

Building Healthy Places

The Hercules Campus, Playa Vista, CA

The Concepts

The Alhambra, Alhambra, CA

The Results

Profitably Producing Developments
that Improve the Quality of Urban Life



HERCULES CAMPUS

The Hercules Campus is part of the one square mile Playa Vista development, incorporating a mix of land uses, including over 70% open space, walkable streets and bike paths, schools, farmers markets and community arts programs.



HERCULES CAMPUS

THE GOAL

Attract the Creative Class by developing a highly amenitized, unique campus-style project with a focus on Healthy Building.

THE ASSUMPTIONS

Average Lease Rate: \$1.85 - \$3.00 FSG

Lease Up Time Frame: 36 months

Total Equity Invested: \$40,000,000

Terminal Value: \$110,000,000

IRR: 20.4%

HERCULES CAMPUS

What we did:

HERCULES CAMPUS

Buildings designed to accommodate bike parking and electric car charging stations.

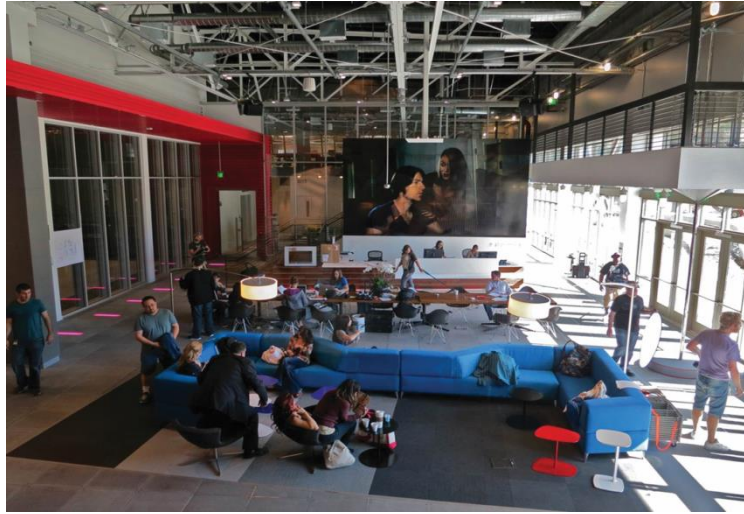
Smoking is banned on the campus.

All office leases have a pet friendly policy.



HERCULES CAMPUS

Facilitate fresh air flow through the use of operable windows.



Minimize noise pollution through landscaping.



Increase access to nature – opportunities to connect in groups, individually, for contemplation and play.

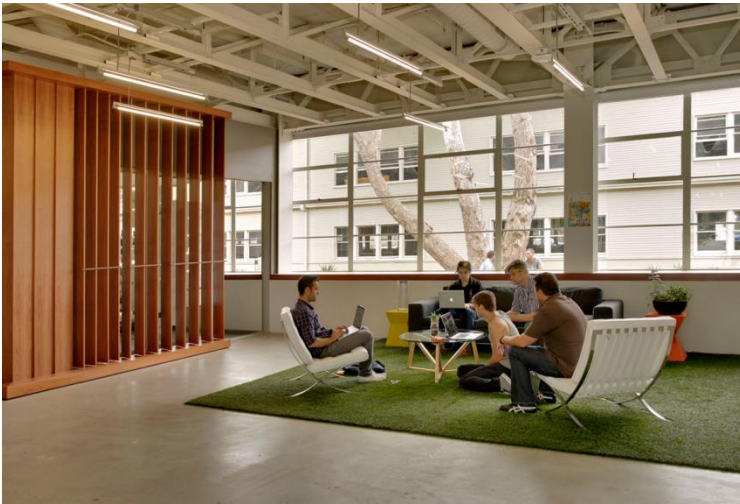


HERCULES CAMPUS

Develop spaces that facilitate social interaction, maximize access to natural light and fresh air.



Offer healthy food options both in the physical design and through programming.



HERCULES CAMPUS

Develop health and wellness focused events for tenants and open them to the community at large.



THE ALHAMBRA

The Alhambra is a 45 acre former corporate campus, six miles east of downtown Los Angeles and four miles south of downtown Pasadena. Approximately 980,000 sf of existing office and 175,000 sf of newly constructed retail.

First office campus development and first LEED certified project in this market area.



THE GOALS

Create an office campus environment that is attractive and unique in an unproven office market that has no history of valuing a creative/health oriented design.

THE STRATEGY

First, focus on creating an office campus that is LEED Gold Certified, with an Energy Star rating of 96.

Second, develop and implement a healthy building program.

THE ALHAMBRA

LEED DESIGNATION

Landscape: 2.4 acres of the campus includes California native or drought tolerant plants.

2012-13 landscape renovations included a 55% reduction in turf area

2012-13 landscape renovation has saved over 85% of the current irrigation water usage and has reduced the overall property water usage by over 11%.



THE ALHAMBRA

LEED DESIGNATION

Energy: Install alternative, clean fuel sources like these fuel cells by Bloom Energy, providing 25%-28% of the kWh supplied to the campus, saving an average of over \$200K/year.

Equipment Upgrades: The original central plant that used 4.36 kWh per ton was replaced with two 155 ton chillers and two 1000 ton chillers that use 1.8 to 2.14 kWh per ton.

Electrical consumption has steadily decreased from 18.6 kWh, in 2009, to 13.8 in 2014, with steadily increasing occupancy.



THE ALHAMBRA

HEALTHY BUILDING

Exercise: Constructed three different walking paths through and around the development and within the buildings, mapped them, and engaged both tenants and the local community in organized walking groups. Also, developed a putting green on campus with organized competitions.

Activities: Created a weekly “Music on the Green” outside entertainment. Sponsored both a monthly Farmers Market and Annual Health Fair. Engaged Tenants in both a battery recycling program (over 3,400 pounds of batteries have been recycled and diverted from landfills since 2011) and an e-waste drive, free to tenants (which collected 2640 lbs. of electronic waste).



THE RESULTS

Over the last ten years, the occupancy of the campus has averaged over 90% in a market with an average occupancy of 84% and has achieved rents on average 15% over market.

Our tenant retention rate is 86% over that same ten year period.