

BACK TO COWORK?

Companies offer fresh approaches as sector strives for a restart



Shared Spaces: Yoube is scheduled to open this spring in West Adams.

By **HANNAH MADANS** Staff Reporter

BumoWork is bringing a new kind of coworking to L.A.

The membership-only workspace, which combines coworking and child care, is scheduled to open its first location in the Westfield Century City mall this spring.

"We're not just trying to make the lives for working parents easier but make parenting easier in general," said **Joan Nguyen**, who came up with the concept for BumoWork with company co-founder

Chrisselle Lim.

BumoWork isn't the only coworking company offering a fresh approach in the L.A. market. After being hit hard by the impact of the Covid-19 pandemic for the past year, the once-hot industry is starting to show fresh signs of life.

West Adams-based **Yoube Inc.**, for instance, plans to open its first coworking pop-up in West Adams this spring. And **Union Cowork**, which has several locations in the San Diego area, opened in the Arts District last fall.

Even old guard operator **WeWork Cos. Inc.**, which has endured slowdowns and contraction, recently opened a location at 9830 Wilshire Blvd. in Beverly Hills. Amenities include a movie theater and podcast studio.

Newmark Group Inc. Executive Managing Director **Ryan Harding** said "Coworking 3.0" is coming into play. The new iteration combines elements of the initial version, which was more about executive

Please see **COWORKING** page 36

Jobs Recovery Is Underway

ECONOMY: Unemployment rate in LA improves to 11.5%

By **HOWARD FINE** Staff Reporter

After three months of job losses during a devastating surge in Covid-19 cases, Los Angeles County's economy finally perked up in February.

According to the state Employment Development Department, the county added nearly 48,000 jobs in February and posted a full percentage point drop in the unemployment rate to 11.5%.

Please see **JOBS** page 39

SPECIAL REPORT: PRIVATE EQUITY



Private equity firms find themselves in the middle of a SPAC-driven frenzy. The Business Journal takes a closer look at the high-stakes deal-making and the players behind it.

PAGE 16: Firms chase big-dollar deals

PAGE 17: An insider's view of the process

PAGE 18: Top private equity firms

Virgin Hyperloop Puts Riders First

TECH: Wants futuristic system to feel familiar, safe

By **ELIJAH CHILAND** Staff Reporter

In 2012, **Tesla Inc.** and **Space Exploration Technologies Corp.** Chief Executive **Elon Musk** published a proposal outlining a concept called the hyperloop, a futuristic transportation system to carry

passengers through nearly airless tunnels at speeds reaching 700 mph.

In renderings included in the proposal, faceless passengers are seen traveling in steely pods that look like something out of a science-fiction movie.

Less than a decade later, **Hyperloop Technologies Inc.**, doing business as Virgin Hyperloop, is testing a prototype of the system.

Please see **HYPERLOOP** page 38



Rendering of a Virgin Hyperloop vehicle.

DJ Scheffler Digs Deep

INFRASTRUCTURE: Drilling company tackles tough projects

By **HOWARD FINE** Staff Reporter

The next time you visit Grand Canyon Skywalk in northwestern Arizona and marvel at how the semicircular bridge that juts out over the gorge has avoided breaking off and sliding nearly 4,000 feet into the abyss below, thank Pomona-based specialty drilling contractor **D.J. Scheffler & Nye Inc.**

Please see **DRILLING** page 37



PRIVATE EQUITY FIRMS

See page 18

INVESTMENT BANKS

See page 23

VENTURE CAPITAL FIRMS

See page 29

FINANCE: Rising Tide

VC firms poured \$9 billion into L.A. companies last year. **Page 8**

TRANSPORTATION: Split Decision

Passenger traffic falls, cargo soars at local airports in January. **Page 3**



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Drilling: Scheffler Takes on Tough Bridges, Piers

Continued from page 1

The 36-year-old company installed the pilings that anchor the bridge to the sandstone cliff. The “micro-pilings” that D.J. Scheffler combined with a special high-strength cement grout have kept the bridge in place since it opened in 2007. Thanks in part to the pilings and the cement, the bridge has the capacity to bear 35,000 tons of weight and withstand winds up to 100 miles per hour.

“Everything about that project was challenging,” company owner and President **Dale Scheffler** said. “Drilling into a 3,000-foot sandstone cliff, withstanding those ferocious winds, and — above all — the sheer remoteness of the site that required us to haul all our equipment up 20 miles of dirt road.”

But for Scheffler and his specialized foundation drilling and slope repair company, such challenging projects are the bread and butter of the business. He doesn’t even consider the Skywalk project his most challenging.

“That honor goes to a bridge project we completed a few years back at Vandenberg Air Force Base where we had to put in 10-foot diameter pilings that went 200 feet deep,” he said. According to Scheffler, those pilings are the largest used for any infrastructure or building project on the West Coast.

A close runner-up was placing the foundation for a pier on Santa Rosa Island, one of the Channel Islands off the Santa Barbara coast. “Much of that work was done entirely over water,” he said.

Lure of difficult projects

The lure of such ambitious and risky projects was the reason Dale Scheffler decided to start the company back in 1985.

He had previously founded a company that installed pools in residential properties — he was building the quintessential California suburban dream. One of the projects he took on was for a member of the automaker Ford family that involved drilling deep foundations. He had to call in a specialty drilling contractor.

“I discovered that’s what I really wanted to do,” he said.

Scheffler bought a rig and decided to focus on drilling foundations on the region’s plentiful hillside slopes. His first clients were mostly single-family homeowners. On some of those projects, he either worked solo or brought in a handful of day laborers.

His first office and equipment yard were in the City of Industry. A few years later, the company moved to nearby Pomona.

After a few years growing the business, Scheffler’s firm took on higher-end residential clientele with homes in Malibu or other exclusive communities that had to deal with hillside slopes. Today, this type of work comprises nearly one-third of the company’s business, including the building of new homes, putting in basements and making other alterations.

Novel technique

For hillside construction projects, the com-

pany in the early 2000s started using a stabilization approach developed in Britain. The technique, known as continuous flight augering, involves two sets of pilings: an initial set using concrete and a second set containing rebar that intersects with the first set. The aim is to create a wall of reinforced concrete.

“We were the first company on the West Coast to use this CFA methodology, giving the client an environment where they can build a new structure,” Scheffler said.

Besides building on slopes, D.J. Scheffler also developed a specialty of stabilizing slopes that had recently collapsed in mudslides or landslides.

“Many contractors don’t do temporary shoring because it is risky,” Scheffler said. “That’s where (we) come in.”

The company will often bring in a geologist to assess the ground movement and outline the steps necessary to contain the movement and stabilize the slope.

In many cases, one of those steps is placing a barrier between a landslide and an adjacent home.

One such landslide project was in the University Hills neighborhood near Cal State Los Angeles.

According to **Ralph Jeffery**, owner of Encinitas-based **Pacific Coast Land Consulting** and a geologist consulting on the project, D.J. Scheffler & Nye drilled roughly 350 pilings into the slope to bolster its stability.

“They had to drill fast before the concrete set on the pins, and there was a lot of groundwater on this slide,” Jeffery said. “A different company with lesser equipment would not have been able to do the work.”

During the work, Jeffery said he had to descend into the shafts drilled by D.J. Scheffler.

“I was the guy going down the hole, and I felt confident and safe in their hands,” he said. “I trusted them with my life and I could trust them to get the job done.”

Bigger development projects

Scheffler eventually graduated to the role of subcontractor for bigger projects slated to be built on complex soil or hillside sites, from commercial buildings in downtown to development projects involving multiple homes.

One subcontractor who has worked alongside D.J. Scheffler on several of these projects over the past 20 years is **Chuck Poss**, president of Garden Grove-based **Earth Construction & Mining**.

Poss said D.J. Scheffler’s role on these projects has been to produce as much buildable space as possible.

Poss said one recent development project they worked on together in Pacific Palisades stood out for its challenges. The hillside property had been through a landslide in the 1970s and needed lots of shoring up and a retaining wall to keep the slope in place.

“The site was undevelopable for decades; there were complex soil and geotechnical issues,” he said.

According to Poss, D.J. Scheffler had to put in pilings that extended down “to considerable depth.”

The project, now called One Coast, was completed in 2018 and consists of 53 luxury condos.

Pulling back

Over the years, D.J. Scheffler expanded to take on projects in other Western states, especially on the West Coast.

But Scheffler said that in the last couple of years, the firm has pulled back to focus primarily on Southern California, especially since the Covid-19 pandemic struck.

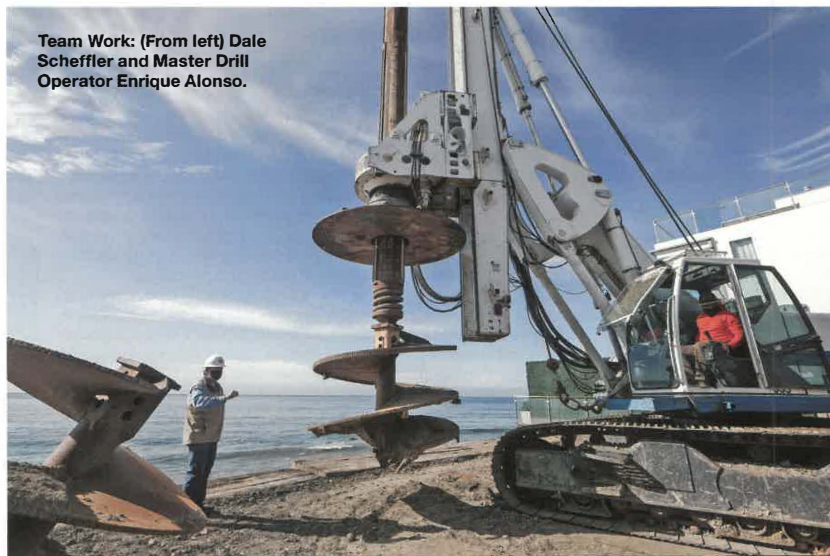
“Covid really slowed down the work,” he said. “There was a little less work, but also, Covid forced projects to take longer.”

Not only did following Covid protocols inhibit the work on site, but Scheffler said the pandemic forced delays among its vendors, affecting the delivery of concrete, steel and other materials that the firm uses in its projects.

The logjams seem to be loosening up now. “Our backlog has been growing again,” he said.

Looking ahead, Scheffler said he has no plans to sell the company in the near future. He said that when he does retire, he intends to pass the reins on to his younger business partner, **Mark Nye**.

“One of the reasons I brought Mark on 35 years ago was to take over when I retire,” he said.



Team Work: (From left) Dale Scheffler and Master Drill Operator Enrique Alonso.

Shored Up: D.J. Scheffler & Nye President Dale Scheffler at a project site in Malibu.



PHOTOS BY RINGO H.W. CHIU/LABU

D.J. Scheffler & Nye Inc.

HEADQUARTERS: Pomona
BUSINESS: Foundation drilling and slope repair
PRESIDENT: Dale Scheffler
YEAR FOUNDED: 1985
EMPLOYEES: 50
REVENUE/BILLINGS: \$15 million (2020)
NOTABLE: D.J. Scheffler & Nye anchored the foundation for the Grand Canyon Skywalk and drilled pilings for the renovation of the Rose Bowl.