



ORANGE COUNTY BUSINESS JOURNAL

\$1.50 VOL. 38 NO. 2

THE COMMUNITY OF BUSINESS™

JANUARY 12-18, 2015

INSIDE



Hoag's New 'Village' **page 4**



Habit of Expansion **page 8**



Philanthropy in 3-D **page 40**

MAIL TO:

Olson In \$103M Deal on 3 Hotels

REAL ESTATE: Development push extends to Silicon Valley

By MARK MUELLER

Irvine-based **R.D. Olson Development** is under contract to sell a trio of its recently built hotels here for \$103 million to a Virginia-based investor.

The company, California's most active hotel developer for several years running, recently struck a deal to sell the Tustin Pacific Center, a two-hotel project next to the Costa Mesa (55) Freeway, as well as the Residence Inn by Marriott in San Juan Capistrano.

The three hotels total 424 rooms and are among the first new hotels to open in Orange County since the last recession.

The proposed buyer is **Apple REIT Ten Inc.**, an affiliate of Richmond, Va.-based hotel investor **Apple REIT Cos.**

Apple REIT Ten has until late January to review



Olson: good time to recycle capital with sale of pair in Tustin, one in San Juan Capistrano

the proposed transaction before closing on the properties, according to regulatory filings.

The deal is expected to close in early February, assuming all goes as planned, according to **Bob Olson**, chief executive of R.D. Olson.

"We develop our hotels to hold them long term," Olson said. "That said, we thought it was a good time to recycle capital. Cap rates are down, and the hotels we're selling have

performed well."

The company has four hotels under construction and expects to break ground on another three this year.

The sales to Apple REIT won't result in any changes to the operation or branding of the three hotels, according to Olson.

The two companies have done business together before.

►Hotels 42



Exec Sentiment Up for New Year

ECONOMY: 65% surveyed for CSUF index expect Q1 growth

By JANE YU

Orange County executives are starting 2015 with increased optimism, according to the latest quarterly index by California State University-Fullerton's Mihaylo College of Business and Economics. The school's quarterly business sentiments index reached 91.5 for the first quarter, compared with 85.7 three months ago and 88.8 a year ago.

It's the highest mark since the third quarter of 2013, when the index hit 93.9.

A reading above 50 indicates expectations of growth in the economy.

The survey, headed by Mihaylo College Dean **Anil Puri**, aims to gauge local executives' overall

►CSUF 47



Fitting station: Toshiba offered station that displayed images of outfits on visitors at the wave of a hand

Games, Drones & Automobiles

By CHRIS CASACCHIA

The diversity of Orange County's technology sector was on full display in Las Vegas for the International CES convention last week, as chip-makers, smart-products manufacturers, component suppliers, and the biggest auto brand based here launched products and teased others in development.

Local headliners that set out to cut through the

clutter at the world's largest consumer electronics convention reflected the rapid integration of technology into everyday consumer products.

Among the examples:

■ **Hyundai Motor America Inc.**, the Fountain Valley-based unit of **Hyundai Motor Corp.** in South Korea, demonstrated a new app that allows users to start the engine, control lights, and door locks, as well as locate a vehicle through

►CES 48

St. Regis Show Adds to OC's Stature as Center of Swimwear

APPAREL: Summer in January for labels, buyers at Monarch Beach

By MEDIHA DIMARTINO

Major swimwear brands and retailers will gather this week for the Swim Collective at the **St. Regis Monarch Beach Resort** in Dana Point, sipping on bubbly and looking for sales.

It is the latest stop for the trade show, which is produced by the **California Swimwear Association** in Santa Barbara and now has three yearly events.

It's no surprise that the Jan. 15-16 edition is in Orange County, home to a vibrant group of swimwear designers and manufacturers that account for hundreds of millions of dollars in annual sales thanks to their own brands, as well as license deals for big designer labels.

Swim Collective is the "first one in awhile that has a shot at becoming a West Coast Miami

►Swim Collective 48



Manhattan Beach-wear's Seifert: Swim Collective has "shot at becoming a West Coast Miami" SwimShow



THE FASTEST WIFI FOR YOUR OFFICE AND EVERYONE IN IT.

COX BUSINESS INTERNETSM 10 AND VOICE INCLUDES COX BUSINESS INTERNET GATEWAY

\$134/mo*



CALL 844-203-0027 | VISIT COXBUSINESS.COM

*Offer valid until 5/3/15. Fastest WiFi based on available 802.11ac equipment, available at additional charge. Minimum service term, equipment, installation, fees, taxes, and other restrictions may apply. See coxbusiness.com. ©2015 Cox Communications, Inc. All rights reserved.

CES

► from page 1

an Android Wear watch, among other features. The automaker also showcased a virtual display system that alerts drivers of upcoming road conditions and other vehicles' movements. The augmented display can be synced with a wearable band that vibrates when the lane departure warning system is activated.

■ Irvine-based **Toshiba America Information Systems Inc.** helped parent **Toshiba Corp.** turn some heads on the hectic and crowded floor of the Las Vegas Convention Center with several concepts. Female attendees flocked to a virtual fitting station that displayed images of various outfits on visitors at the wave of a hand, allowing users to virtually mix and match tops and bottoms through a mirrored display.

Toshiba also teased its own line of eyewear in the mold of the stalled Google Glass device, and a humanoid robot that displayed various "emotions" and is geared for the service industry.

D-Link

■ Fountain Valley-based **D-Link Systems Inc.** debuted several home automation devices, including a sensor that alerts mobile devices if a door or window opens; a motion sensor that monitors temperature and lights; a Wi-Fi sensor that detects water, ideal when gauging potential leaks from water heaters, washing machines, dishwashers and sump pumps; and a Wi-Fi Siren that sounds an alarm when activated through other connected home devices.

"Nine out of 10 of our customers are using our Wi-Fi cameras for home security," said D-Link spokesperson **Daniel Kelley**. "With



Zano: drone powered by Lantronix' xPico Wi-Fi module

that in mind, we want to make sure we are making it easier for a home network setup."

■ Sandy the Materials Girl helped Costa Mesa-based startup **Airwolf 3D** demonstrate potential applications from the maker of 3-D printers. Her dress and fashion accessories were created by the company's machines. **Airwolf** also debuted a printer dubbed the **AW3D HD-R**, which incorporates Wi-Fi and remote cloud-based printing via an 8-inch tablet interface.

Lantronix, Torquing

■ Irvine-based networking gear maker **Lantronix Inc.** hooked up with U.K.-based **Torquing Group Ltd.** to showcase a nano drone geared for consumers and that captures aerial photos and videos. The **Zano** is powered by Lantronix' xPico Wi-Fi module that allows users to remotely control the drone and monitor its exact location via a mobile device.

■ Fountain Valley-based **Kingston Technology Co.**, the world's largest memory products maker for computers and consumer electronics, provided an early look at a second version of an audio headset geared for gaming enthusiasts at a private suite at Caesar's Palace.

HyperX Cloud II

The **HyperX Cloud II**, which is still in development, features more cushy comfort for long hours at play, as well as a controller, enhanced base and 7.1 virtual surround sound.

The audio improvements enhanced the booms of heavy artillery, semiautomatic weapons, and explosives heard during a demonstration of the accessory that featured a clip of video game "Battlefield 4" to show off the technology.

"We're going after that gamer audience," **Kingston** spokesperson **David Leong** said during a private demo at a suite inside Cae-

sar's Palace. "Gamers want to be immersed in the action. That's why they play hours on end."

The company also launched a speedy micro security card for digital storage, also known as an SD. The product is made for HD and 4K videos or photos, a category that's growing thanks to increased use of GoPro cameras by adventurers and sports enthusiasts. The tiny secured digital card is water, shock, X-ray and vibration proof.

There's still room for the business-to-business side of the tech industry at CES.

Broadcom

■ **Broadcom Corp.** showcased several chipsets geared for the automotive, cable and home networking markets.

The Irvine-based company, in collaboration with **Comcast**, showed off a software chip stack for broadband devices that allows cable operators to enhance services, including customized parental controls and firewall protection.

Other announcements by **Broadcom** included an expanded line of 5G Wi-Fi chips and a systems-on-a-chip for high-performance consumer routers, wireless gateways, and set-top boxes designed to meet the growing demand for wirelessly streaming high-definition content across multiple devices in the home.

The company showcased a near-field communication chip that simplifies the setup process for mobile device connectivity in vehicles, a big trend at CES, and what's billed as the industry's most power-efficient automotive Ethernet chips and cabling.

"This is a real breakthrough," **Broadcom** spokesperson **Russ Castronovo** said during a private showcase distanced from the mobs on the showroom floor. "It's the first and the fastest." ■

Swim Collective

► from page 1

[SwimShow]," said **Carrie Seifert**, public relations director at Cypress-based **Manhattan Beachwear LLC**. "It's definitely growing in importance, and hopefully in the next couple of years it can become as big as the Miami show."

Swim Collective's organizers aimed high from the get-go. The group kicked off the trade show in August 2011 as a 100-booth event in Newport Beach. It moved to the **Hyatt Regency Huntington Beach Resort & Spa** in 2012, becoming a biannual event with the addition of a January show in 2013.

This is its first year at the posh **Monarch Beach** resort for the January edition, where labels and retail buyers get a jump on trends for the peak summer season.

New Show

The association is keeping its **Hyatt Regency** reservations for a new show—the **Swim Collective Invitational Swim Preview**—to be held in June. That's a month ahead of the **Miami SwimShow**, the leader of the circuit that's been put on by the **Swimwear Association of Florida** for the past 32 years at the city's convention center. The **Miami** show regularly attracts more than 7,500 brands and buyers from some 60 countries, according to the organizers.

The notion of giving designers and retail buyers a chance to mix before **Miami** "is great because it will allow us to get early reads on product," said **Rachel Sopinsky**, public relations manager at **Beach Bunny Swimwear**. The Irvine-based brand plans to present its 2015 summer swimwear collection, its 2015 spring/summer lingerie collection, and swimwear and active wear from its children's line at the show in Dana Point.

Some in the local industry have big expect-



Summer show: new edition dubbed **Swim Preview** set for June at **Hyatt Regency Huntington Beach Resort & Spa**

tations for the June edition, although hopes are tempered.

"Swim Collective has grown considerably due to its boutique, upscale feel and its location in the mecca of the swimwear world, the OC," said **Britt Hertell**, public relations and licensing manager at **Raj Manufacturing LLC** in Tustin. "We believe that the June show will someday rival the **Miami** show in July for the pre-eminent swim show in the world, although this will take time to develop."

Raj Manufacturing will debut summer collections from **Ella Moss**, **Splendid**, **Hurley** and **Athena** this week in Dana Point.

The company is also showing "a new active inspired vignette from **Nautica** called **H2O Active**," **Hertell** said.

The group's August show—dubbed an international edition—will be held at the **Long Beach Convention Center**.

Space

Space may be one of the reasons for the move, as attendance at the August 2014

show increased 50% year-over-year, according to the organizers.

"[The **Huntington Beach** show] started off in the main room, and over the years it grew into the hallway, the common area, and now they've even opened up the second ballroom," said **Jenny Moreno**, women's sales director at Irvine-based **Tavik Industries LLC** who will be presenting the brand's spring and summer 2015 lines at

the trade show in Dana Point.

Swim Collective provides a "more workable show environment" for West Coast-based buyers who are only looking for swimsuits, **Manhattan Beachwear's** **Seifert** said.

"It's another alternative for them to go to instead of **Magic** [in Las Vegas], where it's so busy and it's so hectic," she said. "We see 40% of our customer base on the West Coast at **Swim Collective**, and the other 60% we still have to see at **Magic**. **Swim Collective** is definitely growing, but unfortunately at this point we still have to do both shows."

show increased 50% year-over-year, according to the organizers.

"It gives us a dedicated marketplace to show our activewear," **Seifert** said. "We don't have an active show anywhere else. It brings in a whole different type of buyer—they don't necessarily buy swimwear, but they buy for their resort store or their spa store that is apparel-based, more lounge, resort activewear. It opens up that market for us and gives them a place to go and buy."

Tavik launched its apparel line this year, **Moreno** said, adding that she's "excited to see" how **Active Collective** differs from **Swim Collective**.

"I'm sure [they added it] because a lot of swimwear companies have expanded their coverups and things like that, and a few have launched apparel like we have," she said. "But we are still keeping it with swim. We plan to see how these shows are and possibly separate it in the future."

The proximity of the venue to local brands' headquarters promises to lure executives to the show. The upper echelon from **Beach Bunny** will "pop in whenever their schedules allow," **Sopinsky** said.

"It gives us a dedicated marketplace to show our activewear," **Seifert** said. "We don't have an active show anywhere else. It brings in a whole different type of buyer—they don't necessarily buy swimwear, but they buy for their resort store or their spa store that is apparel-based, more lounge, resort activewear. It opens up that market for us and gives them a place to go and buy."

Tavik launched its apparel line this year, **Moreno** said, adding that she's "excited to see" how **Active Collective** differs from **Swim Collective**.

"I'm sure [they added it] because a lot of swimwear companies have expanded their coverups and things like that, and a few have launched apparel like we have," she said. "But we are still keeping it with swim. We plan to see how these shows are and possibly separate it in the future."

The proximity of the venue to local brands' headquarters promises to lure executives to the show. The upper echelon from **Beach Bunny** will "pop in whenever their schedules allow," **Sopinsky** said.

"It gives us a dedicated marketplace to show our activewear," **Seifert** said. "We don't have an active show anywhere else. It brings in a whole different type of buyer—they don't necessarily buy swimwear, but they buy for their resort store or their spa store that is apparel-based, more lounge, resort activewear. It opens up that market for us and gives them a place to go and buy."

Opportunity

It also provides an opportunity for sales reps to meet with smaller, less-mobile retailers, along with the big ones, such as **Victoria's Secret**, **Planet Blue**, **Barneys New York Inc.**, **Bloomingdale's Inc.**, **Dillard's Inc.**, **Zappos.com** and **Diane's Beachwear**, which have attended in the past.

"It is nice to be close to home—you get a lot of local accounts, California-specific accounts that can't make it to **Miami**, specialty and fashion boutiques who want to add swim or expand swim or try swim," **Moreno** said. "And it's always at a nice venue, smaller and more intimate. I like the personal touches they do, as well—the champagne—and how they offer lunch and snacks. They really make it easy for the buyers, and of course that makes us happy." ■