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## Carrying On Boeing's Vision For Douglas Park

BY BRANDON RICHARDSON



Exactly four years after Sares-Regis Group bought 190 acres of land near Long Beach Airport from aircraft manufacturing giant Boeing, approval and construction of several major projects begin to show the vision of the commercial park coming to fruition.

In late 2012, Irvine-based developer and real estate services provider Sares-Regis completed three land-sale transactions with Boeing within a few months time. Larry Lukanish, senior vice president of Sares-Regis, said that he does not recall the amount his company paid for the land off the top of his head, but that it is not important. What is important to Lukanish is what the property will be worth when it is fully developed – an amount he estimates will be in the hundreds of millions.

“We really have tried to carry on Boeing’s vision for what they had for the project,” Lukanish said. “When they decided they were going to sell the rest of this land at Douglas Park, our whole goal was to just carry on the vision they laid out

– kind of still paying [homage] to all the airplanes that were built there over the 70-year history.”

Many projects have been completed and occupied for some time, including the Virgin Galactic building, the Courtyard Long Beach Airport hotel and the Universal Technical Institute, to name a few.

Larry O’Toole, president and chief executive officer of Rubbercraft, a custom rubber products supplier already located at Douglas Park, said, “It’s been an enabler to our success, quite frankly. It’s enabled us in terms of a green-field approach in designing a facility that met all of our needs. It’s given us quality access to the customers that we serve. And it’s certainly given us a quality environment for our workforce.”

Some of the benefits O’Toole noted about being located at Douglas Park include its proximity to Long Beach Airport and the 405 Freeway, which gives easy access to the park. He said his employees also enjoy being able to take a quick stroll to eat lunch at nearby restaurants like The Habit Burger

Grill and California Fish Grill.

Lance Kenyon, a partner at MHP Structural Engineers, also an occupant at Douglas Park, agreed with the benefits mentioned by O’Toole and added, “We love it here. It’s convenient to housing for our employees. We have a lot of employees that live in the city. And we have some that rent, some younger ones that we hire out of school. And it’s a lot more affordable than Santa Monica or the South Bay or a lot of areas.”

The original Douglas Park consisted of 260 acres west of Lakewood Boulevard, between Carson Street to the north and Long Beach Airport property to the south. The property butts up to the Lakewood Country Club to the west. Later, when Sares-Regis purchased the former Boeing commercial buildings and a large parking lot east of Lakewood, they were added to the Douglas Park footprint.

Most of the completed projects at Douglas Park are on the interior of the property, several of which were developed

prior to Sares-Regis' involvement. Three projects are currently under construction along the Lakewood Boulevard corridor, and the city's planning commission recently approved the largest project in the park to date for the corner of Lakewood Boulevard and Carson Street.

### Long Beach Exchange

At the beginning of October, the planning commission approved the site plan for developer Burnham USA's Long Beach Exchange (LBX), a massive regional shopping center that will contain retail stores and restaurants.

The 266,049-square-foot Long Beach Exchange is planned for the southwest corner of Lakewood Boulevard and Carson Street on a 26.67-acre vacant lot within the Douglas Park North Planned Development District.

"They plan on breaking ground by the end of this year, and I would assume that's about a 12-month build out. So that's probably going to be done by the end of 2017," Lukanish said.

The project includes plans for six anchor tenants that will have spaces ranging from 18,000 to 40,000 square feet. Four anchor tenants will be located on the north block of the complex along Carson Street in connected buildings. A junior anchor tenant will also be located in the northern section of the development with a floor area of 10,900 square feet.

The remaining two anchor tenants will be located on the south block of the site with the storefronts facing Lakewood Boulevard, with an adjoined 7,500-square-foot junior anchor tenant. The 16,800-square-foot Hangar retail building sits behind the main building, along with

the project's 1.24-acre central plaza. According to city documents, the Hangar will house a "unique assemblage of retail and restaurant uses housed within an open-air structure with a rolling door system that opens onto the central plaza space."

The central plaza will consist of "hardscape amenities, a reflective water element and interpretive features that pay homage to the history of the property and Douglas Park," according to city documents. Two detached retail buildings measuring 12,000 square feet each sit behind the Hangar building.

"What they are doing is very ambitious, very creative. And you hit the nail right on the head, don't just build it, make it come alive and make it sustainable," Corey Alder, president of the Nexus Companies, developer of the Courtyard Hotel and upcoming Hampton Inn and Homewood Suites in Douglas Park, said. "I can tell you that this group is very meticulous. They are very creative. You have a group that knows how to do it, [has] the fortitude to do it and [has] the financial backing to do it. We're all in favor of it."

The development also contains four commercial pads, designated Pad A, B, C and D. Pad A will be located in the southeast corner of the site and will include 2,882 square feet of floor area and a 243-foot drive-thru lane. Pad B, located adjacent to the intersection of Lakewood Boulevard and McGowen Street, consists of 5,200 square feet of floor area and a 245-foot drive-thru lane. Pads A and B are planned for the south block along Lakewood Boulevard.

Pad D contains 3,867 square feet of floor area and a 350-foot drive-thru lane, while Pad C has 6,500 square feet of floor

area and is the only pad not to feature a drivethru. Pads C and D are planned for the north block along Carson Street.

The project includes 1,345 parking stalls, 106 of which will be angled and parallel stalls along Huggins Street and angled stalls on both sides of McGowen Street.

### The Terminal

The Terminal at Douglas Park by Long Beach-based Urbana Development had the most recent groundbreaking ceremony, which was on October 28. The project site is located on the northeast corner of Lakewood Boulevard and Conant Street and will consist of four two-story buildings measuring more than 25,000 square feet each.

"The idea behind the project was to have an office building that really responded to the way that people wanted to work," Richard Lewis, principal for Urbana, said. "People just work so differently now. What we're used to doing on a computer, people are now doing on smartphones. And they don't need to be sitting at a desk. They'd like to be sitting outside. They like collaborating with people."

Two of the four buildings will be split into 20 office condominiums with an average size of about 2,500 square feet. Office condos are bought and sold much like residential condominiums, whereas leasing office space is like renting an apartment, according to Jeff Coburn, a principal at Lee & Associates Commercial Real Estate Services. Coburn explained that one of the buildings will be retained by Lee & Associates to be leased to several companies, while the last is going to be sold in full to one larger company.





Appraisal Pacific Inc., a local appraisal company with 15 appraisers, has been leasing office space in Lakewood for the last 18 years but has already committed to buying space in the new development.

“This came up as a good opportunity to buy office space in a creative office, which there’s not much of in the [area],” Andrew Mitrosilis, principal and partner at Appraisal Pacific, said. “Most of the buildings are older, or you just don’t have that opportunity for smaller space. So the office condo market is brand new for this area, basically.”

The creative office units are each different, according to Coburn. Some units have balconies, some of the balconies are covered, and downstairs has glass roll-up doors that open up into a shared, outdoor common space with seating and landscaping.

Of the first 20 office condos, 14 are already under contract, including the space for Appraisal Pacific. Other confirmed occupants include The Core Group, CalCom Federal Credit Union, E-Commerce Exchange and PostCity Credit Union.

“I think that Urbana selling 75% of the office space before a shovel hit the ground is a demonstration of businesses that want to be in Long Beach,” 5th District Councilmember Stacy Mungo said. “In the last two years, we’ve opened 523 new businesses in the district, and with the additional space available, that number will soar.”

Construction of phase one of the project is scheduled to begin this month. Phase two is set to begin in 2017. Lewis estimates the entire project will be completed by August of next year. Once finished, the project will consist of more than 100,000 square feet of office space and 40 individual office condominium units.

“It’s going to be a great project for business,” Long Beach Mayor Robert Garcia said. “We’re having thousands of jobs created and generated out of this Douglas Park development, so this is going to be a great addition with really adding a lot of small businesses.”



### Hampton Inn And Homewood Suites Hotel

The dual-hotel project by Costa Mesa-based Nexus Development, which includes 143 Hampton Inn rooms and 98 Homewood Suites rooms, is well into its construction with wood framing visible from Lakewood Boulevard. The Hilton dual hotel is scheduled for completion in August of next year.

“The building is like a horseshoe or a C, so each wing will be one of the concepts,” Lukanish said. “It’s pretty cool, I’ve never been in a hotel with that concept before, but that’s what they’re doing.”

The lobby, parking and common areas, such as a gym, an outdoor pool and recreation areas, will all be shared by guests of each brand.

### Pacific Pointe East

Already under construction, Pacific Pointe East is a three-building project by Sares-Regis that is being built speculatively, meaning they have yet to secure tenants. Two of the three tilt-up buildings have walls up on the southwest corner of Lakewood Boulevard and Conant Street, directly south of the Mercedes-Benz buildings.

“The one on the corner is a 140,000-square-foot building, and we’re building about 20,000 square feet of spec office. So it’s definitely going to be a corporate headquarters for someone,” Lukanish said.

“Then the building next to it is 110,000 square feet, and we’re building out 15,000 square feet of spec office.”

Sares-Regis is in negotiations for the second building with a local Long Beach company that wants to expand and stay in



the area. Lukanish anticipates the first two buildings will be completed by March 2017 and said the company is excited to have an active proposal on one of the buildings, especially from a business from Long Beach.

According to Lukanish, the third building of the project won’t be complete until May of next year. However, since each building is a separate parcel, companies can move into the first two while the third is still under construction. Building three will be 220,000 square feet, but there is no construction or leasing activity on it yet.

### United Pacific

The future home of United Pacific, formerly United Oil, is well under construction and will be located directly north of the Universal Technical Institute and west of the Nexus hotel site. The 40,000-square-foot headquarters and support center is scheduled for completion in May 2017.

The company is currently located in Gardena, and President and Chief Executive Officer Joe Juliano decided to relocate. He said the company looked at where all its employees lived, and Long Beach was the most central location for all.

“That was important for us, that we didn’t have one employee going too far out of their way. And hopefully a few would actually have a reduced commute,” Juliano said. “Other considerations were we wanted to be near a major airport. We also



wanted to be off of a major highway – the 405 obviously checks that box.

“Once we saw Douglas Park, we were really excited about the location, some of the companies that were already there operating their headquarter facilities and some of the future development that was there,” Juliano added. “And compared to some of the other opportunities, it fit nicely within our budget.”

The company is sparing no expense on the project, and it will include all new furniture and equipment to help with a smooth and seamless transition. The building will also include a gym, common areas, collaborative spaces, a break room and fun activities for employees such as pool and an air hockey table.

Also included at the company headquarters will be a gas station canopy with fuel islands and dummy dispensers, as well as a fully functioning convenience store that the company will use as a prototype lab and training facility, according to Juliano.

“We’re excited to be in the City of Long Beach,” Juliano said. “We have about a dozen stations already in the City of Long Beach, so we have a presence there already by virtue of our gas stations and convenience stores. Now to call Long Beach our home is pretty exciting.”

### Other Projects

According to Lukanish, there are two smaller projects in the works at Douglas Park south of Carson Street and North of McGowen Street. One project is a 43,000-square-foot industrial space that Sares-Regis is building speculatively for a corporate headquarters. The other project was a land sale to Sean Hitchcock,

president of 2H Construction, who plans to build a 34,000-square-foot industrial corporate headquarters for his company.

The Sares-Regis project is currently in the grading phase, according to Lukanish, who hopes the buildings will be completed by the end of March 2017, though it has no interested parties yet. Lukanish did not have any additional information regarding the 2H Construction project.

The former Boeing C-17 site on the westside of the airport is still up in the air with no end in sight. “They’ve had a lot of community outreach meetings on what to do with that former C-17 site. We’ve been attending all of them. They’ve been hosted by the city and Boeing,” Lukanish said. “It seems like it might take a while for that property to be available. I think Boeing has got a lot of work there. I don’t know what the timeframe is, but we track it. So hopefully it’s sooner rather than later.”

### The Architects

Many of the buildings at Douglas Park have been designed by Irvine-based DRA Architects. When Sares-Regis first started building speculative projects at Douglas Park, Carrie Hoshino, owner and principal of DRA, and her company were designing the buildings.

“They work with the city very well. They know the Douglas Park standards inside and out,” Lukanish said. “Anyone I’ve sold land to, I get them a meeting with [DRA] because it helps the consistency of the project in my mind. I can’t force [companies] to use them, but they are very well recommended. We kind of want the architecture to have the same design and characteristics throughout the whole project.”

Aside from older Douglas Park projects, DRA has designed The Terminal, the United Pacific headquarters and the Long Beach Exchange retail center. Lukanish said the architectural firm is not making Douglas Park a cookie-cutter site, but instead making sure that each original design has a consistency that would not be possible if too many designers were part of the overall development.

“Every developer has their own vision, but then Carrie puts it together and makes it fit within Douglas Park,” Lukanish said. “It is neat to see everything being built out there. And in the next 12 months it’s going to be almost built out, so it’s going to be fantastic to see all this stuff.”

**TO FIND OUT MORE ABOUT THE  
TERMINAL AT DOUGLAS PARK,  
PLEASE VISIT:**

<http://the-terminal-at-douglas-park.com/>

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