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THE RAGS-TO-RICHES RISE OF SOCCER
FANATIC, FRANCHISEE AND
MEGA-DEVELOPER ABE ALIZADEH





Alizadeh in the new Kobra headquarters in Roseville, where he is developing three high-end restaurants, a convention center and two hotels.

PHOTO: BILL MAHON



by Rich Ehisen

Imagine yourself at the age of 17 being dropped into the middle of a strange land where you don't speak the language and have precious little money, no friends or relatives, and only the vaguest idea of where to go and what to do with yourself. Given those conditions, most people would not be primed for success. By that standard, Roseville developer and restaurateur Abe Alizadeh is clearly not like most people.

Out of those inauspicious beginnings, Alizadeh has methodically built a growing empire of restaurants and real estate holdings from as far south as Fresno and north all the way to Spokane, Wash. The eateries include 55 Jack in the Box stores and three Qdoba Mexican Grill franchises, as well as three new higher-end restaurants in and around Roseville Alizadeh is building with his brother Mike. He and Mike are also partners in the ownership and operation of 11 T.G.I. Friday's restaurants in California, Oregon and Washington.

Alizadeh began life in fast food making tacos. "I'm doing much better than a lot of people thought I would."

In addition, a venture into building his own Jack in the Box store in the early 1990s led Alizadeh to form Kobra Properties, a real estate-development company he owns and operates with his sister Kobra Alizadeh. Since its debut a little more than a decade ago, Kobra Properties has built or acquired an estimated 4 million square feet of commercial and residential real estate, most of it in the Roseville area. That stable includes numerous office buildings, shopping malls, condominiums, hotels and the impending 30,000-square-foot Roseville convention center currently under construction. Alizadeh is also working on two 250-room hotels for the area.

He even owns a professional baseball team — the AAA Pacific Coast League's Portland Beavers — as well as the United Soccer League's Portland Timbers. All told, Alizadeh has either restaurants or development projects under way in 37 communities across the West and employs more than 3,000 people in various capacities throughout those operations.

It is a portfolio almost startling in its diversity, and its ongoing expansion has rapidly catapulted Alizadeh into the spotlight as one of the Sacramento region's major players. His riches-to-rags-to-riches-again story has

also made the perpetually optimistic Alizadeh the quintessential poster boy for the American Dream.

"My life in this country has been a life where I have always been able to grow and be enriched by my surroundings, be it neighbors, friends, the community or the events that happened during my life," he says. "That has been all the way from when I came to this country with no English, no parents, no uncle, no friends, no aunt — nothing."

Alizadeh, 47, first came to the United States from his native Iran as a wide-eyed 17-year-old in 1977. The idea was to get an education he could take home with him. His parents were large landholders at the time, and he dreamed of getting a degree in agricultural mechanics and helping to import modern agricultural methods to Iran.

His original plan was to go to Italy to study, but that quickly morphed into going to Colorado, which then morphed again into a one-way plane ticket to San Francisco. Overwhelmed with the enormity of it all, Alizadeh managed to get a taxi into the city, where he holed up in a hotel for days, nervously thinking all the while, "I'm not leaving this room."

But he did leave that room, working his way to Holy Names University in Hayward, where he first started learning English. He bounced around after that, moving first to San Diego and then to Los Angeles before ending up at Lassen Community College in Susanville. It was far from his first choice, but it was his only choice, given his still-limited English.

"In those days, they wanted to raise money from foreign students to help build a campus," he says. "I think the fee for foreign students was something like \$1,500 a month, which was a lot of money. But that was the only place that would take me with my weak English."

Shortly after he got there, the world seemed to go crazy. A student-led protest in Iran led to the fall of the Shah and the takeover of the American Embassy in Tehran, which he says "turned my whole world upside

abe alizadeh

Since arriving in the U.S. in 1977, he has acquired two pro sports teams, 55 Jack in the Boxes and approximately 4 million square feet of real estate.



BORN Sept. 2, 1958 in Ramhormoz, Iran.

JOB General partner (with his sister Kobra) in Kobra Properties, Food Service Management Inc., Kobra Associates and Central Valley Food Services.

FAMILY Lives in Granite Bay with his wife, Shari, and their son, Alex.

EDUCATION Holds two degrees: a Bachelor of Science in computer science and a Bachelor of Science in agricultural mechanics, both from Chico State.

BUSINESS PHILOSOPHY "To be successful, you must always persevere and learn from challenges."

LIFE PHILOSOPHY "You need to be happy and to achieve your goals."

down.” The ensuing hostage crisis spawned a wave of anti-Iranian sentiment across the country, making it a less-than-perfect time to be an Iranian student with poor English living in a conservative rural community like Susanville.

“That was the days you could go to Thrifty and buy a gun,” he recalls. “That was one of the options we were considering for how to protect ourselves. But the community was actually wonderful. We got along fine with them, and we sympathized with the pain and suffering that Americans were experiencing in Iran.”

It also marked an end to Alizadeh’s thoughts of returning to his home country. He quickly completed his associate degree at Lassen and moved on to Chico State, where he earned degrees in agricultural mechanics and computer science. It was there that he also got the advice that would change his life.

“At the time, my English was not as good as it should have been,” he says. “So my teacher told me the best thing I could do was to go to a restaurant or somewhere and get a job. So I got a job at a Jack in the Box in 1980, and I’ve never left since then.”

Of course, it wasn’t as easy as just walking in and starting a franchise. Alizadeh began life in fast food on the bottom rung as the “Taco Man,” the moniker his crewmates bestowed upon him after he spent his first day on the job furiously making tacos to accommodate the daily 2-for-1 special. But that connection with his co-workers and his enthusiasm for taking on more difficult challenges made the affable and positive Alizadeh stand out.

His hard work and attitude led to several promotions, including a promotion to manager of a company-owned store. That in turn inspired him and a business partner to take over a fran-

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In the restaurant business, “you make your money from collecting pennies — real estate is completely different.”



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attack when the real threat lies internally within their organization,” says Tripp Kuehnis, president of Seismic Computer Management, a West Sacramento technology-management company that specializes in IT solutions for businesses.

“Theft of company information is a lot more common than most people think,” says Kuehnis. “What’s particularly astounding are the growing number of incidences involving terminated employees who are still accessing proprietary company information once they’ve left.”

Kuehnis points out that this threat should not be taken lightly, particularly by those companies whose customer databases represent millions of dollars to their bottom line.

“These days, it seems like virtually anyone in an IT, accounting or administrative role has access to key company information, and lifting this information is a no-brainer, with USB memory sticks and access portals often allowing the perpetrator to go undetected.”

Technology professionals like Kuehnis say timed logouts for unattended internal computers are as important as any firewall or outside intrusion-protection system. He also advises companies to have server activity monitored by an outside firm to determine who has been accessing files, to track print jobs, and to see if people are hacking into accounts.

“This is a very critical issue that every company with strategic-intelligence information should be concerned about if they want to avoid putting their company fortunes at risk,” say Kuehnis.

Many experts agree that we have only seen the tip of the iceberg regarding the future of customer intelligence. In particular, much progress is being made in behavioral-data tracking, which allows a company to capture customer behaviors and actions over time. Companies can utilize these stored interactions to determine likely spending and purchasing behavior.

There is also considerable buzz in the customer-intelligence community about the potential of radio frequency identification, which is being used extensively by Wal-Mart and others to inventory merchandise and track individual products through the lifecycle of consumer purchase, usage and sustainability, a practice already raising the ire of privacy advocates.

Elaine Starling believes that while the gathering of customer-intelligence information can be critical to the long-term success of a company, staying focused on the quality of the product or service holds even greater importance.

“While understanding your target market and what appeals to different audiences represents an important strategic investment, companies must ensure their marketing efforts are relevant and engaging. Having solid data supporting the unveiling of your next cool product or service is a good thing only if it will ultimately result in a sale.”

chise. They doubled that venue’s business in one year, and Alizadeh soon began to buy more stores on his own, including his first Roseville store in 1987. He has continued to add more Jack in the Box franchises every year, including several that are under construction now.

A national economic lull in the early 1990s convinced him that he was too vested in the restaurant business, so Alizadeh and his family decided to branch into real estate. They invested their collective life savings — about \$5 million — to form Kobra Properties and began buying acreage to develop. It is an investment that has paid off beyond Alizadeh’s wildest dreams.

Given his phenomenal success with commercial development, some might question why Alizadeh chooses to stay in the restaurant business, particularly when the margins are so much higher in real estate. As with most things, he has given the matter a lot of care and consideration.

“First of all, I love the restaurant business. But I don’t look at it as just a restaurant; I look at it as an enterprise,” he says. “The restaurant business teaches you a lot of discipline because you have to make your money from collecting a lot of pennies, whereas real estate is a completely different phenomenon. I always tell my people that the restaurant environment and the discipline it imposes on you is one you can learn from and grow and be enriched by. So I would just say I like the benefits of both.”

Alizadeh is sold on a few other concepts as well. For one, he is adamant that Kobra Properties not be “a merchant builder,” one that builds its developments solely for resale value. He wants to build growth through equity acquisition and by keeping his overhead within certain limits. To do that, he has borrowed a page from the playbook of other regional heavyweights like Buzz Oates by keeping the bulk of his operations in house.

“We don’t develop to sell,” he says. “We hold on to everything we develop, and we want all of our people to think that way. From locating the site, designing the building, using our own consultant and our own construction company to build it all the way through negotiating leases with tenants, we want to do as much as we can ourselves.”

Part of that feeling comes from how Alizadeh sees market demands shifting.

“Thirty years ago, the traditional developers in Sacramento were heavily focused on warehouses, retail and condos. Today, you have to diversify and to protect yourself. Now we do offices, we do retail, we do warehouses, we do condos, we do apartments, we do hotels, we do garages, we do restaurants, we do land,” he explains. “I want to utilize my expertise in real estate, my relationship with consultants and my own knowledge of the market to build on those resources and to establish growth for the company.”

Alizadeh has also moved away from partnerships, preferring the freedom to “shift and switch and to ride the market” without worrying about whether his partners will see opportunities the same way he does.

"I have had partners before, and they were wonderful people. They guided me a lot, they taught me a lot and I made a lot of money with them. I owe them immensely for their contribution," he says.

"But if I really want to be diversified on different products and to utilize and ride the market and switch and stop and go, I need to be the guy who can move with the speed of light, and the only way I can do that is if nobody's in

You might say Alizadeh follows soccer the way a hungry lion follows a sick antelope — with great intensity. "I have a big passion about soccer."

my way. And believe it when I say that a tremendous amount of analysis takes place before we decide what to do and where to go."

The acquisition of the Portland baseball and soccer teams certainly wasn't a no-thought decision, as the teams were reportedly a combined \$23 million in debt when Alizadeh made the buy. But while he is quick to profess his love for baseball and expound on the possibilities for creating a healthy rivalry with his good friend Art Savage and the Sacramento River Cats, what really made the deal sweet was the chance to invest in his true love: soccer.

You might say Alizadeh follows soccer the way a hungry lion follows a sick antelope — with great intensity.

He grew up playing soccer and was even offered a scholarship to play for Sacramento State before he went to Chico. Alizadeh may have opted for academic degrees over soccer goals, but he has never lost his love for the game. He has even been known to keep the big-screen televisions in his office perpetually tuned to soccer games from around the globe.

"Yes, that's true," he says. "I love soccer. If I could watch soccer and play soccer every day, I would do that. I have a big passion about soccer, and I am so excited about our soccer team in Portland."

Could that enthusiasm ever translate into helping to bring more professional sports teams to the Sacramento region, say, a Major League Baseball franchise or Major League Soccer? Alizadeh is coy about that, saying only that "Sacramento has a fantastic future ahead of it. But can Sacramento go beyond the Kings and someday have another major-league team? I think someday, absolutely. You have to aim high, you have to have aspirations for bigger things in our community, and one day I think we can afford that. When can that be, I don't know. I need to see Sacramento become home of the headquarters of a company first. I need to see a major company like that in Sacramento, and then I think other opportunities will follow."

Another peripheral benefit to Alizadeh's success has been the ability to bring seven of his eight brothers and sisters and both of his parents over from Iran. Several siblings, including his sister Kobra and brother Mike, are integral parts of the operation. So is his wife, Shari, of whom he says, "I couldn't have done what I've done without [her] guidance and leadership."

Alizadeh admits that mixing family with business is not always easy, but he is learning to relax since the birth of his son a year and a half ago.

"Slowly, I'm finding ways to balance," he says with a laugh. "I'm doing much better than a lot of people thought I would."

Alizadeh adds that while he was notoriously driven to achieve business success for many years, parenthood and his family have broadened his version of success. He doesn't like to discuss his charitable endeavors, but does acknowledge that he and his sister are forming a foundation that will serve as a way to "give something back to the community.

"To go from where I started to where we are at today is quite an accomplishment," he says. "But you always want to make sure it doesn't get over your head, either. You want to make sure you put everything into context. A lot of people have accomplished what I have accomplished and maybe even more.

"Sacramento has a fantastic future ahead of it. But can Sacramento go beyond the Kings? I need to see it become home of the headquarters of a company first."

"If you're happy in your life, or you find ways to bring happiness when you're not happy, that's success," he adds. "If you love your family, and be there for your family, and be a rock and a support for your people around you — family, loved ones, wife, son, daughter, neighbors — that's success. If you can find ways to give back to the community, that's success." ©