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Mayfield thrives with Portland-Palo Alto focus

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There are colorful photos of tulips and daffodils on the walls of the Mayfield Cos. in Palo Alto, Calif. Also photos of office buildings and apartment complexes.

Combined, they're a snapshot of real estate entrepreneur John Klimp, whose family roots are in the Netherlands and whose firm has owned and managed dozens of commercial properties on the California Peninsula and in the Portland area during the past 31 years.

His company's history sounds almost like those "get rich in real estate" books.

Klimp earned a degree in electrical engineering from Long Beach State University. While working in engineering for Sylvania, he and his wife, Nancy, bought their first rental property, spending all their spare time fixing it up.

It wasn't much of a stretch for Nancy Klimp. Her family has been involved with commercial real estate since 1910. But Klimp had to learn the commercial real estate business from scratch, starting with small deals.

He went full time in 1971, quitting his comfortable job in engineering and using \$1,500 in savings to start a company.

"Cold turkey. My parents couldn't believe what I had done," he said.

Some of his former engineering associates at Sylvania joined him in the initial buying of apartment buildings. That's how his company has been structured ever since. Klimp puts together individual partnerships, keeping dozens of investors involved in dozens of properties at any given time. Many investors are involved in more than one property, but in all there are more than 200 investors associated with Mayfield properties in California and Oregon.

Although Mayfield is based in Palo Alto, Klimp and his corporation have a long history in Portland.

Klimp and his family arrived at Union Station 45 years ago on a snowy February morning, the very end of a three-week journey from the Netherlands. It began with the crossing of the tumultuous North Atlantic on an immigrant ship, the S.S. Groote Beer, a converted liberty ship built on Swan Island during World War II. Their journey through America started in New York harbor and continued through a five-day cross-country train trip via the Great Northern Railway to Portland. After graduating from Grant High School and attending Portland State University, Klimp left Portland to earn an electronics engineering degree at Long Beach State University. He worked on the Apollo Moon Landing Project at North American Aviation and on classified electronic projects for Sylvania, a defense contractor in Mountain View, Calif. While obtaining his MBA from Santa Clara University, Klimp changed his career to commercial real estate investments.

He returned to Portland in 1977 as the president and general partner of an investment company, which bought several apartment projects. Mayfield's apartment communities and office properties are located throughout the Portland area from Wilsonville to Hayden Island, and from Beaverton to Clackamas. Mayfield's most recent acquisition is The Weatherly, a historic landmark property at Southeast Grand Avenue and Morrison Street.

During the past 25 years Mayfield has been a steady employer in the Portland real estate investment, management and

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JOHN KLIMP
MAYFIELD

construction community. The company's goal is to create clean, high-quality apartments and office suites at moderate rental levels. Mayfield believes in the value of treating residents of its apartment communities and tenants of its office properties as its guests. In today's environment of considerable office vacancy, Mayfield's properties occupancy exceeds 90 percent.

Mayfield is made up of a management corporation and an investment corporation, with the properties themselves owned by separate limited partnerships.

Klimp said he looks for more than the real estate adage "location, location, location."

"We do look for the unique properties. We look for something that's different about a property that makes somebody want to rent it, to live there, to have an office there," he said.

An example is an older high-rise in Portland, the Weatherly Building. Restoration efforts have spruced it up and keep it 97 percent occupied at comparatively low rents, said Klimp.

Klimp said his three decades of experience have taught him valuable lessons. "One is perspective. We know that the current downturn is going to go back up on the San Francisco Peninsula. The cycles don't bother me. The other thing is we treat our renters like our customers. I want to have the same hospitality that a good hotel has for its guests. Because then people will feel comfortable and, by being hospitable, you create a community-type atmosphere."

"He knows how to renovate and improve apartment properties in order to make it an environment where people would be thrilled to live," said Keith Suddjian, senior vice president of real estate company Cornish and Carey Commercial in Palo Alto.

Suddjian has worked with Klimp on more than a dozen transactions during the past 20 years. "He knows the communities in the Peninsula and knows which will support the improvements. The amount of detail he puts into a property is unusual."

A Mayfield partnership typically holds onto a property for five to 10 years, Klimp said, though some deals have been for as short as eight months or longer than 20 years.

"When you're in the investment business, sometimes the hardest thing in protecting our clients' interests is to deal with people of integrity. John is a man of his word," said Don Finsthwat, president of Stanford Investment Group, who has recommended clients as investors in Mayfield properties.

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John Klimp of Mayfield Cos. has strong ties to Portland, despite being based in Palo Alto, Calif.

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Mayfield: Timing and family keep portfolio healthy

When he was 11, Klimp's family emigrated from the Netherlands to the United States, settling in Portland.

Klimp returns to Holland frequently and the walls of his office are decorated with large photos of tulips. But the flower also is a sort of trademark of his business—this fall he and some helpers planted 2,000 tulip and daffodil bulbs at properties his company owns, two per hand-dug hole.

"It's kind of silly," he said with a smile, "but it's what I like to do. I do take things to heart about the way the buildings look."

JOHN KLIMP
MAYFIELD

1978. He hired his father to take care of the apartments they bought in Portland. His mother-in-law helped with the company accounting. Klimp's wife helped run

the company and their two daughters have been involved with the family business from the time they were infants sleeping in a bassinets in the office, he said.

"There was never any animosity," Klimp said of the family business.

"Timing," he said. "It's the old story: If you're there at the right time, you get the deal. If you say the wrong thing at the right time, you don't get the deal. But being there, being ready and being prepared, at the right time, makes this business."

Klimp stays in shape by swimming competitively in what's known as masters swimming.

"Over Labor Day I swam the Maui Channel between Lanai and Maui on a relay team. I did that for fun. Not long ago I swam from Alcatraz to the mainland. And sometimes I swim across the Golden Gate," he said when prompted. "It's real good for keeping the stress down."

"John is very refreshing. He is anxious to pursue good health, anxious to improve his quality of life through exercise," said Richard Quick, head coach of Stanford's women's swimming program and coach of U.S. swimming teams in the past five Olympic Games. "It's not just blind exercise. He takes it to the next level."

In the years he's run his companies, Klimp said he still gets excited when a deal falls into place.

"When we all click together, it's really good," he said. □