

Never Sitting Idly

Rich Robbins stakes out a piece of the Bay Area and wants to make it better, much better.

PHOTOS & RENDERINGS courtesy of Wareham Development

Rich Robbins founded Wareham Development Corp. in 1977. The company is the leading privately owned developer of biotechnical, pharmaceutical and laboratory research and development projects in Northern California. Wareham's Bay Area real estate portfolio encompasses more than four million square feet of space located in multi-tenant, mixed-use campuses that define the thriving technology corridor between the Bay and Richmond-San Rafael bridges.

Robbins conceived the underlying structures that supported successful public/private partnerships primarily in the East Bay, resulting in the award-winning developments in Emeryville: the EmeryStation campus, which includes the Amtrak Intermodal Transportation Center, and the heralded EmeryStation East; and in Berkeley, where Wareham's Aquatic Park Center campus is home to the newest addition to the portfolio, the 740 Heinz Avenue research building.

An acknowledged expert on master planning, developmental regulatory issues and entitlement procurement,

among other things, Robbins is also a founding member of the West Berkeley and Emeryville Transit Authorities, which oversee the very successful West Berkeley Shuttle and Emery-Go-Round shuttle service.

Rich has established several foundations with strategic partners and mandates including those to strengthen K-12 STEM education, to provide and maintain community playing fields for youth athletic programs as well as funding for next generation of independent filmmakers.

TR: *As a developer that has gone through a number of cycles in the Bay Area, what seems to be new and different in this one?*

ROBBINS: The biggest difference in this cycle is the magnitude of the capital being invested in the Bay Area. Those funds directed at the tech giants, social networks, app developers, personal medicine and the various life and physical sciences have trumped previous cycles exponentially. This impact will not be truly felt for

at least a decade in the structural changes that will occur in this region's social fabric both positively and negatively.

TR: *You are/will be starting a couple of spec projects in Berkeley and Emeryville. You are one of the few in the Bay Area ready to do that, and probably the only one in the East Bay. What gives you comfort to kick start those projects at this point in time?*

ROBBINS: Comfort is not a word I'm accustomed to using or describing. We are builders of campuses and environments that must continue to evolve and change to recruit and retain the best and the brightest companies and employees. We have actually built more in challenged cycles when the playing field is clearer and less expensive. The growth of our existing relationships and campuses; the need to nurture additional start ups in research to commercialization; the dominance of the boomers' needs and investments, all contribute toward solid incremental growth. Even with compressed cap rates and interest rates, one must take a longer view



EmeryStation West in Emeryville is Wareham's next project

to the needs of the campuses and needs of the portfolio down the road, without cherry-picking each individual return on a short-term basis. That is our culture, though it is also a privilege that has made us most fortunate and appreciative of that opportunity.

TR: Are you optimistic about 2016? Why?

ROBBINS: We live in tumultuous times. 2016 will also be a presidential election that in recent times tends to divide our nation. That said, the vision of the Bay Area cumulatively tends to support an optimistic and confident resolve. We have much to do in the areas of intermodal transit, employing smart environmental thinking and doing better planning for job creation and for housing that is affordable for the middle class and those less fortunate. I am optimistic as the private sector is deeply engaged in these issues while also focused

on their individual and cumulative community profitability.

TR: So much attention has been given to information technology as the economic driver of the region, but while life sciences may be the quieter brother of the tech industry, is it better positioned to withstand the downturn?

ROBBINS: Life sciences tends to hover below the screen. For the most part that is good. The magnitude of capital pouring into this sector in the last year has been over the top. Many of the venture funds have nowhere to invest. The boomers are kicking in larger each year; that and the amount of capital needed to either build and fixture life science research facilities, typically makes them a bit more bulletproof than their soft tech brethren. Additionally, the facilities, if properly built infrastructure-wise, can typically



Rich Robbins, Founder and President, Wareham Development



740 Heinz Avenue, Berkeley,
with Aduro tenant improvements underway

The biggest difference in this cycle is the magnitude of the capital being invested in the Bay Area.

accommodate several generations of similar activity, whether from expansion or contraction pressures. Given so many past cycles, one in this sector is most sensitive and cognizant of burn rates and rainy day funds required to navigate the rough waters.

TR: The occupancy rates in the life science sector are probably the highest they have been. Do you see enough inventory coming online in the Bay Area to sustain the demand so that we don't risk losing companies to other parts of the country?

ROBBINS: Right now, yes, demand is outstripping supply. But there will be some consolidation, some fall out, and certainly much more demand, on an incremental level. Again, given the costs to construct, you will see new construction by the same players bringing to market more space specifically designed for the life science sector. You will also see that due to necessity, some companies take lesser space, some change their timelines. I do not see material defection from the Bay Area of companies due to demand or cost. These clusters and the human intelligence

embedded in the labor pool here in the Bay Area combined with UCSF, Stanford, Berkeley and the Lawrence Berkeley National Laboratory fuel the need to be in close proximity to where the cutting edge research takes place. There is no substitute for that proximity.

The biggest threat we have to losing the brains of this sector is quality of life issues. The politicians are immune to being ahead of the wave. They are reactive. They allow agencies like CalTrans and MTC—well-intentioned yes, ability to execute no—ruin our quality of life by

policy-wonk without action items that are stemmed in common sense. For example, the \$250 billion going toward the bullet train—imagine what it could do for inter- and intra-modal transit in San Francisco, Oakland, San Diego and Los Angeles to mitigate transit problems and the environmental and quality of life impacts it creates? At some point smart people think of their life quality and families. To me this is the greatest threat to starting a “brain drain.”

TR: What are the largest issues in your mind facing the commercial real estate industry today in the Bay Area?

ROBBINS: Without pontification, singular agendas are not healthy for communities. Developers need to be part of the solution in social engineering, even in one-off projects. Cities are grasping for funds in any way they can. This is not a judgment, it is a fact. If all we build are apartments, where do the new businesses go and grow? Who invests in schools and education? How long is the commute for your average employee? These are very real threats to developers, particularly if your model isn't to build and sell.

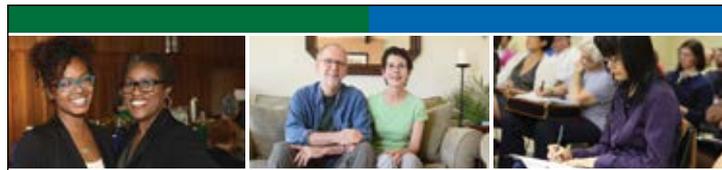
TR: You are personally committed to helping the young people in Emeryville and elsewhere gain a better education and use the knowledge they attain as way out of poverty through employment. Poverty in the region has unfortunately grown unabated as the economy has improved, and portions of the East Bay have been affected tremendously. What works? What could others like you do in the region to make a dent in this problem?

ROBBINS: We have an educational system trapped in agrarian times with special interests paralyzing some common sense solutions. Our schools are a community resource. Education breeds an educated labor pool already living in the Bay Area. These kids need jobs with dignity that require skill sets for higher education in either two- or four-year colleges, trades schools or specializations for the predominant sectors of technology and science. STEM or STEAM is one answer, yes. But if the schools are open only 185 days per year, how does that help in the challenged, underserved communities with two working parents or one working parent? These are rough diamonds that can become contributing citizens, with skill sets that lead to filling the jobs with dignity.

Sending kids home at two or three o'clock in these communities is moronic. After school programs in STEAM and athletics; trade/shop skills teaching experiments and skills that lead to self esteem; summer school programs that knit what was just learned and what is about to be learned in the coming year, are critical.

We believe strongly in teaching the teachers; hands on programs that both entertain and engage the kids, particularly in the elementary schools early before they are lost or fall behind. Cal State East Bay, UC Berkeley and Lawrence Berkeley National Lab, all have great programs. We are building three labs in elementary schools with Cal State East Bay's CIRCLe Labs that will be part of the curriculum, for after school and evening use, but most importantly it will be domiciled in the school.

There is no substitute for time. We need more of it to educate and inspire our kids, while expanding the school year and paying our teachers well. The current system is a recipe for disaster, thus your observation of failure currently. 📺



Local Knowledge, Local Advocacy, Local Support When You Need It

EAST BAY RENTAL HOUSING ASSOCIATION (EBRHA)

is a nonprofit trade organization representing owners and managers of apartments, condominiums, duplexes, single-family homes and other types of rental housing. EBRHA members range in size from small investors with just one property to large property management companies that own or manage hundreds of units.

Our membership consists of more than 1,200 rental housing owners, property managers, attorneys and other service contractors. Altogether, EBRHA represents over 20,000 rental units, and serves over 25 cities throughout Alameda and Contra Costa counties.

MEMBERSHIP BENEFITS INCLUDE:

- Property management advice by phone or in person
- Tenant screening service (separate fees apply)
- Updated legal forms, including online forms
- Monthly workshops on new laws, security deposits, legal notices, fair housing, rent control, and more
- Vendor directory of local businesses that offer exclusive member discounts
- Annual trade expo and networking mixers
- Monthly educational membership meetings
- Community outreach and education
- Local and state lobbying
- An active and growing Legal Action Fund and Political Action Committee
- Subscription to *Rental Housing* and *units* magazines
- Membership with the National Apartment Association and CalRHA

3664 Grand Ave • Suite B
Oakland, CA 94610



**JOIN TODAY! CALL 510-893-9873 OR
GO TO WWW.EBRHA.COM/JOIN**