long Beach-based California Cartage Co. was purchased by Cherry Hill, N.J.-based NFI Industries Inc. for an undisclosed amount. Both firms move cargo by truck from ports to nearby locations such as warehouses, a practice often referred to as drayage.



Curry

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Industry Catalyst: Developers Howard Kozloff, left, and Allan Glass at the site for their Hatch BioScience Labs project.

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SPACE JAM

New labs seen as fuel for L.A. biotech



By **DANA BARTHOLOMEW** Staff Reporter

DEVELOPERS Allan Glass and Howard Kozloff saw a former furniture factory in northeast Los Angeles and envisioned a biotech lab built for would-be entrepreneurs.

Now they're making that vision a reality.

The pair purchased the graffiti-splattered property in 2016 for \$2.3 million and are spending some \$3.7 million to renovate the site as part of the planned Hatch BioScience

Labs project, a ready-to-use lab facility – known as a wet lab – for early-stage biotechnology firms. The 22,000-square-foot building is nestled between **Cal State Los Angeles** and **USC's Health Sciences Campus** in the El Sereno district, where Glass and Kozloff believe the lab will be an important cog in a burgeoning bioscience corridor.

“We'd love to be the axle in the L.A. bioscience hub,” said Glass, chief executive of **ASG Real Estate Inc.** in Brentwood.

The Hatch lab, set to open late spring

2018, is part of a greater regional effort to alleviate a shortage of biotech incubator space in Los Angeles, which insiders said has hampered market growth.

A lack of affordable research space at facilities to develop new drugs and other biotech products has sent legions of L.A.-area university science graduates planning to start new companies to markets such as Boston, San Diego and the Bay Area, according to

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Tech Boom Gives Recruiters a Boost

By **GARRETT REIM** Staff Reporter

Local corporate demand for skilled tech workers is higher than ever – and it's not just computer engineers and app developers who are seeing big paydays.

Recruiters are also reaping the benefits, drawing talent out of the San Francisco Bay area and down to the L.A. region – an expansion in the talent pool for the first time

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THIS WEEK'S LIST:
TEMPORARY PLACEMENT FIRMS
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Q&A PEDRO PIZARRO



UTILITY PLAYER: The chief executive of Edison International has a year at the helm under his belt and no shortage of challenges on his plate. Pizarro offered insights on the company's past performance and expectations for the future in a recent, wide-ranging discussion at his office in Rosemead. See page 12

5 Retail Scene
Westfield spent \$1 billion to renovate its mall in Century City – and channeled Hollywood for its opening-night party.



10 Health Care
A crop of emerging biotech firms got to show their stuff at the 19th annual Southern California Biomedical Council Conference.

35 Style
A colorful palette is more than a personal preference for Portola Paints & Glazes cofounder Jamie Davis.



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Biotech: Facility Shortage Stunts Industry Growth

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industry veterans.

"The L.A. region has a lot of talent at its universities," said **Carolyn Hull**, vice president of industry development at the **Los Angeles County Economic Development Corp.** "The problem is physical space. They can't find enough laboratory space to meet their needs, at price points that work for them."

That's the market gap Glass and Kozloff want to exploit.

Most wet labs in the greater L.A. region rent bench space — a term for a certain, limited work area within a shared research facility — for between \$20 and \$30 a square foot. The two developers said they plan to charge companies looking for a full suite around \$4 a square foot — a price competitive with similar space in other biotech hubs in San Diego and the Bay Area.

"It's an adaptive re-use project, using the original building to accommodate the 21st century biosciences lab facility," said Kozloff, managing partner for **Agora Partners** in West L.A. "We think it'll pencil out."

History Lesson

The L.A. area was poised to become a biotech powerhouse nearly four decades ago, with Thousand Oaks-based **Amgen Inc.** churning out biopharmaceutical breakthroughs. But Amgen's relatively remote suburban location and a traditional, self-reliant corporate model led to few spin-off companies, according to the book "The Rise and Fall of Urban Economies: Lessons From San Francisco and Los Angeles," co-authored by **Michael Storper**, distinguished professor of regional and international development in the Urban Planning Department at UCLA.

In Northern California, meanwhile, **Genentec Inc.** took a different approach, fostering a regional network that worked closely with university campuses while filing hundreds of biotech-related patents, eventually spawning dozens of biotech firms throughout the Bay Area.

Talent — and fledgling companies that come with it — gravitated toward faster growing biotech networks in the Bay Area, and later to San Diego, where **UC San Diego** grew into a spur to the biotech industry there.

Governments, industry advocates, universities and biotech firms across Los Angeles County are now scrambling to catch up as the industry becomes a huge economic driver.

In 2013 the global biotech market was valued at \$270 billion, USC President **C.L. Max Nikias** said in a June speech. By 2020, it's expected to exceed \$600 billion, he said.

L.A.'s share of that market is middling, despite the size and educational resources the region offers. Biotech firms here drew just \$153 million in global biotech venture capital last year, lagging far behind San Diego, which received \$650 million, he said. L.A. is even further behind the Bay Area, which bagged \$3 billion in biotech venture capital money despite generating half the 5,000 science graduates as L.A.-area schools.

Some industry insiders say the region's second-tier status is slowly changing, but there are hang-ups — such as wet lab and incubator space.

"We're not recognized as an industry hub — yet," said **Dina Lozofsky**, executive director of the L.A. Office of San Diego-based **Bio.com**, a bioscience industry advocacy group. "But we have almost 600 life sciences companies in L.A. County. ... We are growing tremendously. But one of the struggles within the Los Angeles region is sizing up the demand for incubator lab space."

There are other efforts to address the wet lab space issue.

Cal State L.A. is in the process of building a \$12 million L.A. Biospace Incubator lab and wants to host as many as two dozen early-stage startup companies as part of an incubator on campus. The program will be paid for by county, federal and private funds and will be a boon for students and biotech entrepreneurs, officials said. The 20,000-square-foot



Lab Work: Synova Life Science's John Chi at his rented lab space in Pasadena.

RINGO H.W. CHIU/LAUREL



Building Blocks: Rendering of the new biotech incubator coming to Cal State L.A.

facility, which has not established rental rates yet, is set to open in fall 2018.

"It's part of a larger L.A. County initiative ... to build our biotech capacity, to build a bioscience

'We're not recognized as an industry hub — yet.'

DIANE LOZOFSKY,
Bio.com

ecosystem," said **Jose A. Gomez**, an executive vice president at Cal State L.A. and chairman of its new campus incubator. "The demand is great. There's a lack of available wet lab space."

Growing pains

Others, however, said recent growth in biotech incubators across the region may have oversaturated the market.

The **Pasadena Bio Collaborative Incubator** and **LabLaunch** in Moorovia have undergone recent expansions, while the **Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center** and the **California NanoSystems Institute** at UCLA have just thrown open their doors to nonacademic biotech start-ups.

There are now at least nine biotech incubator labs across Greater Los Angeles with a combined 75,000 square feet of wet lab space to house an estimated 50 early stage companies, according to the **Southern California Biomedical Council**.

"There is no shortage of lab space, at the very early stages," said **Ahmed Enany**, president and CEO of SoCalBio, another Los Angeles-based advocacy group. "But if the company grows, and they want 50,000 square feet, or 100,000 square feet, there's no space."

That was the problem **John Chi**, who launched his biotech company **Synova Life Sciences Inc.** three years ago.

Chi hit a wall hunting for an appropriate lab to house the fledgling regenerative medicine

company, which is developing a mobile device to harvest stem cells from human fat for orthopedics and employs two doctors and two business development and sales specialists. He was hoping to spend less than \$1,000 a month for a lab with cell tissue incubators, microscopes and a refrigerator for storing media for cells and fat.

But he found that labs from Orange County up to Ventura County wanted up to \$2,000 a month, while some wouldn't open their doors to a company with human tissue.

"It was frustrating," Chi said. "We couldn't get our experiments going. We looked for eight to nine months. Basically, nothing."

He eventually found a bench within in a small medical lab in Pasadena. Now he's first in line to lease a wet lab suite at the future Cal State L.A. incubator, but past experience left him jaded.

"In the Bay Area, there are biotech incubators. Also in San Diego," Chi said. "There's shared knowledge. Energy. We need a similar environment to help biotech bloom in Los Angeles. There would be a lot more start-ups in L.A. with more lab space."