


# ORANGE COUNTY BUSINESS JOURNAL

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MOVEMENT



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## Chapman's Artsy Uncle

### How, Why School Became Home for Couple's \$7 Million Art Collection

By KIM HAMAN

Family matters at Chapman University, although that won't be obvious to visitors to the opening of the school's Hilbert Museum of California Art later this month. Family came into play three years ago, when Mark Hilbert was struck by the numerous develop-

ments, state-of-the-art facilities and renovated historic buildings during a stroll around the Chapman campus in Orange.

#### Beyond Work

The Newport Beach-based real estate entrepreneur and executive was there to visit his nephew Alex Dodds, a student there at the time.

► Museum 79



Mark, Janet Hilbert: also gave \$3 million for building near campus in Orange



Rendering: renovation plans call for 50-foot-tall steel-frame building to get full-height glass panels

## Developer Plans Creative-Office Space at Former LA Times Plant

By MARK MUELLER

The former Los Angeles Times printing plant in Costa Mesa is slated to be turned into Orange County's largest creative-office redevelopment project to date.

L.A.-based real estate developer Kearny Real

Estate Co. plans to turn the 24-acre site, located a few blocks north of the San Diego (I-405) Freeway at 1375 Sunflower Ave., into a creative-office campus targeted to large corporate tenants.

The first phase of the project will turn the main existing industrial property on the site into a three-story, open-air office running about 300,000 square

feet.

The 50-foot-tall steel-frame building will be renovated to feature full-height glass panels, an expansive grid of skylights, and a large amount of indoor and outdoor meeting space.

The project also will include three acres of out-

► The Press 80

## Fast-Growing Startup Looks to Speed Up

### TELECOM: Ultra Mobile tops \$150M in revenue in third year

By CHRIS CASACCHIA

A Costa Mesa-based startup is rolling out two brands to complement its booming international calling card business.

Ultra Mobile plans to launch a nationwide plan next month that's geared more for domestic coverage, a

► Ultra Mobile 80



Glickman: serial entrepreneur likes OC's "infrastructure of innovative wireless companies and pre-paid companies"

## Swell Move for Global E-Commerce Operation

### RETAIL: OC-grown brand lends name to parent in strategic shift

By MEDIHA DIMARTINO

Swell is about to hit the Asia-Pacific and European markets.

The wave will come as the Irvine-based e-commerce retailer lends its name to sister properties—Surfstitch.com in Australia and Surfdom.com in the

► Swell 67



Pedersen: brick-and-mortar expansion to include location "stone's throw from" U.S. headquarters in Irvine



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## The Press

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door space featuring an amphitheater, yoga lawn, volleyball court and outdoor seating, among other amenities.

Construction could begin this fall, assuming the developer gets the necessary city approvals for the project.

Irvine-based architecture firm **LPA** is heading up the project's design, while **Snyder Langston** of Irvine is the general contractor.

Kearny officials estimate the initial phase of redevelopment will cost in excess of \$100 million.

Future phases of development on surrounding land, including an entrance along Harbor Boulevard, could push office development at the campus close to 700,000 square feet, according to **Jeff Dritley**, Kearny's founder and managing partner.

The new project is being branded "The Press," a nod to the property's past role as home to the Times' Orange County edition, which once had circulation of more than 300,000 on Sundays.

The building previously served as a printing plant, distribution center, newsroom and administrative office for the Times' operations here but hasn't been fully occupied in years.

The property, across the street from Costa Mesa's Ikea shopping center, is "an authentic manufacturing building," Dritley said. "There has yet to be a creative space redevelopment in Orange County that can match the unique



Pressroom: name of redevelopment project plays up newspaper legacy of property

attributes of this project."

The naming of the project also is meant to allow new occupants to "write their own story," Kearny officials said.

### No Residential

The push toward a creative-office redevelopment marks a change in strategy for the site, one of several notable locations north of the 405 in Costa Mesa that developers have been eyeing for large-scale projects.

Kearny was selected as the development partner for the site last year by the property's owner, **Tribune Real Estate Holdings LLC**, a subsidiary of Chicago-based **Tribune Media Co.**—the former owner of the

Los Angeles Times and Chicago Tribune, among other daily newspapers.

A joint venture between Kearny and Tribune Real Estate was finalized last November. Mixed-use options for the land, including apartment development, were initially considered.

The venture opted to focus on office uses after Costa Mesa officials pushed back against residential development on city land north of the 405 freeway, Dritley said.

"We listened to the majority of the (city) council," he said.

The site's proposed change in land use from industrial to offices will be taken up by Costa Mesa's city council this year as part of

a larger general plan update.

### Large Occupants

The first phase of development at The Press is being targeted toward larger tenants seeking 100,000 square feet of space or more.

Potential tenants include technology companies, design firms, active-wear apparel companies, and device makers, according to **Rob Lambert**, director with the Irvine office of **Cushman & Wakefield Inc.** who is handling leasing for the project along with colleague **Rick Kaplan**.

The project "should appeal to any large corporate user that wants to attract and retain employees," Lambert said.

The project also could be sold to a corporate user if there's suitable interest, said Kearny's Dritley.

The Press is the largest development project in OC to date for privately held Kearny, which focuses on Southern California.

Larger projects the company has worked on elsewhere include the Century Business Center, an 86-acre business park in Hawthorne that includes the headquarters of **Elon Musk's SpaceX**.

It owns one other OC property, Newport Corporate Plaza, a 20-acre office campus near John Wayne Airport that it acquired in 2014 for about \$41.5 million.

The company is on the lookout for other area projects, particularly given the rising prices for property in L.A. of late, Dritley said. ■

## Ultra Mobile

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largely untapped segment for the telecom, which is among the fastest growing companies in the U.S.

"Ultra is focused on international, and this will be more mainstream," co-founder **David Glickman** explained after a tour of the company's new 30,000-square-foot headquarters near South Coast Plaza. "We will probably allow international calling, but we won't promote that we have it."

International callers, data and text users account for about 85% of Ultra Mobile's SIM—or subscriber identification module—card customers. The segment—comprised largely of immigrant populations who live in urban centers in the U.S. and want to keep in touch with family and others in their countries of origin—has fueled explosive growth since the company started in October 2012.

Ultra Mobile was cash-flow positive in its first year.

Revenue topped \$100 million in its second year.

Last year it zoomed to the top of the list of the 5,000 fastest growing private companies in the U.S., according to **Inc. Magazine**. It finished 2015 with more than \$150 million in revenue and will probably be close to \$200 million this year, according to Glickman.

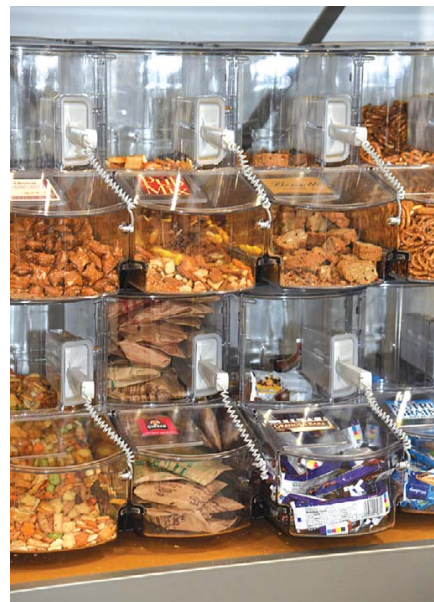
"We are all about growth and all about volume," he said.

### Univision Mobile

The plan to make a push in the mainstream market doesn't mean Ultra Mobile is backing away from its bread-and-butter business. Its recent buy of New York-based **Univision Mobile**—which had been a unit of Spanish-language TV network operator **Univision Communications Inc.**—adds a growing customer base in the U.S.

"There are 40-plus million people that are living in America who aren't born in America," Glickman said. "We'd be happy getting a very large percentage of that."

Ultra Mobile annually sells more than 1



Company kitchen: employees get free salad bar, yogurt, cereal, hard-boiled eggs, while sugary snacks cost a quarter

million SIM cards, which are needed to activate service and can be transferred between mobile devices.

"We're hoping to double that with the acquisition of Univision," said Glickman.

The cards are available in more than 7,000 independent wireless stores and more than 25,000 retail stores, including Target, 7-Eleven and CVS. Customers can recharge plans at more than 60,000 outlets. No-contract, prepaid plans start at \$19.

Ultra Mobile just renewed a multiyear agreement with **T-Mobile USA Inc.** to lease its network. The mobile virtual network operator chose the Bellevue, Wash.-based wireless carrier because it was a GSM (Global System for Mobiles) provider with a strong 4G data network in metropolitan areas. GSM providers, such as T-Mobile and AT&T, allow users to easily swap phones with a removable SIM card.

### Primo

Ultra Mobile this year plans to launch a Web-based peer-to-peer brand called Primo

that will allow users to call some 4 billion numbers at no cost.

"It's like Skype, only it's free," Glickman said.

Primo is in beta testing, and plans call for it to be offered to both international and domestic customers. The service, which is available for iOS and Android users, is powered by the Internet through a Wi-Fi or broadband connection. A SIM card is not needed, as the company will supply dedicated phone numbers to customers in an effort to build its network of users and push the idea of eventually replacing the phone number with more of a name directory as the primary link to communication, a la Facebook, Instagram and other social networks favored by millennials and increasingly by older customers.

"I actually think that phone numbers will disappear entirely," Glickman said. "You're connecting with directories more than you're connecting with phone numbers. I think that a kid born today won't even know what his phone number is."

### Hip HQ

Ultra Mobile invested more than \$1 million to renovate its new headquarters, which houses about 80 of its 130 companywide employees. The property, a former IBM server facility, underwent a yearlong renovation of new features, including LED lights, raising the ceiling, and adding multi-purpose rooms outfitted with kegerators, video game consoles, treadmills and table tennis.

Employees can play remote control car soccer on a giant billiards table or use the same soccer balls in a game of pool.

"We have a pretty social office, but it's more organic now," said **Kristin Williams**, Ultra Mobile's director of enterprise services group. "It's really helped team building."

The company's modern kitchen provides two catered meals every week and offers employees a free salad bar, yogurt, cereal, hard-boiled eggs and other healthier items. Sugary snacks can be purchased for a quar-

ter from the vending machine. A big dining room and activity space will be near four electric charging stations that are free for the 80 or so workers there.

It's not uncommon for employees to show off their new digs to friends and family, particularly on Monday nights after a frenzied start to the work week.

"It just shows the effect we put into this place is working out," said marketing vice president **Ryan Gonzales**. "It's huge for recruiting."

Indeed, Glickman is crafting a culture in the mold of Silicon Valley's fertile startup scene. The marketing guru is on his fourth venture.

His first hit was **Justice Technology**, established in 1993 in Buenos Aires. Glickman at the time was working at the Argentine office of American Express as a management trainee hired to reduce overhead.

"While I was there I discovered it was very expensive to call from Argentina to the U.S. but very cheap to call from the U.S. to Argentina," he said. "I figured out a way to export a U.S. dial tone from the U.S. to Argentina and save everybody a ton of money."

That became the basis for Justice Technology, which was No. 1 on Inc.'s list in 1998, and eventually grew to more than 100 offices.

Glickman also is the former chief executive of Los Angeles-based **TelePacific Communications**, which has raised \$225 million from investors and grown annual sales past \$500 million since its start in 1998.

In 2001 Glickman and his partners launched **Freeconference.com**, an online conferencing service that was eventually sold to Bethesda, Md.-based private equity firm **American Capital Strategies**.

The Los Angeles resident is happy to run the business in OC and has no plans to shorten his commute to work.

"We've grown three times in Orange County, and if we were to double or triple again, we would stay," Glickman said. "We launched here and stayed here because of the infrastructure of innovative wireless companies and prepaid companies." ■

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