The Future of Industrial Infill Development: Overcoming the Challenges of Brownfields and Sustainability Goals

**Moderator:**
Pamela Westhoff, Partner
Sheppard Mullin Richter & Hampton LLP

**Panelists:**
Bradley Cox, Senior Managing Director
Trammell Crow Company

Stuart Lichter, President and Chairman of the Board
Industrial Realty Group, LLC

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Panelist: Brad Cox, Senior Managing Director
Trammell Crow Company

- Brad Cox serves as Senior Managing Director for Trammell Crow Company where his primary focus is raising capital, setting investment strategy, creating deal flow, and overseeing the day-to-day activities for the Los Angeles Business Unit. Trammell Crow Company is a 65 year national development company, a wholly owned subsidiary of CBRE, with offices in 15 cities.

- The Los Angeles division portfolio currently includes $400 M of in process development including 102 acres of industrial development in Los Angeles, Carson and La Verne, medical office buildings for USC, mixed use office in Downtown Los Angeles and Pasadena, and Multi-family developments in Santa Monica.

- Brad is also responsible for overseeing a regional portfolio of 4.5 million square feet of premier office properties, including the landmark Century Plaza Towers, 2000 Avenue of the Stars in Century City and The Water Garden in Santa Monica.

- Brad is the Chairman of the Santa Monica Alliance and the Incoming 2013 Chairman of the Santa Monica Chamber. He also serves as Chairman of the Los Angeles Business Council Institute.

- Brad is a licensed California Real Estate Broker and is LEED® AP certified.
Panelist:
Stuart Lichter, President and Chairman of the Board
Industrial Realty Group, LLC

• Stuart Lichter is a nationally recognized leading force behind the adaptive reuse of commercial and industrial real estate throughout the country.

• Primarily through Mr. Lichter’s efforts, IRG and its affiliated companies have acquired and developed over 100 industrial and commercial properties and has made the IRG portfolio one of the largest private holders of industrial and commercial real estate in the nation. These properties represent virtually every area of real estate, such as office buildings, industrial and warehouse buildings, shopping centers, business parks, hotels, mini-storage facilities, marinas, apartments, mobile home parks and mixed-use developments, with a primary emphasis on industrial and commercial.

• Mr. Lichter received a B.S. from Hunter College. He completed all course work for a Masters Degree in Business Administration from Pace University with a major in finance. Mr. Lichter also attended New York University School of Law.

• With over forty years of experience, Mr. Lichter is a national leader in transforming former military bases and industrial sites into thriving retail, residential and business communities while creating thousands of jobs and solving some of America’s most difficult real estate challenges.
Pamela L. Westhoff is a Partner in the Real Estate, Land Use, Natural Resources and Environmental Law Practice Group in the Firm’s Los Angeles office.

Pam represents owners and developers of industrial and commercial real estate in acquisitions, dispositions, financing and development projects.

In addition to her law degree, Pam holds a Masters in Business Administration from the University of Southern California with an emphasis in Finance and Marketing.
Session Objectives

- Review of case studies and lessons learned from recent infill redevelopment industrial projects by our panelists
- What are the factors that drive the success of challenging industrial infill projects today?
- What are the market fundamentals to put in place to drive the success of industrial infill projects today?
Branford NE San Fernando Valley
Carson Industrial Center North
Downtown Los Angeles

Make LA a leader in this new sector:

• LA is the second largest green economy in US. US Green Jobs and the Los Angeles Region, July 2011

• More green jobs, growing 3x norm. California for Clean Energy and Jobs Network (CCEJ Network)

• Biggest EV, hybrid and solar market

• More recycling than any other

• Municipal utility first to 20% mix

• Ranked #1 in cleantech startups
Clean Tech Manufacturing Center

Project Summary

CleanTech Manufacturing Center (CTMC), a 450,000 square foot, fully entitled, speculative Class A industrial campus development. CTMC offers the largest contiguous industrial space in Downtown Los Angeles and will be delivered to market 2nd quarter, 2014. Construction to start July 2013.

Current Status

• Rough grading in final plan check
• Construction financing in place
• TCC & CBRE have launched their Clean Tech Marketing Initiative to local and National markets
• TCC continues to work with the City of Los Angeles towards bringing jobs into the City
2011 North Soto Industrial Bldg - Before
2011 North Soto/North Elevation
New Market Tax Credit Presentation

2M SF Mixed Use Redevelopment of Historic Goodyear World Headquarters – The East End

Three (3) separate Projects totaling $148M
- Part of 392 acre, 5.5M SF Goodyear campus in Akron, Ohio
  - Acquired by Developer in 2009
- Phase I - New 700,000 SF Goodyear HQ Building completed April, 2013
  - Goodyear commitment to stay in Akron for 25 years
  - Local, State & Federal support
- Phase II – Office, Charter School, Multi-Family, Hotel & Retail
  - Construction Funding in place
  - Historic Tax Credit award imminent

Developer – Industrial Realty Group
100M SF Nationwide Portfolio
- McClelland Place - redeveloped McClelland Air Force Base, Sacramento, CA
  - 3000 acres, 8.5M SF, over 10,000 people employed at the Park
- Canal Place – former 1.3M BF Goodrich HQ, Akron, OH
- Largest acquirer of former automotive plants in the country
  - General Motors - Moraine, Ohio & Shreveport, Louisiana
  - Ford – Loraine, Ohio & Batavia, Ohio
  - Delphi - Dayton, Ohio & Warren, Ohio
New Goodyear World Headquarters
Innovation Center

This building is a mixed use building containing engineering offices on the 4th and 5th floors. Floors 1, 2 and 3 are manufacturing floors. Goodyear currently produces the NASCAR racing tires at this facility.
McClellan Business Park
McClellan Park at Base Closure

- Largest Industrial Facility in Northern CA
- Operated 60+ years as an AF depot
- Critical to Sacramento Economy
- Closed 2001, County Lost
  - 13,500 Jobs
  - $200M income
  - $1.5B Loss to Regional Economy
McClellan Park Challenges

- No fee title/No zoning/Not part of State of CA
- Largest Superfund Site Controlled by Air Force
- No certainty of schedule for clean up
- Wetlands
- Historic Properties Designation
- Surrounding community significantly blighted
- Transition military to private - too complex for typical tenant
- Inadequate infrastructure
  - Frequent flooding
  - Power outages
  - Sewer back ups
  - No fiber optics
  - No accurate maps of infrastructure
McClellan Park Today

- Entitled for 16.6 million square feet of space
- 10 million square feet of existing useable space
- 6.25 million square feet of space leased
- 1.25 million square feet of Federal and Local
- Infrastructure upgraded to public standard
McClellan Park Environmental Management

- McClellan Park, consisting of approximately 3,000 acres, is an NPL listed “superfund site”

- With over 250 legal lots, each lot is effectively a Brownfield site with separate land use controls, environmental restrictions, regulator oversight and annual reporting

- Estimated USAF cost to complete at $1.2 Billion

- Pioneered the concept of Privatized Remediation on a closed military base. The first ever concept was accomplished by working closely with all environmental regulators associated with the project
McClellan Park Transformations – Bldg. 251

- Premier Sacramento Airport FBO providing full services 24 hours a day, seven days per week.
- Best Fuel Pricing in Northern California
- 220,000 Square Feet of Hangar Space
- An 80,000 Square Feet Executive FBO Building

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McClellan Park Transformations – Bldg. 250

Before

After
McClellan Park Transformations – Bldg. 243

Before

After
McClellan Park Transformations – Bldg. 640

Before

After
Q&A

This is your opportunity to make this session exactly what you need it to be – Ask the question.

Please note that this session is being recorded, so before speaking, please proceed to a standing microphone.

Thank you!
Thank You!

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