

**INSIDE**



Bella Terra Sale  
page 8

**LUXURY HOMES**



Fine-Art Feel  
page 36

**ADVERTISING**

UC Irvine  
PAGES A-23-A-34

Gallery of Fine Homes  
PAGE B-37

Investment Properties  
PAGES 42-43

Who's Building OC .....46  
OC Law Guide .....46  
Business Services....47, 48, 49  
Executive Suites.....50  
Web Connect .....51

MAIL TO:



Recent arrival: Buffalo Wild Wings—largest in chain at 12,300 square feet

## Bon Appétit in Brea?

### Hopes for Birch Street Pinned on Unique Lineup in Shift to Dining, Entertainment

By KARI HAMANAKA

Eight years ago, real estate investor Dwight Manley paid \$13 million for a chunk of residential and retail space spread across three buildings on Birch Street Promenade in downtown Brea.

He wasn't immediately sold on the vision Los Angeles-based **CIM Group** had brought to the center of his hometown—he had passed on the deal six months earlier.

Manley came around, though. He now owns nearly two-thirds of the 400,000-square-foot cluster on Birch Street that includes restaurants, retail shops, live-work loft spaces, a comedy club and movie theater.

It's the heart of the city's \$100 million down-



Manley: native son owns most of Birch Street Promenade

town revitalization, an effort with a 12-year history that's seen growth spurts and growing pains. It's been particularly tough in recent years, which have seen businesses come and go and major anchor spaces left vacant.

Plans to bring stability revolve around unique restaurants and specialty food businesses. Manley sees those sorts of draws, along with the comedy club and theater, as a chance to shift away from an ailing retail base and carve out a spot as a dining-and-entertainment center.

"It's about having things that you don't see everywhere," said Manley, who's made investments on Birch Street through his **Manley Fanticola Holdings LLC**.

There's been progress lately.

► Brea 53

## Surfwear's Challenge: Core or More?

**APPAREL:** Some refocus, others chase new niches, retail accounts

By KARI HAMANAKA

The action sports industry defined cool for years, carving a lucrative niche in the retail market with brands inspired by surfing, skateboarding and snowboarding.

Lately that heritage is getting harder to sell to shoppers more interested in street-inspired and fast fashion.

More than 135 executives from apparel companies and retailers mulled over that challenge during a one-day Industry Boot Camp last week.



Rip Curl's Gibson to SIMA's Sean Smith: "I think we just had some phony sales" during boom years

It was the third in a series put together by the Aliso Viejo-based **Surf Industry Manufacturers Association** and the **Board Retailers Association**

► SIMA 55

## Jannard Ready for 'Fist Fight' With Canon

**MEDIA:** Bout to start with new products this week

By KARI HAMANAKA

There's a fight brewing in the camera industry as a local upstart squares off against an industry heavyweight this week.

Irvine-based **Red Digital Cinema Camera Co.** and **Canon Inc.** are both set to make new product announcements this Thursday.

Red Digital makes cinema cameras that have turned an industry once built around 35-millimeter film on its head. The six-year-old company, led by **Oakley Inc.** founder **Jim Jannard**, has made significant inroads in Hollywood with digital cameras that feature lower prices and are billed as having higher display



Jannard: red is "color of aggression"

► Red Digital 54

## Bren Talks About 20-Year To-Do List

**REAL ESTATE:** Recent events, honor give rare public glimpses

By MARK MUELLER

You could be forgiven for thinking Donald Bren has been on something akin to a legacy-building tour over the past month.

As the chairman and owner of Newport Beach-based **Irvine Company**—Orange County's dominant real estate developer—Bren is well known for his aversion to being in the public eye.

But the past few weeks have seen the work of OC's wealthiest resident, and his company, get plenty of publicity in local and national circles.

Bren has even taken center stage at a few events.

In early October, the real estate development company's crown jewel, Newport Coast's Resort at Pelican Hill, was named



Bren on Irvine Co.'s character: "we are provincial"

► Bren 55

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## Red Digital

► from page 1

quality than competitors.

Red Digital's announcement will center on its third camera, called Scarlet. Buzz in production circles indicates the long-awaited model will be a more affordable sister to Red Digital's Red One and Epic cameras, which range from \$25,000 to \$35,000 or more.

Scarlet is expected to extend Red Digital's product lineup into a wider professional audience, including independent filmmakers and others.

### Canon's Buzz

Japan-based Canon's tease for its announcement this week was vague and came amid buzz that it plans to launch a camera that would line up against Red Digital's and other competitors' products. Invitations to a party in Hollywood promised a "historic global announcement."

Jannard didn't directly address speculation about the potential for a showdown with Canon, but he still managed to frame the fight on his own terms in a rare speaking engagement at Loyola Marymount University in Los Angeles last week.

"People ask me, 'Why did you pick the same day as Canon?'" Jannard told the audience. "I say, 'Everybody loves to watch a good fist fight.'"

Jannard wasn't done.

"We're going to make some really unhappy competitors, really unhappy competitors," he said.

Red Digital is still a newcomer in a multi-billion-dollar-a-year industry dominated by Canon, **Sony Corp.**, **Panasonic Corp.**, **Arri Group** and others.

### Movie Credits

Red Digital has already turned heads. Its cameras have been used on a number of big-budget movies, including recent hits such as "The Social Network" and "Pirates of the Caribbean: On Stranger Tides." Its television credits include "Pretty Little Liars" and "Southland."

The company attracted industry attention when it launched with a promise to deliver a higher resolution digital camera than the industry standard at the time.

Some scoffed at the idea; others paid the \$1,000 deposit for the Red One.

Scarlet: expected to lower costs for independent filmmakers



Brad Hagen, founder and president of Santa Ana-based production company **Video Resources Inc.**, was one of the first to buy into Red Digital, plunking down a \$1,000 deposit for the Red One sight unseen.

"It was a \$1,000 gamble for me and a \$1 million one for (Jannard)," Hagen said. "He had more to lose than I did."

Jannard brought a track record of success to his latest venture.

He started Foothill Ranch-based sunglasses company **Oakley Inc.** with \$300 he had left after taking care of doctor and hospital bills for his then-pregnant first wife and a \$151 mortgage payment.

He began making motorcycle handgrips and moved on to goggles.

Jannard decided to make sunglasses during a drive one day from San Diego to Los Angeles.

His Carrera Porsche sunglasses did little to block out the sun, and he wondered, "Why doesn't someone make sunglasses that actually block the light from your peripheral vision?"

By the time Jannard reached San Clemente, he was set on making sunglasses.

He told the crowd at Loyola Marymount that each new product has helped him move on to the next.

"I didn't build a camera first," he said. "I built a handgrip first, and then I built goggles, and then sunglasses, and then watch-

es, and then other stuff, and then the camera. You learn how to build. Building a camera is extraordinarily complicated, but it breaks down just like everything else."

### Simple Strategy

The business strategy—no matter the company—has always been the same: "Make something exponentially better than nobody's ever done."

While camera companies were making cameras that shot on 720p or 1080p—numbers that refer to display resolutions in pixels—Red pushed for four times that level.

Higher resolution images are easier to manipulate in post-production.

"In our industry there were names that were industry leaders—obviously Kodak being one of them, Sony and Panavision," Video Resources Inc.'s Hagen said. "Red was a wake-up call to these different companies, and in the end they didn't wake up right away."

### Price Advantage

Lower prices have also given Red Digital an advantage.

"What Red has really done is make professional movie quality a lot more accessible to everyone," said Justin Nguyen, co-



Canon: bills upcoming event as "historic global announcement"

owner of Santa Ana-based video production company **Vertex Media**. "Before, if you wanted a digital camera to shoot movie quality, you'd pay upwards of \$50,000 just for the body."

There have been bumps in the road in Jannard's latest venture, with delayed camera release dates, software bugs and stolen gear, among others.

### Obstacles

The obstacles Red Digital encountered were more pronounced because of the open conversation the company maintains with customers.

Jannard and other Red Digital executives regularly monitor and post news or help troubleshoot online at the RedUser forum.

It's a level of transparency customers appreciate.

"People know you there," said David Weber, chief executive of Huntington Beach-based production company **Imagination Werks**. "I could show up and people know who I am—and I'm just a customer. They go out of their way to get to know their customers and the cameras themselves have revolutionized shooting digital."

Weber was another Red Digital early adopter who "shelled out money when there was no product and it was just an idea way back when."

The unusual level of customer support is just one more strategy in Red Digital's playbook.

### Why Red?

"People ask, 'Why Red?'" Jannard said. "Red is the color of life. It's the color of aggression. It's the color of war. It's the color of passion. That's where Red comes from. That's who we are. It can be perceived well or it can be perceived poorly. A lot of old-school cinematographers had a bit of a difficult time when we entered the marketplace, but that doesn't mean we're going to tiptoe around." ■

## Pacific Arts Plaza

► from page 3

based **C.J. Segerstrom & Sons**, among others.

Monthly rents at Pacific Arts Plaza run in the \$2 to \$2.35-per-square-foot range, according to **CoStar Group Inc.** data. That's in line with other high-end offices in the South Coast office market, according to brokers.

### 827,000 SF

Irvine Co. reportedly paid \$213 million last year for the 827,000-square-foot complex, which also includes several restaurants.

The buildings were previously owned by Los Angeles-based **MPG Office Trust Inc.** The plaza was sold by a court-appointed receiver after MPG predecessor **Maguire Properties Inc.** defaulted on loans tied to the property.

At the time of purchase, Irvine Co. executives said they planned to upgrade the property this year with improvements to on-site amenities, enhanced common areas and upgrading operating systems.

Much of that work, especially landscaping efforts such as adding dozens of palm trees, as well as other exterior work, appears to have ramped up over the past month, turning the complex into an active construction area.

More work could be under way soon. In October the city of Costa Mesa's planning commission signed off on plans to add a new parking structure at the campus.

The new structure, which will hold a little more than 350 spaces, is needed to handle existing and potential new tenants, according to Irvine Co. planning officials.

Since buying the complex, Irvine Co. has signed Hyundai to a short-term lease of nearly 150,000 square feet while its new North American headquarters complex in Fountain Valley is built, and inked a deal with legal software company **Morgan Drexen Inc.** for another 65,000 square feet.

The 785,000 square feet of office space at the complex is now about 90% full.

The new parking garage is described by planning officials as an "interim" structure, which is slated to go up on a portion of the campus that's next to the San Diego (405)

Freeway. The parcel has been eyed for nearly a decade as a potential 18-story, 400,000-square-foot office.

The interim parking structure would have to be knocked down to make way for that office, which makes the potential of the 18-story office being built in the next few years unlikely at best.

### City OK

Irvine Co. recently got planning commission approval for a two-year extension for development rights to build the office, which would come with a five-story parking garage. The extension runs through mid-2013.

The developer will likely seek to get additional extensions beyond that date.

"Given the current down economy, (there is) minimal expectation that this major development project will occur within the next two years," according to Irvine Co.'s application with the city, which was approved in mid-October.

Irvine Co. has given no indication that it's looking at other uses for the site, such as apartments or other condominiums.

City officials said the move to grant an extension for the office tower is similar in nature to what the city has done for other high-rise projects—primarily condominium developments—in the arts district that borders South Coast Plaza. Several such projects were proposed during the last housing boom but shelved during the downturn.

"We're all sitting on our thumbs waiting for this economy to turn around," Planning Commission Chairman Colin McCarthy said during an October hearing on the Irvine Co. office extension and new parking structure.

### Tear-Down?

If the office market does turn around enough to warrant new office development, Irvine Co. is likely one of the few companies with the financial strength to tear down a just-built parking structure, other city planning commissioners noted.

"Nobody spends money like the Irvine Company," said Costa Mesa Planning Commission member Jim Fitzpatrick (see related story, page 3). ■