

Owners of the Year 2008

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Following a review of nominations for this year's public and private Owners of the Year, California Construction's editorial staff selected two innovative owners that are truly outstanding representatives of what owners can and should become. With the Los Angeles Unified School District, we see a \$20.3 billion school construction and modernization program that has been a boon – both financially and professionally -- to regional general contractors, architects and subcontractors. And with Kilroy Realty Corp., we see a community supporter that values social responsibility.

The Los Angeles Unified School District had not built a comprehensive new high school since 1971. This resulted in overcrowding, dilapidated facilities and, for some students, an abbreviated school calendar. LAUSD's \$20.3 billion New School Construction and Modernization program, the largest in the nation's history, is a multi-year capital improvement plan that has built 72 new schools, 59 additions, 17,260 modernization projects, with 60 new schools and 3,300 modernization projects to go. These projects will add approximately 145,000 new classroom seats significantly alleviating overcrowding and returning students to a 180-day school calendar.

The underlying goal of LAUSD's con-



Guy Mehula is the LAUSD's chief facilities executive overseeing the \$20.3 billion construction and modernization program.

struction program is to best meet the needs

of the community it serves by holding community meetings to engage local residents in an ongoing discussion on how the schools will be developed, from the planning stages until construction. Additionally, new schools are designed for community access to fields, park areas and other facilities during after-school hours.

Nationally, LAUSD has implemented the Collaborative for High Performance Schools sustainable design criteria. This means that the district's schools are designed to provide better learning environments, reduce operating costs and protect the environment. Its current designs are required to achieve a minimum of 28 CHPS points with a target of 32.

The construction and modernization program has consistently attracted top professionals. This is reflected in a low change order rate (existing facilities: 7%, new construction: 5%), contractors and subcontractors returning to bid on additional projects, as well as new companies seeking pre-qualification status with the program.

The Small Business Program was created to provide Small Business Enterprise firms with information on and access to contracts and referral services and to promote the long-term capacity of SBE firms. This includes a small business boot-camp

and a five month financial literacy program. The program established a 25% SBE participation goal on all district contracts and has exceeded this goal every year.

The SBP also manages the iSEE and We Build programs. The iSEE program exposes and challenges LAUSD high school students to explore architecture, engineering and construction as career opportunities. iSEE students enroll in a college-credit AutoCAD course through a partnership with LACCD and attend five industry seminars. Perfect attendance students are provided with paid summer internships.

The We Build program provides local residents the opportunity to enroll in a comprehensive preapprenticeship training program offered at LAUSD Adult & Career Education Occupational/Skills Centers. Upon completion, We Build graduates are competitively positioned for placement on an LAUSD construction project through its contractors and Trade Unions.

The program, financed primarily through five state and three local voter approved bonds, consistently attains favorable bond ratings, from Moody's (Aa3), Standard and Poor's (AA-) and Fitch (A+), demonstrating the sound financial status of the program.

Kilroy Realty Corp. has more than 60 years of experience as a commercial developer in Southern California. KRC's core management capabilities span all aspects of real estate, from land acquisition, financing and property development, to construction management, leasing activities and property operations, to long-term strategic portfolio development. This integrated approach to real estate ownership produces efficiencies throughout the company's property operations and >>

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A view of LAUSD's Roy Romer Middle School project.

creates a sound base from which to navigate the changing market environments that characterize a normal real estate business cycle.

Los Angeles-based KRC creates and maintains a close relationship with the community to ensure their needs are met through the planning and design stages of every project. In numerous city planning and town hall meetings, KRC and the community work closely together to assure that the overall product is something that is desirable for everyone. Kilroy has shown to facilitate new and innovative workforce development through its 2007 tour and international lunch for members of CREW at Intuit's new Santa Fe Summit campus. They also continue to hold NAIOP County Bus Tours to showcase market knowledge and their portfolio in various submarkets.

Kilroy's values and social responsibility are concentrated throughout Southern California. It prides itself on honesty, fairness and high morals in all dealings, safety, the pursuit of excellence, a commitment of holding all team members accountable. KRC creates an environment that promotes trust and support through team building and cooperation which has led the company to success.

KRC also acts as a public steward and demonstrates philanthropic and social responsibility. Some of its contributions

include sponsoring the Headnorth Foundation, the Humane Society, YMCA, and donating yearly funds to build homes in Mexico.

As long-term owners of the properties they develop, Kilroy shares a common interest with their tenants for work environments that optimize resource use and minimize their impact on the environment. KRC has become a leading proponent of LEED-certified design, development and property operation. KRC also possesses strong financial capabilities, as they do not require third party financing, which proves to be a significant advantage for the firm.

Kilroy's properties are inviting, campus-style settings with a rich variety of outdoor and indoor common space, flexible interior floor plates and individual office plans that can adapt as tenant needs change. Kilroy incorporates state-of-the-art infrastructure and amenities, often accommodating the specific needs of individual tenants focused on research and development, manufacturing and other specialized services.

The preceding article was based on the nomination forms for owners of the year submitted to California Construction. <<



One of Kilroy's developments is the Santa Fe Summit in San Diego, currently occupied by Intuit and built by Reno Contracting.