FROM LEGACY TO LOCAL IMPACT

Conceptual rendering of the Indio Grand Marketplace — a 40-acre project in Indio, California, that combines redevelopment of existing structures with new construction, including retail buildings and pad sites.

A familiar name in California real estate is working on a number of centers that bring retail to underserved areas.

By Abby Cox

Now a three-generation family-owned real estate business, Los Angeles-based Haagen Company is acquiring, developing and managing retail centers and commercial properties, with the goal of adding value to local communities.

Haagen Company has a long history in California real estate. The genesis of the company started with Alexander Haagen Sr., who began investing in real estate in the 1950s and created and grew the predecessor company, Alexander Haagen Properties, along with his wife, Charlotte.

Over the years, Alexander and Charlotte created a full-service development, leasing and management company, catapulting it from a small, family business in the 1960s to a public REIT in the 1990s. Haagen was a pioneer in LA's smaller inner-city neighborhoods — places that competing developers avoided — focusing on underserved areas. Through the years, the company was known for bringing new retailers to Los Angeles, such as PACE Membership Warehouse, IKEA and Bristol Farms.

In 1997, Haagen Sr., Charlotte Haagen and their son Alexander Haagen III, left Alexander Haagen Properties to form what is currently known as the Haagen Company. Today, the company continues under the leadership of Alexander Haagen III, grandson Alexander Haagen IV and Donald Kelley, president and chief financial officer.

A LOOK AT THE PRESENT

Haagen Company has focused on a number of properties that were held outside the former company, as well as new acquisitions and developments. The company has successfully contributed to the redevelopment and revitalization of many areas with the delivery of national and regional anchor retailers, sit-down restaurants, increased employment and equal opportunity investments into the communities in which it serves. Keeping the projects close to home has allowed Haagen Company to practice its philosophy of day-to-day hands-on management and allowed the company to observe what is most desired and necessary in the regions they assist.

"We're all very involved in everything going on from a day-to-day standpoint. Even though your job might be in finance, you're still in operations, you're still in leasing, you're still in construction," says Greg Bradbury, senior vice president of leasing at Haagen Company. "We're all in on everything because of our small size, and I think that's a very unique aspect of our company."

Haagen Company currently owns 1.3 million square feet of retail space, with open land in the pipeline for new developments in San Diego County and the Coachella Valley. Many of Haagen's projects, which include more than 140 neighborhood, community, promotional and regional centers, feature a blend of high-end and off-price retail shops, family-style restaurants and entertainment in a quality retail environment.

"Everything we do, we're elevating the look, the feel, the experience, and that all ties back to, 'who is Haagen Company?' says Bradbury. "We want communities to know our passion for retail real estate."

Conceptual rendering of the Redondo Shores Shopping Center renovation, which began in January. The revitalization includes a full facade upgrade, modern signage, refreshed color palette and enhanced landscaping.

The transformation of Redondo Shores Shopping Center, a 106,782-square-foot retail center located roughly 20 miles south of Los Angeles, is now underway. Haagen Company has recently replaced under-performing tenants with best-in-class merchants, leveraging efforts for the property to remain valuable and useful for the community. Current retailers at the property include Whole Foods Market, Madison Reed, Einstein Bagels, Urbane Cafe, Michaels and Panda Express.

"We're really setting the stage to make Redondo Shores the preeminent retail shopping destination in Redondo Beach," says Bradbury.

The transformative project will include a complete overhaul of the center's exterior, with upgraded landscaping, colors and signage. The renovation's design draws inspiration from the Redondo Beach community, with the inclusion of soft, muted colors reminiscent of beach sand, ocean waves and coastal skies.

"Our goal with the Redondo Shores Shopping Center renovation is to revitalize this essential community hub, transforming it into a dynamic and welcoming destination for all," says Donald Kelley, Jr., president and chief financial officer of Haagen Company. "By investing in the center's transformation, we are reaffirming our commitment to delivering high-quality retail environments that reflect the unique character of the community and meet the needs of its residents and businesses."

Haagen Company has also partnered with landowners to redevelop shopping centers, reinvesting in communities and bringing needed retail services such as the Martin Luther King Jr. center in Watts, Kenneth Hahn Plaza in Lynwood, Baldwin Hills Crenshaw Plaza in Los Angeles and a portion of the Vermont-Slauson Shopping Center in South Los Angeles.

The original plan for the Martin Luther King Jr. Shopping Center included the rehabilitation of an existing office building, financial assistance to small business tenants and community involvement in the design and administration of the project. However, the Community Redevelopment Agency

(CRA) appealed to Haagen Development for a second phase in which Haagen would develop, operate and manage the retail center. Haagen secured several major tenants for the property — including a supermarket, drugstore and junior department store chain — and had preleased 95 percent of the retail space by the time Phase II was complete. The CRA/LA owns the land while Haagen Company currently holds a 65-year ground lease.

"So, again, kind of the same story, second verse," says Bradbury. "The shopping center is old and dated and needs to be refreshed. If we did acquire the fee, we would do the same thing we did at Redondo: renovate it, re-merchandise, and really give back to the community the type of center they want, deserve and desire."

Conceptual rendering of a proposed 2.6-acre development at the northwest corner of Washington Street and Miles Avenue in Indian Wells, California.

DESERT PROJECTS

Haagen Company acquired the Indio Grand Marketplace in 2018, a regional mall located in the Coachella Valley city of Indio. This acquisition marks Haagen Co.'s biggest turnaround project yet. With ambitions to turn the 215,000-square-foot enclosed mall into a large format mixed-use, open-air center focusing on better quality merchants as demographics have changed and demand exists. In addition, a portion of the project will be dedicated to residential and hospitality.

"Ultimately, I think we will raze the small shop portion of the current mall," says Bradbury. "We've had great conversations with national retailers who want to be here, and we are currently working with two key lead tenants to anchor the project.

Haagen's current plans call for more than 357,000 square feet of retail space, with big box and mid-size anchor spaces anchoring. The company would also like to see grocery, fitness, home goods, fashion and entertainment uses at the project to serve the local community. The future of Indio Grand Marketplace will also likely involve healthcare, wellness and medical office space, as well as residential and hotel components that will bring a mixed-use vibrancy to the project, says Bradbury.

Also in the Coachella Valley, Haagen Company has roughly 2.5 acres of undeveloped land in Indian Wells, at the corner of Washington and Miles Streets. After substantial research, potential plans for that property include two restaurants, as well as a small, multi-tenant building.

"The right tenants can do a lot of volume and pay solid rents," says Bradbury. "We're doing a test fit with a national brand for one of the corners, so we theoretically would have one more pad left in the small shop space to lease. This is an exciting, out-of-the-ground project for us."

On the border of La Quinta and Indio at the southeast corner of Monroe and Avenue 52, Haagen Company acquired 18 acres of unimproved land with intentions to bring much-needed amenities to a region that is devoid of them. It will retain a roughly five-acre parcel to develop a grocery-anchored shopping center and will sell off the remainder to a residential developer that plans to build single-family homes and condominiums. Additionally, a block to the east at the northwest corner of Jackson and Avenue 52, a pie-shaped piece of real estate will be sold off to the same residential developer, who plans to build approximately 90 homes and condominiums, while dedicating three acres to a gas station/convenience store.

"In La Quinta and Indio, as with any area, we are going back to what does the community want and need? Well, they need grocery. They need QSR. They need gas and convenience," says Bradbury. "And of course, everywhere in California needs residential. We can't build it fast enough."

Haagen Company is considering potential future options for Calhoun Ranch, a 138-acre, seven-parcel property it owns that is located at southeast corner of Jackson Street and Avenue 52 in Riverside County and Calhoun West, a 76.8-acre property located on the northwest corner of Jackson St and Avenue 53. While up to 11 full-size polo fields will occupy Calhoun Ranch, Bradbury says that there are a multitude of opportunities of what could be developed, including the possibilities of entertainment or hospitality.

"There are a lot of things we can develop, that is what's so interesting about the Haagen Company — we're a small, nimble, non-bureaucratic company that has a lot of expertise in different areas. We can be opportunistic because of that, and that is how we have found success in so many different sectors of real estate."

Bradbury is optimistic about the future and success of Haagen Company, as he emphasizes its move to going "back to the basics."

"When you join the company, you are part of the family," he says. "And I think it's that sense that makes everybody here feel like they're part of something bigger — that ultimately makes us successful."

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