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CIM's City in Sight

REAL ESTATE: Downtown vision close to completion.

By **NEIL NISPEROS** Staff Reporter

CIM Group's opening of a 34-story apartment and retail building at 888 S. Hope St. in mid-2018 will be the culmination of its almost 20-year development vision for South Park near Staples Center.

The Mid-Wilshire firm's \$800 million investment over the past two decades helped spur

the downtown renaissance, drawing in visitors and residents alike with retail, office, condo and apartment projects. Perhaps the most impactful development, if not the most prominent, was a grocery store.

"When we bought the site we started looking and thinking about South Park as a community," said **Shaul Kuba**, co-founding principal of CIM. "It had a few residential buildings, but for the most part, it was mostly parking lots. ... The one thing we thought would be the most

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High-Rise: CIM Group's Shaul Kuba.

X Prize Marks \$30 Million Spot on Moon

AEROSPACE: Competition launched private-sector push.

By **GARRETT REIM** Staff Reporter

Consider this a moon-shot project. **X Prize Foundation** is dangling \$30 million in total prize money for a private team to land a robotic rover on the moon, travel at least 500 meters (1,640.4 feet) on the dusty lunar



Gonzales-Mower

surface, and transmit video and other data back to Earth.

The contest, the Google Lunar X Prize, was announced in 2007 and is the largest purse the Culver City-based nonprofit has offered. The competition's deadline was recently extended to March 31 in order to give five remaining teams more time to launch and land

on the moon.

Such multimillion-dollar prizes — there have been 16 contests in total — have stimulated dozens of research and development projects, including handheld blood-testing devices, fuel-efficient cars and spaceships, for nonprofit and for-profit ventures alike. X Prize has awarded a total of \$33.5 million since its 1995 inception and has an additional \$86.8 million

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Small Manufacturers Draw Large Interest

MANUFACTURING: Sector proves fertile in L.A. County.

By **SHWANIKA NARAYAN** Staff Reporter

Manufacturers might be struggling with industrywide issues such as imports, automation and a lack of advanced skills in the labor force, but small companies in the sector are hot targets for investors — a trend that carries extra weight in Los Angeles County.



Everett

The region is the largest manufacturing base in the nation, according to the U.S. Census Bureau. The industry accounts for more than 350,000 workers, according to the state's Employment Development Department.

Small manufacturing companies, meanwhile, have been the most sought-after business acquisitions valued in the \$1 million-\$5 million range, according to a survey by **Pepperdine University's** Private Capital Market Project and two trade groups. The survey questioned 293 business brokers and

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Manufacturing: Investors Big on Small Businesses

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merger advisers across 38 states.

The quarterly report underlines a four-year trend of increased interest among investors seeking manufacturing enterprises.

A key to that investment focus is manufacturers that have figured out how to remain economically viable, said **Julian Solomons**, a business broker at Huntington Beach-based **Solomons Strategic Advisors** who did not participate in the survey.

"Large-scale manufacturing has mostly gone away from California, which is why people want good manufacturing companies," said Solomons.

The three primary reasons for sales of manufacturing businesses were retirement, burnout and new opportunities, according to the report, which along with Pepperdine was co-authored by Independence, Ohio-based **International**

Business Brokers Association and Atlanta's **M&A Source**.

"(Small manufacturing companies have) been the No. 1 or 2 market leader for the last several years," said **Craig Everett**, director of Private Capital Markets.

It is difficult to pinpoint the exact number of manufacturers in the county due to the sector's wide range, including apparel, food, electronics, biotech, transportation and a number of small operations.

"Anecdotally, I can say that small manufacturing companies are one of the most coveted businesses to buy," said **Ryan Clark**, director of sales at West Hollywood brokerage **Veld Group**, which specializes in selling lower-middle-market businesses.

The wave of baby boomer retirements has been joined by heavy interest from high-net-worth individuals who do not want to start an operation from scratch, Clark said.

He noted that the real estate and capital

equipment that sometimes come with the sale of a manufacturing company are other reasons for high demand. He wouldn't comment on his company's recent deals involving L.A. companies valued at \$1 million to \$5 million, but said he has been involved in a few deals in that price range.

Other sources of anecdotal information also offer indicators of the trend.

Thirteen manufacturing enterprises in Los Angeles were listed for sale in the \$1 million-\$5 million range last week by small-business brokerage **BizBen's** website. The list includes an auto parts remanufacturer, an aerospace parts maker and a trailer manufacturing company.

Peter Siegel, founder and president of Dublin-based **BizBen**, said that rising uncertainty due to the political climate is possibly driving owners to sell faster or maybe even consider postponing a sale.

"Politically with (President Donald) Trump, there's an uncertainty in the market and many

small-business owners are concerned," Siegel said.

The challenges facing the manufacturing industry, which has been hit hard across the nation and especially in the Midwest, was a key to Trump's rise. He created a Manufacturing Council weeks after his inauguration, and promoted it as a way for his administration to help create more domestic manufacturing jobs.

The council got little accomplished before it collapsed last month after some members of the panel indicated that the president's comments in the wake of violence at a rally of white supremacists in Charlottesville, Va., failed to properly condemn racism.

The end of the advisory council might hamper the administration's plan to give the sector a boost.

"It was encouraging that the president wanted to address the woes in the manufacturing industry," Solomons said, "but you have to actually enforce a strategy, which he did not."

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