

# SAN FERNANDO VALLEY BUSINESS JOURNAL

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## This Issue

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Top residential real estate developers/builders in the San Fernando Valley. **40**

The Valley's largest family owned businesses. **42**

### Medical

Rains and steel shortages have delayed the completion of the \$40 million Providence Holy Cross Health Center in Santa Clarita, a badly-needed addition to the area's health care facilities. **3**

### Project

Dan Palmer, whose proposal to build 5,800 homes in Santa Clarita Valley is facing staunch opposition, is forging ahead anyway in the belief that the seemingly unstoppable demand for housing will ultimately win out. **4**

### Mergers

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## Candidates Court Valley on Business Issues

BY JONATHAN D. COLBURN  
Staff Reporter

Mayor James Hahn and Councilman Antonio Villaraigosa may as well book hotel rooms in Sherman Oaks.

With Robert Hertzberg, who received the most Valley votes in the primary election, out and the Valley up for grabs the two contenders for the mayoral post have been busy in the area promising support for the business community and wooing homeowners.

Villaraigosa met with representatives from homeowners associations on two occasions last week, and each of the candidates is appealing to residents who count unchecked development as their worst fear.

At the Balboa Sports Complex last Tuesday, Villaraigosa promised to work on building more parks on federal land that the city leases, and supported a phasing out of noisy Stage II jets flying into Van Nuys Airport, a hot issue for local homeowners' associations.

"I understand that the Van Nuys Airport is an economic engine for development and creation of

wealth in this region," he said. "But we have to be a good neighbor and balance the interests of economics with the quality of life that's so important for those residents."

He also said he'd push for development away from Ventura Boulevard and the rest of the Valley.

"The greatest opportunity in Los Angeles today for housing and economic development is downtown, along rail lines, along transit stations. Those are the best opportunities," said Villaraigosa.

Villaraigosa said he'd aggressively recruit

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## SPECIAL REPORT - FAMILY TIES



Together: The staff of Green Pharmaceuticals is treated to a three-course meal every day.

## Profiting From Personal Attention

By JEFF WEISS  
Staff Reporter

Every day at the stroke of noon, the 12-employee staff at Green Pharmaceuticals sits down at a long table to dine on a gourmet three-course meal prepared for them by a full-time company chef. While employees dine on anything ranging from soups, to sushi, to cappuccino, no one is allowed to pick up the phone.

Though Green Pharmaceuticals might go a bit further than most family run businesses in caring for their employees, it remains safe to say that many family run companies possess an exceptionally strong employer/employee bond.

"Our employees spend more time outside the home than in it, so you have to make the environment like home," Christian de Rivel, co-owner and vice president of sales and marketing for Westlake Village-based Green said. "I hate to train someone and to have

erships have persisted and even thrived throughout the changes in the business environment.

When one thinks of family auto dealerships in the Valley, they often picture North Hills-based Galpin



Okami's partners

### Inside

Family business award winners. **Page 13**

## Family Principles Drive Auto Dealers

By JEFF WEISS  
Staff Reporter

In an industry getting increasingly dominated by large public companies, much of the Valley automotive scene continues to remain family run and owned.

Despite constant pressures ranging from the need for computerization, to advertising, to fending off fierce competition, the Valley's family owned auto dealerships have persisted and even thrived throughout the changes in the business environment.

When one thinks of family auto dealerships in the Valley, they often picture North Hills-based Galpin

## VoIP Gaining Popularity at Valley Firms

By JEFF WEISS  
Staff Reporter

Propelled by increasingly lower costs and a growing familiarity with the technology, businesses in the Valley are starting to implement voice-over-Internet protocol (VoIP) telephony.

As recently as one year ago, many businesses had expressed a skittishness towards a technology then viewed as "not quite ready." But times have changed as the average cost to implement a VoIP system is down 20 percent from two years ago, currently costing \$20,000 to \$30,000 for 15 to 20 connections. Valley companies have found the technology, which allows for the transmission of voice and data over the same fiber line, increasingly cost-effective and useful.

The vice-president of the networking division at Chatsworth-based systems integrator Pacific Coast Cabling, Allen Horwitz has seen a marked increase in the amount of VoIP installations the company has done in recent months.

"It's moving from we've heard about it and we're wondering what it is, to it's something that we have to have. The real value today of VoIP is over applications," Horwitz said. "It's the ability that you have to interface your telephone system with your computer system. Everybody continually asks us if we install VoIP. I haven't seen anyone make a decision to buy a traditional legacy system in the last six months."

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9th Annual Anniversary Reception  
**Small Business Entrepreneurs Awards**

WEDNESDAY, JUNE 15, 2005

UNIVERSAL SHERATON HOTEL - UNIVERSAL CITY  
5:30 P.M. - 7:30 P.M.

For reservations and sponsorship information call:  
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Builders: Mark Sapiro, left, and Robert Kleiman own Structure Development Group, a Woodland Hills-based company.

Spotlight	
<b>Structure Development Group</b>	
<b>Year Founded:</b>	1996
<b>Revenues in 2002:</b>	\$7.1 million
<b>Revenues in 2005:</b> (projected):	\$14.5 million
<b>Employees in 2002:</b>	6
<b>Employees in 2005:</b>	10
<b>Goal:</b>	To expand to multiple locations.
<b>Driving Force:</b>	Rising resale prices and demand for homeownership

table," said Sapiro. "And we're just punching it into the computer and then we print out a detailed description. If \$750,000 is too much, we'll revisit and get it to \$725,000."

Kleiman and Sapiro, both veterans of homebuilder The Braemar Group, launched their company as a traditional homebuilder constructing spec homes.

#### Developing choices

Often the homes would be sold before completion, and that gave the partners the idea that they could work with potential buyers to predetermine precisely what their custom house would look like. Through the years, the company developed a catalog of choices, which it continues to expand to this day.

About three years ago, with land in scarce supply and prices rising, the company shifted its business into what it calls tear downs, custom homes built on the site of a customer's existing home. About 90 percent of Structure's business now comes from tear downs, which are particularly well suited to young families looking for their second home.

"The first question we had to wrestle with was do we remodel or start over," said Grant Johnson, whose Encino home was torn down to make way for a new one as his family grew. "When you remodel, there's always some surprises. It's a design that's never been built before, and whatever happens on paper isn't necessarily the reality of the situation. We did not want to deal with that at all. With the amount of money we were going to spend, we wanted to know at the end of the project it's going to be exactly like they said it would be, and it was. They were great."

Johnson and his wife Amy explored the option of buying a resale but everything they found needed remodeling. "We went out looking for a long time," Johnson said. "But when we looked at houses in our price range, and then we knew that we were going to have to spend X amount remodeling, it wasn't cost effective, and it wouldn't be exactly what we wanted."

#### Simplifying the process

A number of other aspects of the way Structure operates also simplifies the process. Because they've built these homes time and time again, they can estimate accurately the time to completion. And through the years the company has developed relationships with vendors for everything from hardware to plumbing fixtures and appliances. That allows customers to make their selections from a single source.

Perhaps just as important, their clients say, is the way that the company works within the neighborhood.

"My neighbors loved this company more than I did," said Cordoba. "They're all in their 70s and 80s, and this is the biggest thing that's ever happened in my neighborhood. The company was wonderful."

The initial meeting with customers takes about two-and-a-half or three hours and then the details of the home are refined in subsequent meetings. Structure also provides an interior designer, included in the cost.

Kleiman and Sapiro believe that eventually the system can be formalized to allow them to expand into other cities or even to franchise the concept.

"We're building the foundation first," Sapiro said.

# MADE TO ORDER

**ROBERT KLEIMAN AND MARK SAPIRO'S COMPANY SIMPLIFIES THE PROCESS OF BUILDING A CUSTOM HOUSE BY WORKING WITH HOMEOWNERS TO KEEP SURPRISES ON COSTS TO A MINIMUM**

By SHELLY GARCIA  
Senior Reporter

**W**hen Robert Kleiman and Mark Sapiro walk into the home of one of their would-be clients, the scenario is almost always the same: a 1,500 square foot house, one kid in a high chair, another, older one, watching TV.

That remarkably universal demographic has become the cornerstone of Structure Development Group, a homebuilder with an unusual twist.

The Woodland Hills-based company builds custom homes based on a catalog of choices, a niche that fits somewhere between homebuilders who build speculative homes that buyers purchase pretty much as is and those who build one-of-a-kind custom homes designed by an architect.

In most cases, Structure tears down a family's existing home, usually a starter, and builds a new one on the same site, for an average price of \$750,000 to \$800,000.

With resale home prices rising exponentially and a large market of young families with strong ties to the communities where they already live, Structure has been able to establish itself as an appealing alternative.

The company, founded in 1996 as a traditional homebuilder with the goal of building one house a month, this year will build 21 homes. And revenues, which totaled \$6.4 million in 2001, will rise to a projected \$14.5 million this year.

The appeal of these homes is simple: Buyers choose from a number of predetermined floor plans and then cus-

tomize everything else, from floors to fixtures, to their individual specifications, keeping total control over what they will get and how much it will cost.

"We hired an architect prior to working with Structure," said Michele Cordoba, whose Sherman Oaks home was just completed in January. "He designed a lovely house. When I went to get bids, it made me cry. It was way out of our budget, and they said, 'well, it could be this or it could be \$250,000 more.'"

Working with Structure, Cordoba and her husband Carlos ended up choosing many upgrades that also drove up the price of their home, but the difference was that they knew each line item in advance, so there were no surprises.

"We can construct around a budget, as opposed to going to an architect who designs the house and takes that out to a group of general contractors who try to figure out what it's going to cost," said Kleiman. "That's the big difference."

Structure offers three levels of homes, classic, select and limited, each with a different set of choices. The appliances at the classic level, for instance, would be GE stainless, at the select level, KitchenAid and at the limited level, Viking.

But a customer may choose something from the classic level for appliances, and, if the floors are a more important priority for instance, a flooring option from the limited level selections. Or they can even choose from all three levels for each of the different appliances in the home.

The key is that at each step, customers can make revisions to suit their budgets.

"We'll sit here with a computer and have all the examples of the door hardware and we'll spread it out on the

president and CEO of Gen-Probe Inc.

#### Education

Sandra Smyser has been appointed the new superintendent of the Las Virgenes Unified School District.

#### Engineering

Gonzalo Pena has joined RBF Consult-

ing as a senior associate in the public works/transportation department of the firm's Camarillo office.

#### Entertainment

Camarillo-based Salem Communications Corp. has appointed Joe D. Davis executive vice president and COO. Davis has been executive vice president of radio for the company since 2003.

Burbank-based DIC Entertainment promoted ten-year DIC veteran Ryan Gagerman to vice president, international consumer products.

The company also appointed Lorne Bloch to director of licensing for apparel, accessories and health and beauty categories.

Stephanie Mente was named manager of international consumer products.

## Newsmakers

#### Biotech

The Mannkind Corporation of Valencia appointed Henry L. Nordhoff to the board of directors and to the board's compensation committee.

Since July 1994, Nordhoff has served as