

## Insurers Balk at Amgen's Price

**BIOTECH:** Repatha costs \$14,500 a year for life, but is it worth it?

By **STEPHANIE HENKEL** Staff Reporter

While health researchers report that **Amgen Inc.**'s cholesterol medication **Repatha** reduces the risk of heart disease, economic investigators find that insurers don't want to pay the steep price for the first-in-its-class drug.



**Expensive Package:** Repatha dosage

Thousand Oaks-based Amgen's Repatha is one of a new class of pharmaceuticals called PCSK9 inhibitors that work by reducing LDL or "bad" cholesterol. But since its launch in August 2015, Repatha's adoption rate has had a slow start as insurers are reluctant to pay \$14,500 a year for a drug that patients must take for life.

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## Wage Dilemma

**NONPROFITS:** Disabled programs hurt by higher minimum pay.

By **HELEN FLOERSH** Staff Reporter

Once destined to life in institutions, many of the 280,000 adults with intellectual and developmental disorders living in California work alongside "neurotypical" individuals as employees at post offices, grocery stores and other businesses. But the model of care that made this possible faces a new challenge in the gap between state and local minimum wages.

"Anyone residing in California who has a developmental disability is entitled to care, which is a good thing," **George Stevens**, executive director of the **North Los Angeles County Regional Center**, said. "But we're stretched economically."

The center is an independent, nonprofit organization in Chatsworth that provides case management services for persons with disabilities in the San Fernando, Santa Clarita and Antelope valleys. It is one of 21 so-called "regional centers" designated as official points of entry into California's service system for residents with developmental disabilities, who are guaranteed lifelong care by the

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## Artsy Entrepreneurs Flock to Former Pack House

**REAL ESTATE:** Fillmore building has space for crafty tenants.

By **MARK R. MADLER** Staff Reporter

As **David Storrs** walks through the century-old former citrus packing plant that he owns in Fillmore, he talks about his instructions to workmen who restored the wooden floors.

He wanted the floors to be imperfect, to re-

tain a distressed look.

"I want to give the feeling that the building has been lived in," Storrs said.

The **Citrus Packing House** at the corner of A Street and Sespe Avenue in the small Ventura County city certainly has the vibe of a long life. The oldest part of the building was constructed in 1914. The new wing was added in 1935. It started out as a facility to pack oranges and lemons from the nearby orchards; later, the space



PHOTO BY DAVID SPRAGUE

**Landlord: David Storrs likes retro vibe.**

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**Cleared:** Tim Prero of Pegasus Elite Aviation in firm's hangar.

## JET-SET ENHANCEMENT

Leaseholders upgrade Van Nuys Airport, the Valley's \$2 billion asset

By **CAROL LAWRENCE** Staff Reporter

As the turbulence of the Great Recession fades, private and corporate jet ownership has emerged as a viable means of travel, making Van Nuys Airport an extremely valuable location in the middle of the Valley.

One of the busiest general aviation airfields in the country, Van Nuys has an economic impact of \$2 billion, according to a recent study by the **Los Angeles County Economic Development Corp.** Moreover, it has become a hub of construction. But given the scarce land adjacent to the runway, competition has

become fierce to lease land at the publicly owned airport.

"The airport is full of tenants," said **Tim Prero**, co-owner of charter service **Pegasus Elite Aviation Inc.**, which is moving to a larger facility. "There's not enough hangars for individuals with aircraft."

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PHOTO BY DAVID SPRAGUE

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**Comfort Couture:** Christina Sims, owner of boutique Bobbi Rocco, shares her strategy for a successful wardrobe.



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# Noise Among Neighbors

**DEVELOPMENT:** Residents' groups square off on proposed Woodland Hills eldercare project.

By **CAROL LAWRENCE** Staff Reporter

A plan to build an eldercare facility in a Woodland Hills neighborhood has been approved, but the strife it has caused between neighbors may continue.

On March 23, the South Valley Planning Commission essentially approved the facility to be built at 6221 N. Fallbrook Ave. at the intersection with Erwin Street by rejecting an attempt by homeowners to reverse the city of Los Angeles' approval of the project earlier this year.

If the homeowners continue to fight the project in court, it will be the second legal battle over the eldercare project, which was first presented around 2011.

Two neighborhood groups are the backdrop for the conflict. The Walnut Acres Neighborhood Association, a voluntary association that does not require membership or dues, supports the project. Preserve Walnut Acres is a coalition of residents that formed last year to oppose the project.

The clash spilled over into the Warner Center News in February with accusations and defenses written between former L.A. Councilman **Dennis Zine**, who writes for the paper and was involved as a councilman in the proposal approved by the city in 2012, and others involved in the case. Publisher **Kathleen Sterling** eventually got into the fray to defend the paper for publishing Zine's comments.

## Reversals

At the center of the debate is the facility, planned by the property's owners, **John Simmers** and **Thomas Simmers**, and the developers, **Community MultiHousing Inc.** and **Chandler Pratt & Partners** of Burbank.

When first presented, the assisted living and memory care center was planned with 76 beds in 60 patient rooms and to be 50,300 square feet.

"When first proposed, it was two stories, and quite large, with 60 rooms," said **Mark Shipow**, an attorney who represents the Walnut Acres Neighborhood Association regarding the project.

While the 1.5-acre property is not zoned for an eldercare facility, it fell under the purview of an overlay ordinance that allows such facilities to be built there under certain conditions.

Residents within the Walnut Acres neighborhood and the WANA organization were united in their opposition to the project, arguing that it was too large. However, Fallbrook Avenue is a four-lane thoroughfare with gas stations, a medical marijuana dispensary and stores such as Home Goods and CVS nearby. The project was approved by the Los Angeles City Council in 2012.

In response, WANA and four residents sued the city, the Simmers and the developer in 2012. The Court of Appeal overturned the city's approval in 2015.

"We had tried to have negotiations with the developer on reducing the size and they were not interested," Shipow said. "Once it became final, the developer became more interested in discussing a resolution."

Even though WANA and the homeowners won, they negotiated a settlement with the developer and property owners that shrunk the facility to a one-story, 33,500-square-foot operation with 60 beds and 50 guest rooms. They also agreed to a money settlement that set aside compensation of roughly \$427,500 for people who were going to be adversely impacted should the facility be built, plus \$17,500 for Shipow's legal fees.

"If you live next door to a dementia facility, there will be impacts, such as parking and noise; it's a commercial operation on property you assumed was going to be a house," Shipow said.

In turn, the homeowners and WANA had



PHOTOS BY MIKE BAKER

**Commission Hearing:** Left, lawyer **Mark Shipow** spoke in support of project; right, **Woodland Hills resident Chris Moser** opposes facility.

to agree to support the project, send letters supporting it to the city of Los Angeles and not oppose it, according to the settlement agreements.

According to Shipow, WANA emailed and mailed members about the settlements and held a meeting in November with the developer asking members to vote on the project. Members subsequently mailed in their votes and the majority supported the revised facility, according to Shipow. In January, the city's Zoning Administrator approved the revised project.

## Conflict

Preserve Walnut Acres formed later last year to oppose the project.

**Chris Moser** of Woodland Hills filed an appeal in January with a handful of other residents. The document alleges WANA reversed its opposition to the project because of a payoff, initiated secret actions and excluded information about the money settlement. It also alleged errors made by the zoning administrator in the approval, amid other issues with the project.

The two sides clashed at the commission hearing.

In response to commissioners' questions, homeowners supporting the project said they didn't receive any money, and that anyone could ask to be reimbursed from an independent third party that will distribute the money. But

opponents maintained their argument with the project itself.

"People here fighting are not fighting because of the money," said **Diane Bocwoldt**.

**Todd Pratt**, with Chandler & Pratt, told the commission that it had numerous meetings with WANA and its members.

"We're in similar places today as two years ago," he said.

The money settlement element raised the eyebrows of some commissioners.

Commissioner **Raymond Bishop** said he felt the project was suitable for the location and supported it, but not the settlement, and supported the appeal.

"I'm not comfortable with this idea that people were paid off," Bishop said. "That's what it looks like."

Moser attended the hearing, and said he opposed the facility because of its potential impacts on the character of the neighborhood.

"The association flip-flopped on this for no apparent reason," he said. "People were vehemently opposed, and then supported it."

**Andrew Pennington**, planning director for L.A. Councilman **Bob Blumenfield**, read a letter from the politician at the hearing, which hinted that both sides were considering legal action depending on the commission's decision. Shipow had not heard of any action as of March 28.

# Increase in Blood Research Revives HemaCare

**INVESTMENT:** Turn to profit sends OTC shares up for triple-digit gains.

By **STEPHANIE HENKEL** Staff Reporter

**HemaCare Corp.** recently released its 2016 financial results, reporting a year-over-year revenue increase of 43 percent. On March 13, the same day as the announcement, its stock shot up 81 percent to \$1.82 from \$1.06 on the over-the-counter market. A week and a half later, it was up 174 percent at \$2.90. Shares closed March 29 at \$2.50.

The Van Nuys biotech, which is No. 22 on the Business Journal's Bioscience Companies list (see page 8), specializes in isolating and providing blood cells and tissues, bone marrow and other human-derived materials to its customer companies conducting biomedical research. Chief Executive **Pete van der**

**Wal** said the increase in advanced biomedical research, cellular therapies and regenerative medicine helped spur profitability.

"While this research has been going on for decades, major scientific breakthroughs during the past several years have accelerated research and encouraged other companies to enter this field," he explained.

**Harry Neslon**, partner and biotech attorney at L.A.-based **Nelson Hardiman**, said he has also seen "massive growth" in biologic therapies, or treatments that utilize the body's own immune system.

"One example of a dozen therapies that became super popular around blood products is PRP, or platelet-rich plasma," he said. "We started seeing a lot of therapies, like PRP, a decade ago and then an increase in stem cell product use for all kinds of regenerative medicine."

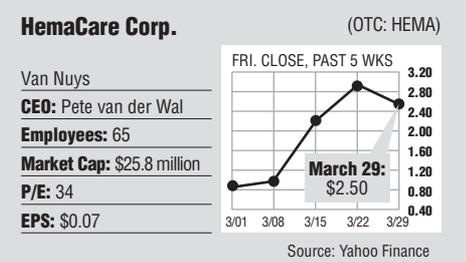
PRP is when a patient's blood is drawn, enriched with platelets and then reintroduced into the body. Stem cell therapies, like bone

marrow transplants, use stem cells to treat or prevent a disease by restoring cells that have been destroyed. Such treatments set the stage for HemaCare's positive end-of-year results.

"In 2016, we finally hit a critical volume of customer orders that allowed us to more than cover our overhead, thereby dropping profit to the bottom line," van der Wal explained. "We saw strong growth from our top distributors in Europe and Japan, and further expanded our international distributor relationships into China and South Korea."

HemaCare utilizes a two-pronged sales strategy. Domestically, the company maintains a sales force, and abroad, it establishes distributor relationships. Last year, the biotech saw a 240 percent increase in international revenues, a 43 percent increase in revenue from continuing operations as well as net income from continuing operations of \$781,000 versus last year's loss of \$1.4 million.

Now that HemaCare is in the black, the stock is trading well above the \$1 thresh-



old required to uplist on an exchange, which could attract a broader range of investors and bring in more capital. Van der Wal did not confirm or deny if this was part of the company's plans.

"HemaCare is in the right place, at the right time, with the right skill sets that are in high demand to profit from the multi-billions of dollars biopharma and biotechnology companies are investing in the globally emerging immunotherapy, cell therapy and regenerative medicine markets," he said.