

# INDUSTRIAL PROPERTY JOURNAL

## Insider: Watson Land Co.'s Lance Ryan

September 2007

*Lance Ryan is vice president of marketing and leasing for **Watson Land Co.**, a prominent Southern California developer that among the largest developers of industrial centers in Los Angeles County and in the nation. Over the past 40 years, the Carson, CA-based company has master planned more than 1,000 acres of industrial and commercial property. In addition, it has developed approximately 12 million sf of industrial, office and technology buildings, which it continues to own and manage. Recently the company began building spec buildings designed as part of the Leadership in Energy & Environmental Design (LEED) sustainable building program developed by the American Institute of Architects in partnership with the federal government. The first project out of the ground is 1.3 million-sf master-planned Watson Commerce Center Chino in Chino, CA, which will have four buildings from 265,000 sf to 410,000 sf. IPJ speaks with Ryan about Watson's commitment to green building.*



### **Q. Why did you decide to go green?**

**A.** In many ways, it grew out of our Legacy Buildings program, which we started in the late '90s. It's a leading edge program, where we've designed our buildings with a huge amount of flexibility. These buildings have a significant amount of glass. They have skylights and the interior lights go off automatically if ambient light reaches a certain level. When it comes to LEED, a few years ago we started anticipating this would be something desired by our customers. It would also be the responsible thing to do as a long-term holder. We felt it was the right thing to do. We sensed our tenant base was pushing in this direction, and it's been validated by our experience.

### **Q. In what way validated?**

**A.** In February we signed Nature's to a 410,000-sf building in Chino. The building is nearing completion. Making it environmentally sound was important to the client. It was in alignment with their core values and with the business they're in, which is the distribution of natural food products. We're currently negotiating another deal with a major global manufacturer, and LEED is important to them to be in alignment with their customers. We've had several Fortune 500 customers mention to us that green building is important to them to demonstrate to their customers that they're committed to environmental sustainability..

**Q. What's happening in your green program?**

**A.** We're in process of building our first LEED-certified spec buildings. Or at least they're targeted for LEED certification. We won't know until about six months after completion whether we'll get it. A building has to be evaluated in the environment, not just on paper, to earn certification. We think we're probably the first to do this on a spec building.

**Q. How many green spec buildings do you have planned?**

**A.** We have three in Redlands (CA). That's a total of 1.4 million sf that will be designed for LEED. In addition to the Nature's Best building, we have two in Chino (CA) with 300,000 sf and two just broke ground in Chino for another 565,000 sf. And we started doing grading for a 202,000-sf project in Carson.

**Q. What about these buildings make them green?**

**A.** Typically a new industrial building will have a grass berm. These will have bioswales, which will have water retaining capabilities and what are called French drains to reduce the water going into the sewer systems. We use paint that's non-VOC (made without volatile organic compounds). The carpets are produced with recycled material. Some of the construction practices are modified regarding storing and disposing of construction materials. Of course, there's drought tolerant landscaping, energy efficient mechanical systems and lots of natural light.

**Q. Don't these buildings cost more?**

**A.** There is an incremental additional cost. We haven't determined exactly how much. We don't yet know how the ones we're building will shake out. But we don't mind the extra cost. The reasoning for us is that we plan on holding them forever, so it makes sense to go green. We debated and decided the long-term benefits outweigh the initial expense, especially since we believe more and more customers are going to put green buildings on their checklist. We think tenants will be willing to pay more because the energy savings will translate into cost savings for the tenant in terms of operations.

**Q. What is the most difficult part of going green?**

**A.** We're in the learning process as we go. There isn't a template out there, since we're the first we're aware of to do this for spec buildings. We're creating the template.