



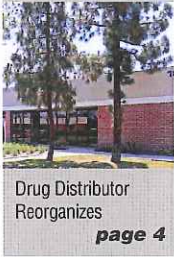
ORANGE COUNTY BUSINESS JOURNAL

\$1.50 VOL. 39 NO. 18

THE COMMUNITY OF BUSINESS™

MAY 2-8, 2016

THIS WEEK



Drug Distributor Reorganizes

page 4



Broadcom Sells IoT Unit

page 7



Executive Dining

page 12

SMALL BUSINESS



Special Report

page 17



Luxury Homes

page 27

Gavin's Other Big Idea

Environmental Outfit Started By Allergan Founder Wants Global Brand

By MICHAEL DE LOS REYES

Scott Wilson says he still suffers from sleepless nights as chief executive of **Regenesis**, a privately held maker of environmental decontamination products in San Clemente.

There's some progress in his restlessness, though.

Wilson first went through bouts of sleep deprivation when the company's business went flat after the onset of the Great Reces-



Wilson: "patient and supportive board"

sion in 2008.

These days, he says, Regenesis is growing and garnering lots of attention from environmental engineering companies with international clients, as well as would-be investors in China.

"We don't really need cash," Wilson said.

That means he's been able to gently turn away foreign investors and corporations interested in acquiring the producer

► *Regenesis 48*



Speedo's Splash

New Line Launches in Time to Catch Buzz of Summer Olympics

Everyone into the pool: brand wants to branch beyond competitive segment, win over fitness enthusiasts

By MEDIHA DIMARTINO

It's not your mother's aqua aerobics, but both of you are welcome to join in.

Cypress-based **Speedo USA** last week introduced Speedo Fit—a water-based training regimen that sets the stage for a new lineup of products it hopes will broaden its customer base beyond the competitive swimming realm where it's been the longtime leader of the pack.

"It's a much larger population to actually address," said President **Jim Gerson**. "There are only 2.6 million competitive swimmers in the world, and there's over 40 million in the fitness pool, and we looked at that and said, 'How can we be more relevant?'"

The swimwear and accessories manufacturer is part of New York-based **PVH Corp.**'s Heritage Brands, which includes the Van Heusen, IZOD, ARROW, Warner's and Olga la-



Gerson: sees "larger population to actually address"

with the summer Olympics" in Rio de Janeiro, said **Emanuel Chirico**, PVH's chief executive, during the company's March earnings call.

Olympic Dreams

The company is promoting Speedo Fit with a

► *Speedo 11*

\$630M Bet Makes Bascom Biggest Landlord in Vegas

REAL ESTATE: Irvine-based investor adds 4,918 units at 15 complexes

By MARK MUELLER

Irvine-based apartment investor **Bascom Group LLC** has made the largest acquisition in its 20-year history, landing a nearly 5,000-unit portfolio of rental properties in and around Las Vegas.

The privately held real estate company partnered with **Oaktree Capital Management LP** in Los Angeles to buy a 15-property portfolio of apartment complexes in Las Vegas from Houston-based **Camden Property Trust**.

The deal, which came last week, also includes a

► *Bascom Group 15*

Edison Plugs Into OC Startup Scene

ECONOMY: New unit of SCE parent in search of permanent HQ

By CHRIS CASACCHIA

Orange County will play a prominent role as the home field of **Edison Energy Group**, recently established by one of the world's largest electricity producers as a launch pad of sorts, with specializations in consulting, engineering and solar-energy installations.

The new unit of Rosemead-



Schurr: OC "was only choice" for HQ of new venture

► *Edison Energy 47*

Caltrans to Leave Irvine for New Santa Ana Digs

REAL ESTATE: 130,000-SF lease fills out State Fund building

By MARK MUELLER

The **California Department of Transportation** is moving its local operations from Irvine to Santa Ana after signing one of the largest new office leases reported in Orange County so far this year.

The state transportation agency, which operates under the name Caltrans, recently signed a nearly 130,000-square-foot lease for the State Fund building, an eight-story office at 1750 E. Fourth St. in Santa Ana.

The office, near the intersection of the Santa Ana (I-5) and Costa Mesa (55) freeways, is part

► *Caltrans 41*



WE KNOW ALL SMALL BUSINESSES AREN'T THE SAME. THAT'S WHAT MAKES US DIFFERENT.

VISIT COXBUSINESS.COM



©2016 Cox Communications, Inc. All rights reserved.

pressreader Printed and distributed by PressReader PressReader.com +1 604 278 4604 COPYRIGHT AND PROTECTED BY APPLICABLE LAW

ADDENDUM

Other items of interest
Orange County Business Journal
Vol. 39, No. 18

Compiled by Hannah Mitchell

► APPAREL

Midlothian, Texas-based **Ennis Inc.** said it plans to sell **Alstyle Apparel LLC** in Anaheim to the newly formed **Alstyle Operations LLC** for \$76 million in cash and \$12 million to cover a 60-month equipment lease. The former parent company, as part of the deal, also will assist the buyer with administrative, financial, human resources and information technology matters for up to 18 months. **Irshad Ahmad** will step down as Ennis' chief technology officer and apparel division vice president to join the buyer group, and will "continue to serve as an Alstyle employee." The private-label T-shirt manufacturer posted about \$183 million in revenue for the year ended Feb. 29, down from \$199.9 million during the same period a year earlier.

Pacific Sunwear of California Inc. named **Ernie Sibal** chief financial officer after **Chris Tedford** resigned "to pursue other endeavors." The Anaheim-based teen apparel and ac-

ECONOMIC INDICATOR

▲ UP: OC's year-over-year home sales outlook in March. The number of single-family residences sold was up 0.8% to 3,181, and the median price rose 6.8% to \$625,000, according to **CoreLogic Inc.**

cessories retailer filed for bankruptcy protection April 7. Sibal, who's been with PacSun since 2008, served as vice president of real estate, construction and strategy since September and has been "instrumental in the restructuring and management of the company's real estate portfolio."

► FINANCE

Irvine-based **California Republic Bancorp** was sold to **Mechanics Bank** in Walnut Creek in a deal worth an estimated \$289 million in cash. Boards of both banks approved the deal, which pays California Republic shareholders \$37.19 a share. The deal is expected to close by year-end. The Business Journal in November ranked California Republic the fifth-largest OC-based commercial bank, with

\$1.5 billion in assets as of June 30, 2015, up 56%. Its assets as of March 31 were \$1.8 billion. Mechanics Bank has \$3.6 billion in assets and 30 branches in Northern California.

► HOSPITALITY

Irvine-based **Pacific Hospitality Group** plans to break ground April 29 on a four-story, 145-room hotel across the street from its Meritage Resort & Spa in Napa, according to a local news report. The resort opened in 2006 with about 160 rooms and more than doubled to 323 rooms as part of a \$40 million expansion in 2012 that also brought the resort's meeting space to about 50,000 square feet. The new hotel, Meritage Commons, will add 10,000 square feet of meeting



Record-breaking sports document: baseball's oldest rule book brought \$3.2 million in SCP Auctions sale

space, a food and wine village, and a swimming pool.

► SERVICES

An affiliate of Anaheim-based **Marwaha Group Inc.** bought the 94-room **TownePlace Suites** hotel in Vista from Carlsbad-based **TMACK Melrose LLC** for \$15 million, according to CoStar Group and public data. It's Marwaha's second hotel acquisition in the San Diego region this year. Both hotels sold for about \$159,000 per room. Marwaha Group said in a statement that its MG Hospitality division will run the hotel and that Marwaha plans to develop and buy more hotels (see related story, page 3).

Baseball's oldest rule book fetched a record \$3.2 million this weekend as part of the 2016 Spring Premier auction run by Laguna Niguel-based **SCP Auctions**. The price of the historic "Laws of Base Ball," written in 1857 by Daniel Lucius "Doc" Adams, is a record for a baseball document or contract and the third highest of any piece of sports memorabilia. The previous record for a baseball document was \$1.2 million for Babe Ruth's 1918 Red Sox contract, which sold in 2014. The spring auction, which featured 1,310 lots, including 166 from the Don

Drysdale Estate Collection, took in \$7.2 million.

► OTHER

Personal finance website **WalletHub** ranked Irvine the 16th best city for Hispanic entrepreneurs from among the 150 largest U.S. cities. It based the ranking on data that included income growth, share of businesses owned and entrepreneurship rate. Irvine ranked No. 1 in the survey based on the percentage of Latinos who hold at least a bachelor's degree and on their entrepreneurship rate.

FREE DAILY UPDATE

The best source for the latest local business news. Prepared by the editors of the Orange County Business Journal and sent to you by e-mail every business day.

Sign up now at ocbj.com

Bascom Group

► from page 1

small retail center and about 20 acres where another apartment complex is planned.

The 4,918-unit portfolio traded hands for \$630 million, according to Camden.

That works out to about \$128,000 per apartment, not factoring in the other assets.

The transaction has been described in local news reports as the priciest apartment sale in Las Vegas history.

The acquisition also is the largest that Bascom has been involved in, according to real estate sources familiar with the transaction.

The company now owns about 21,800 apartments nationwide, including more than 8,200 in Las Vegas.

Bascom is now believed to be the largest owner of rental properties in Las Vegas, following a three-year push into the market.

It began buying properties in Las Vegas in the latter half of 2013, building up a portfolio of more than 3,300 units prior to the deal with Camden.

The company and its financial partners have spent close to \$1 billion acquiring properties in the market.

Many of the company's purchases in the city have been made through ventures with Oaktree, a global investment manager that oversees some \$97 billion in assets.

Oaktree has a sizeable portfolio of office and other property types in Las Vegas. It also is an active investor in Orange County's real estate market; it has partnered with **Hines Interests LP** on the bulk of the Houston-based company's office purchases in OC the past six years (see Caltrans story, page 1).

Recent Growth

Bascom has been encouraged by the growth and diversification of the entertainment industry in Las Vegas over the past few years, as



Vantage: 110-unit luxury condominium, acquired last year by Bascom and Oaktree

well as the city's continued strength as a tourist destination and a growing influx of older residents, company executives said after announcing other deals in the city over the past year. Bascom declined to comment on the just-completed deal with Camden.

There's also a lack of rental product being built in the area; less than 3,000 apartments are expected to open this year, while 30,000 new jobs are forecast, Camden executives said in January.

Bascom's just-acquired Las Vegas complexes are more than 95% leased, and average monthly rents were \$1,060 last year, Camden's executives said last week.

Camden executives said its Las Vegas portfolio saw 6.7% revenue growth last year, on the lower end of its 55,254-unit national portfolio.

That's still a notable improvement over 2012

and 2013, when rental growth in Las Vegas was less than 2% annually, company officials said in January.

The 15 complexes sold to Bascom were built between 1989 and 1997, according to regulatory filings.

Those properties are said to be among the higher-end complexes built during that period, with numerous amenities, like clubhouses, pools and tennis courts.

LA Project

Camden said last week that it could sell an additional \$600 million of its properties this year, but did not mention in which markets those deals would take place. It owns five rental complexes with 1,943 units in OC.

The real estate investment trust said in January that it intended to sell apartments to pay

down debt and fund development while also protecting itself from a potential downturn in the economy in the next couple of years.

Its largest complex under development in Southern California is a 287-unit residential project on Vine Street in Hollywood that will include a 40,000-square-foot Equinox Fitness.

That project's cost is estimated at about \$145 million, according to the company's latest earnings report.

Bascom's typical hold period for new investments runs between three and five years.

The company expects the Las Vegas assets to fall within that range, although it is prepared to keep the properties longer if necessary, sources tell the Business Journal.

The company plans to sell the 20-acre developable site that was included in the portfolio deal, the sources said. ■