

URBAN PIONEERS

LA's Primestor finds profitable niche in redevelopment

// BY MICHAEL TODD

When they formed Primestor Properties around 1991, brothers-in-law Arturo Sneider and Leandro Tyberg were pioneers. Not "where no one had gone before" pioneers, but a new breed, the "where no one went anymore" variety. Looking around the predominately Hispanic neighborhoods of central Los Angeles, they saw opportunity in communities that had lost their luster and been abandoned by national retailers and other developers.

"They believed these neighborhoods to be unsafe with no buying power," says Mr. Sneider. But he and Mr. Tyberg believed these densely packed communities were filled with consumers who might not be rich individually, but as a group formed a potent economic force.

Since then, their West Hollywood, California-based

labor of love has proven profitable. It's also paved the way for other developers, perhaps drawn more by the lucre than the love, to contest for the right to bring Marshalls and Ross, Starbucks and Office Depot to people who had to go long distances for similar shopping experiences. Meanwhile, Primestor – which has 27 projects under management or in development, and is developing another 2 million square feet – has branched out to Chicago and is now eyeing burgeoning Hispanic communities throughout the Midwest.

"Several years ago," recalls Mr. Sneider, a native of Mexico City, "barely anybody, if not nobody, was serving those areas. Now there are several other groups paying attention to the marketplace, and most of them, I believe, are following our direction, our path." »

At the groundbreaking of La Alameda, from left, Arturo Sneider; Leandro Tyberg; Carlos Jackson, executive director, Los Angeles County Community Development Commission; Los Angeles County Supervisor Gloria Molina; Los Angeles County Administrative Officer David Janssen; Gene Detchemandy, Primestor Development partner; and brothers Larry Flores and David Flores of L.A.R.D. Investments LP, equity partners in the La Alameda project.



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But their model, which includes partnering with local government and really understanding each community's people and its infrastructure, can't be automatically templated. Asked if he thought Primestor had a leg up on the competition, he answered, "I think the industry tells us we do. The time and effort we spend, embracing the community, the architecture, embracing a place, that makes us different." That difference also shows up in bricks and mortar – Primestor developments include amenities like plazas, courtyards and fountains not standard in the average strip mall.

This summer, Primestor completed one major project, a new shopping center in Bell Garden across the street from a model six-acre center the company put in two years ago, and broke ground on the \$64-million La Alameda retail and office center in Walnut Park. In both communities Hispanics make up more than 90 percent of the population, a market in which Mr. Sneider and Mr. Tyberg, a native of Argentina, thrive. Mr. Sneider says the partners actually avoid up-market regions, preferring their work in underserved areas.

The pair met more than two decades ago when Mr. Sneider was working with Mr. Tyberg's father. The future partners did some jobs together on "some very small, very urban, mostly Latino real estate work," he says. "It was a time when the real estate industry was not even aware of the Latino market at any level."

In starting Primestor, they hoped they could bring that languishing market to the attention of the mainstream. It was slow going at first, until the few major retailers they got into their projects learned the advantages of urban pioneering. It helps that Primestor manages the centers it builds, keeping its vision and awareness of the community served in the forefront.

"Management, for us, it's an absolute must. We must do it with the community. For [the centers] to look bad and be dirty and unfinished a year after it opens is not an option."

The company tries to bring in the community from the start, whether in public consultation about the direction of the center, job fairs to draw in locals as employees, and an outreach to area "mom-and-pop" retailers that might want to locate in the spiffy new centers. That input matters, too. The new Bell Garden center is named Village Square, although Primestor wanted it dubbed El Portal. But the neighborhood, mostly third- and

fourth-generation U.S. residents, wanted an English name, so Village Square it was.

"We pay attention to everyone," Mr. Sneider says. "Whether we can actually fulfill them, that's a different issue."

Another hallmark of Primestor is its collaboration with local governments, which generally welcome any entrepreneurial activity that might resuscitate "brownfield" sites and other areas that some have called "no man's lands." La Alameda's site had been a vacant glass factory, while a 35-acre Primestor center in Pacoima used to be a plating factory.

La Alameda is a partnership with the Los Angeles County Community Development Commission, which provided help in setting up a redevelopment area, untangling red tape, providing infrastructure guidance and even \$14 million it wrangled from grants and the U.S. Department of Housing and Urban Development. The project found a strong advocate in Los Angeles County Supervisor Gloria Molina (Hispanic Business's 2006 Woman of the Year), who for five years had been working to revitalize what she called a "blighted site" where half the buildings were vacant. Her efforts included shepherding the acclaimed MarBrisa Walk housing development, which won a national award for excellence from HUD after the 50-home project opened in 2002.

Taking note of how Primestor tries to bring neighborhood merchants into the mix at its projects, she told a group gathered for La Alameda's groundbreaking, "Our small businesses here are the economic backbone of this community, and we are pleased that other retailers will soon join the area's business community. For many years, major retailers would not settle in our inner city areas—they did not believe in the purchasing power of this community..."

so today, we commemorate a new 18-acre thriving commercial center that will include national brand tenants, illustrating that these retailers truly believe in our purchasing power."

All of which is music to the ears of Mr. Sneider and Primestor, who have found both a good career and a calling in serving downmarket Hispanic communities.

"It makes for a very good return, but not in relation to the time and effort that it takes," he says. "If you don't have a strong personal takeaway value, you wouldn't do it." □

