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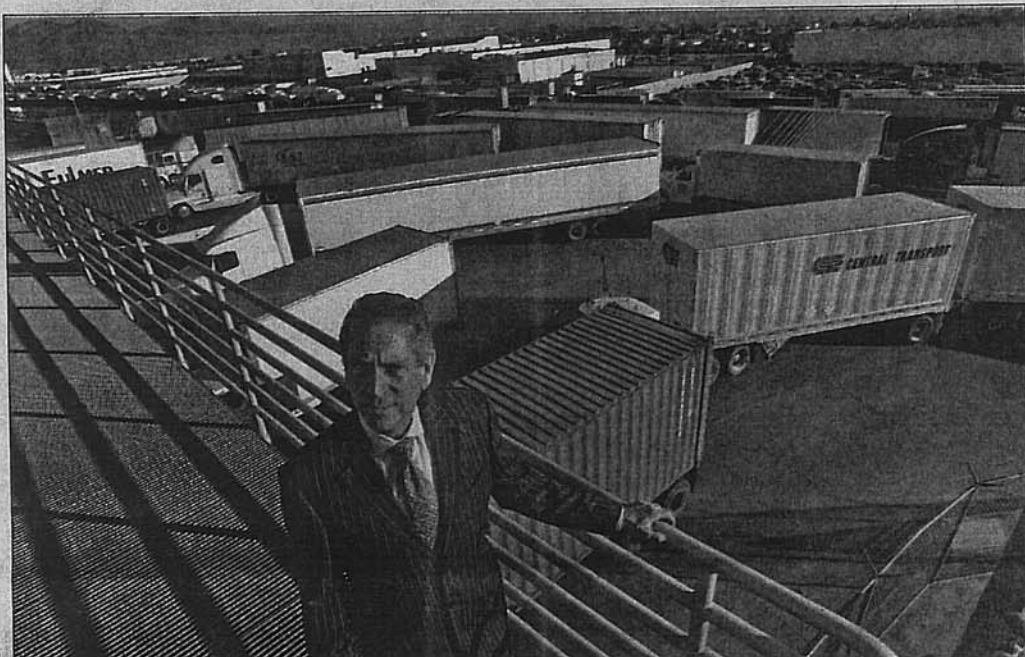
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IN PERSON



Sandy Shapery at Otay Mesa, where trucks can wait for hours to cross U.S.-Mexico border. Jim Baird/Union-Tribune

Keeping it real

A player in downtown development decides to tackle transportation gridlock

By **Bruce V. Bigelow**
STAFF WRITER

When Sandor "Sandy" Shapery proposed building a high-rise complex on West Broadway in the late 1980s, he was a relatively unknown lawyer-turned-developer — and skeptics abounded.

The redevelopment of a sketchy part of downtown San Diego was at stake — and a proven developer, the Koll Co. of Newport Beach, wanted Shapery's parcel on the 400 block of West Broadway for its own high-rise proposal.

Shapery's only previous experience was with small office buildings and apartments, and the timing of his big project was iffy. San Diego's defense-dependent economy was sliding sideways, and critics doubted that Shapery could get financing.

At the Centre City Development Corp., then-Chairman Peter Q. Davis said there was a strong sentiment in some quarters to use the power of eminent domain to acquire Shapery's block and turn it over to Koll.

"I remember a discussion as to whether Sandy was 'for real,'" Davis said. The CCDC

ultimately encouraged both projects to move forward. "As it turned out," Davis said, "he was for real."

The Emerald Plaza, Shapery's breakthrough office tower and hotel, opened in 1990-91 at a development cost of \$215 million. Shapery, who was the managing partner, made a substantial profit when he sold his 25 percent stake in 1993 to the Japanese partner who financed the project.

He then turned his attention to a string of other big projects that have made Shapery a recognized player in downtown development.

Now 62, an age when most people are thinking about retirement, Shapery would seem entitled to relax his grip and focus his efforts on easy street.

Instead, Shapery recently formed Southern California Transportation Solutions, a nonprofit group organized to take a private-sector approach to easing gridlock and to promote advanced transportation technologies.

In pushing his ideas, Shapery once again has been cast as an outsider and unknown

Sandor 'Sandy' Shapery

Personal: Age 62. Lives with his wife, Leanne, in a two-floor penthouse at the Emerald Plaza. Has three children from previous marriages: Stephen, 32, Sage, 19, and Sierra, 17.

Education: Bachelor of arts, political science, 1968, San Diego State University; juris doctor, 1971, University of San Diego Law School.

Career highlights: Founded Shapery Enterprises, a real estate holding company, in 1972. As a solo practitioner with just three years' experience, Shapery argued before the U.S. Supreme Court in 1975 that a drug seizure at a San Diego border checkpoint was unconstitutional. Shapery bought his first residential property while in law school and acquired his first commercial property, a five-story building in La Jolla, in 1974. His first major development was the downtown Emerald Plaza, a hotel and office complex on West Broadway, which opened in 1990. He owns the downtown office tower that serves as the headquarters for Semptra Energy and is developing a 40-story hotel and condominium project at 11th Avenue and A Street.

Interests: A former auto and aircraft mechanic, Shapery collects classic cars, including a recently acquired refurbished 1957 Ford Thunderbird.

SEE **Shapery, C5**

► SHAPERY

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He wants rail system to link Lindbergh, LAX

quantity in a world dominated by government bureaucracies, such as Caltrans and the U.S. Department of Transportation. "Now that he's shifting his focus to Southern California Transportation Solutions, he has to prove that he's for real all over again," Davis said.

The lawyer-turned-developer-turned-transportation planner says his motives are altruistic.

"I have more money now than I need to live the rest of my life," Shapery said. "So I'm dedicating my life now to creating some benefits."

'A one-man army'

Shapery said Southern California Transportation Solutions intends to address the traffic congestion that is worsening on the region's freeways and railroads and at airports.

With the recent defeat of a local measure concerning a new airport at Marine Corps Air Station Miramar, the timing also could be right for San Diego's splintered political powers to look for a fresh approach.

Shapery says government funding for highway, rail and airport construction simply cannot keep up with traffic growth. But he believes private financing can provide a way out of

gridlock, particularly by making systematic improvements to rail networks.

"I started looking at the freight component, because freight is something you can quantify," Shapery said.

He says the first step would be to modernize rail infrastructure by eliminating grade crossings and curves. The next step would be to electrify the rail lines, replacing diesel locomotives with an electric induction-powered system capable of moving individual rail cars.

Such a system could serve as the basis for developing maglev trains, an advanced magnetic levitation transport that would be capable of moving passengers and cargo from San Diego to Los Angeles in 30 minutes. In China, a 19-mile maglev line from Shanghai's airport to the financial district reaches speeds of almost 270 mph.

Shapery wants to build a maglev system that would link San Diego's Lindbergh Field to Los Angeles International Airport.

In formulating his ideas, Shapery has tapped his ties with Linden Blue of San Diego's General Atomics, which has been developing maglev systems and other electromagnetic technologies. He also is an investor in Blue's latest venture, Spectrum Aeronautical, which is developing a lightweight corporate jet.

"I think the whole era of faster transportation to connect urban centers is going to happen," said Gary Gallegos, executive director of SANDAG, the San Diego Association of

Governments. "The question is where and how, and whether it's connect the airport or what."

Shapery's enthusiasm for developing a high-speed maglev system has provoked skeptics to say that such a grandiose project would be prohibitively expensive.

"He has almost been a one-man army in that regard, which is too bad," said Malin Burnham, chairman of Burnham Real Estate. "Many other countries of the world have really been moving out in terms of new forms of transportation."

On the other hand, Burnham acknowledged that a developer calloused by working with NIMBYs and other "negative forces" might be ideally suited to tackle such intractable transportation problems.

"He's pushing a very big rock uphill," said San Diego County Supervisor Ron Roberts. "But that's part of his character. He likes to push rocks uphill."

To launch the effort, Shapery says he has committed \$500,000 of his own money to start Southern California Transportation Solutions.

While he made his fortune in commercial real estate, Shapery said it became possible to grubstake the nonprofit venture only in recent years.

He explained that, as a developer, he usually had to sink the money generated from one deal into his next project. After selling his interest in Emerald Plaza, for example, Shapery bought the office complex at 101 W. Ash St. that now houses

Sempra Energy's headquarters.

"I've been the landlord of that building for 13 years," Shapery said. "For probably 10 of those years, it didn't produce any income" because all the revenue was used to pay the loan.

But now, Shapery said, instead of living from one project to the next, his business has accumulated large cash reserves and benefits from a large steady income.

Shapery wants the nonprofit group to operate as a membership organization such as the San Diego Regional Economic Development Corp. The nonprofit would serve both a policy and educational role. He contends it also would bring a more entrepreneurial approach to resolving gridlock.

The organization has been arranging an academic symposium on transportation with the University of California San Diego and has asked a group of UCLA business students to help with marketing and planning.

"We're not going to solve our problems by doing the same thing that we've been doing for the past 10 or 20 years," Shapery said.

"Sandy's got some interesting ideas in terms of how do you get some of these things to pay for themselves," said SANDAG's Gallegos.

For Shapery, however, transportation issues also strike more of an emotional chord — reflecting his lifelong affinity for automobiles, airplanes and

just about anything mechanical.

Head of the class

As a youngster, Shapery loved cars and gadgets.

Shapery, who was born in Chicago in 1944, said he vividly remembers riding in the back of his parents' 1947 Hudson when his dad moved their family to San Diego to take over a Durkee's wholesale food distributorship.

He attended San Diego's Oak Park Elementary, Horace Mann Junior High and Crawford High School. He dropped out of San Diego City College after one semester to work as a mechanic at a downtown Ford dealership and later at Ryan Aircraft.

Shapery was 22 when he decided to return to college, after learning that a middle-aged co-worker's take-home pay was the same as his. He graduated from San Diego State University in 1968 and immediately enrolled in law school at the University of San Diego, where he graduated in 1971.

After getting the highest grade in his contracts class, Shapery said, he contracted to buy his first house with a \$50 deposit. He sold the contract four days later to a fellow law student for \$1,500.

"One of the things I love

about real estate is that the only limitations are the ones that we place upon ourselves," Shapery said. "However creative you can be, and whatever you can convince a seller to do is what defines the limit of a deal."

While Shapery practiced law for several years, his attention shifted to investing in real estate, buying properties, fixing them up and reselling at a profit.

He bought his first commercial property in La Jolla in 1974, and has bought and sold dozens of properties throughout the county.

"My impression is that he's a guy who has the nerve to pursue things that both make waves and progress," said Sanford Goodkin, a longtime San Diego real estate consultant.

Goodkin also criticized Shapery, saying he had some clients who "were sadly dealt with" by Shapery's firm.

However, Goodkin still gives Shapery credit for acting boldly.

"He has audacity, and audacity is not a negative term," Goodkin said. "In fact, we should have more of it in San Diego."

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