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MAIL TO:

Downtown's Draw Reaches Out West

REAL ESTATE: Lower prices, big spaces spur local relocations.

By **DAINA BETH SOLOMON** Staff Reporter

Hip-hop mogul **Russell Simmons** toured local office spaces for nearly a year before picking a new spot for his online video network, **All Def Digital**, and deciding to leave tranquil Culver City for the urban vibe of downtown Los Angeles.

His company is following a steady stream of tenants migrating from the Westside over the past year, drawn by downtown's reasonable rates and larger spaces.

"Tenants are exploring other markets because they need bigger space, and it's always a price issue," said **Dan Gallup**, a **Cresa** principal who helped All Def nab an eight-year lease for 26,200 square feet across

from the Staples Center, nearly double its current size. "We looked all over the Westside, we looked everywhere. This building just seemed to be a good fit and the economics were a good fit, too."

Downtown's Class A rents run \$3.47 a square foot on average, compared with \$4.62 a square foot on the Westside, according to data from **Jones Lang LaSalle**.

But nonfinancial reasons were also at play.

"They were trying to find a good cultural match for their brand," Gallup added.

The appeal of downtown's density – which makes walking a viable option – is being buttressed by the construction of a slew of luxury apartments, the opening of hip restaurants, and access from elsewhere via public transit.

"People are drawn by transportation options, the

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VIVIEN KILLILEA/GETTY IMAGES

Cued Up: Russell Simmons' All Def Digital is trading Culver City for downtown digs.

Studio Has Skin In Game Movie

FILM: 'Warcraft' adaptation could reverse Universal slide.

By **KRISTIN MARGUERITE DOIDGE** Staff Reporter

Universal Pictures has made a big bet on its \$160 million "Warcraft" movie, which will open this Friday.

Based on **Activision Blizzard Inc.**'s "World of Warcraft," it seeks to buck the trend of box-office flops that have plagued video game-to-film adaptations in recent years.

Given the long lead time it takes to develop a movie version – in this case, it's been 10 years – the expectation that the original fans of the game will show up and buy tickets seems like a longshot.

"The remnant market for 'Warcraft' the game is aging," said **Jeff Watson**, interactive media and games professor at **USC's** School of Cinematic Arts.

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Old Tires, New Spin

RINGO H.W. CHIU/LAB

RCO taps state money to roll out rubber items

By **OLGA GRIGORYANTS** Staff Reporter

NIKI OKUK likes to say she came back to Compton with a truck and a dream.

She was also armed with an MBA, a desire to make a mark in her hometown, and the wherewithal to take advantage of a state program offering grants and incentives to businesses that recycle old tires.

So in 2012, she and a partner formed **RCO Tires**, which recycled 300,000 tires last year and now employs 16.

"We're trash collectors," said Okuk, 31, its chief executive. That trash has turned into another

form of black gold, generating revenue of \$1.2 million.

RCO is among a number of recycling operations taking advantage of a California program that incentivizes recycling of tires into such things as traffic barriers and playground surfaces.

Money from the California Tire Recycling Management Fund, supported by a \$1.75 surcharge on every new tire sold in the state, pays for the program, which encourages companies such as RCO to collect used tires and recycle them. The program, first rolled out in 1989 when

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SPECIAL REPORT TWENTY IN THEIR 20s



Starting with a \$5,000 loan from her grandma, **Katelyn O'Shaughnessy**, 29, launched a mobile app that's aiming to change the travel business. Check out her story and how 19 other local entrepreneurs, all still in their 20s, got their start in business in this special report.

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20 In Their 20s



Working It Out: Bryce Maddock tapped funds from a nightclub business he ran in college.

BRYCE MADDOCK, 29

TaskUs, international outsourcing company headquartered in Santa Monica

Employees: 5,200 full-time employees

Financials: \$53.7 million revenue in 2015

What led you to start your own business?

TaskUs was created in 2008 as a virtual personal assistant company to address a problem I had experienced firsthand while working on Wall Street. Ultimately, we realized we could reach a lot more scale, affect the lives of a lot more people, provide more jobs, and help more companies by focusing on businesses rather than just the consumer.

Where did you get the startup money?

My business partner Jaspar Weir and I took no outside funding. We had money saved up from a weekly pop-up nightclub series we'd run for three summers during our college years. It took the very last of our \$25,000 in savings to start TaskUs. It was bootstrapped until mid-2015.

What's been the biggest challenge so far?

We face considerable challenges on a daily basis: managing a large overseas workforce, navigating international law and regulation, and being responsible for an increasing number of employees and scaling operations quickly.

What's the most important lesson you've learned?

I learn something new every day. A failed business does not necessarily mean you have failed.

How many hours a day do you put in?

I put my whole into everything. I love what I do and I love the people I work with, so the many hours I put in doesn't feel like work to me.

Has your youth led to any awkward situations, such as when you supervise employees who are older than you?

No. We take a lot of care in hiring the right people for the job, and I always ensure we've built a mutual amount of respect by the time they start working with us. We're all learning from each other in the ever-changing landscape.

Would you start another company?

While I've never lost my entrepreneurial spirit and I never think I will, I'm not planning on stopping my work with TaskUs.

Could you ever work for someone else?

I've been an entrepreneur for so long, I'd say, maybe Jaspar.

What do you do to unwind?

I am an avid triathlon athlete and marathon runner. Training is really the best way for me to unwind.

— Sandro Monetti

What led you to start your own business?

Seeing the world of digital distribution changing rapidly with the introduction of Amazon Prime, YouTube Movies, and more, I saw a need for someone to pull all of that content together into one place and provide a unique discovery experience for entertainment.

Where did you get the startup money?

Our seed funding came together the old-fashioned way – lots of face-to-face meetings, sharing our story and opportunity, and connecting with investors who believed in not just the product, but more importantly the team.

What's been the biggest challenge so far?

To steal a film term, sometimes you have to kill your baby. The market shifts or a product doesn't resonate like you thought it would and you need to make adjustments that can be painful.

What's the most important lesson you've learned?

Focus on the present but plan for the future. As an entrepreneur, you set lofty goals for yourself and your company, but there are only so many hours in any given day. You need to take the time to plan and check in on your larger goals so that you don't look up and find you've veered off course.

How many hours a day do you put in?

It depends how many hours I am awake that day.

Has your youth led to any awkward situations, such as when you supervise employees who are older than you?

I feel we've developed a great culture where everyone has a seat at the table and opinions and strengths are respected. Respect comes from staying humble, working hard, and respecting others.

Would you start another company?

I was warned when I started MediaHound that I'd be bitten by the entrepreneurial bug and it would follow me the rest of my life. So the short answer is yes.

Could you ever work for someone else?

In a lot of ways, I already do – our team, our investors, our customers, they are all people I work for in varying degrees.

What do you do to unwind?

As a company, we'll go out to the movies (bet you saw that coming). I have a great community of friends here I'll hang out with in down time, or just sit at home and watch some HGTV with my wife and our dog Slink. If I need some solo time, I'll play the piano, which is a great creative outlet for me.

— Sandro Monetti

ADDISON McCALEB, 27

MediaHound, an entertainment technology company in El Segundo

Employees: 14

Financials: Series A: \$5 million



Movie Role: Addison McCaleb saw an opening in digital distribution.

RINGO H.W. CHIU/LABJ