

Legal eagle

LAWYER DAWN BECKER HAS RISEN TO THE COO ROLE AT FEDERAL REALTY

By Jennifer Hopfinger

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RIAL BY FIRE — USUALLY JUST A

metaphor for being tested under pressure. But it happened quite literally to Dawn Becker, Federal Realty Investment Trust's new COO.

On Aug. 19, 2002, Federal Realty was a mere 30 days from opening its Santana Row, a mixed-used

development in San Jose, Calif., featuring upscale retailers, trendy restaurants, a boutique hotel and multimillion-dollar condos. The 40-acre project, with some 560,000 square feet of retail space, was Federal Realty's largest to date and the largest single development in San Jose. That day the main building at Santana Row caught fire.

The 11-alarm inferno, which spread to several apartment buildings downwind of the shopping center, was the worst in San Jose's history. At Santana Row, the fire was confined to the one building, Santana Heights, which wiped out about 275,000 square feet of residential space. The blaze, the cause of which was never determined, resulted in about \$129 million in damages.

Becker had been Federal Realty's general counsel for all of six months when the fire occurred. She had been hired as a junior attorney in 1997, the year Federal Realty started the Santana Row development, to provide legal support to the company's acquisitions and development groups. Over time she assumed more and more responsibility. "My aspiration as an attorney was to become the general counsel, so when

I was promoted to that position, I thought I'd reached the pinnacle of my career," she said. The fire changed all that.

"Don Wood [Federal Realty's CEO] turned to me and said, 'OK, you're responsible for figuring out how to recover the insurance.' And I knew little about insurance provisions as an attorney. But it was now up to me to resolve this," she said.

One year later, under Becker's oversight, the firm recouped the damages. With that little matter resolved, her credibility was high enough that Wood gave her a shot at operational responsibilities.

Santana Row opened a couple months after the fire, minus its centerpiece building, which was rebuilt in 2006. That same



year Becker was put in charge of the West Coast office, located at Santana Row, where she lived for three weeks out of every month for about a year. This immersion proved instructive on a couple of levels.

"I never left the property," she said. "I had an apartment there, I walked to our office there, I ate dinner and shopped there." Thus she got to experience the utility of a mixed-use development. But more important, she got to know the firm's West Coast operations intimately.

Federal Realty has about 18 million square feet of assets — primar-

ily grocery-anchored neighborhood shopping centers, but also mixed-used properties — in metropolitan markets in the mid-Atlantic, the Northeast and California. California is the most recent addition to the 48-year-old firm's portfolio, and because its largest project, Santana Row, is located there, it required more attention from headquarters.

"We were a very East Coast-centric company," said Becker. "Our properties in California were successful, and we had a great group of people out there, but we didn't know how to run an office that was 2,500 miles away as effec-

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tively as we should have." Her task was to create more integration and better communication between the head of-

office and its satellite.

She was doubly challenged in having to go from running a legal department to heading an operational group. "Because of my experience as a transactional attorney, I know a little about all aspects of real estate, but I'm not an expert in any of them. So I can't tell people how to do their jobs, but I can help them figure out whether their thinking makes sense, and I can make sure they're taking full advantage of resources, internal and external, to come to the right decisions."

Becker's big-picture perspective is helpful to her peers as well. CFO Andrew Blocher says she is instrumental in getting her colleagues to work through every angle and get to the heart of the issues. "As a result, she gets more out of the people around her than they think they can do," Blocher said. This was helpful during the company's downsizing of about 20 percent of the

staff in 2008, he says. "Dawn helped us figure out how to get the most out of who we had."

Becker still heads the West Coast office, though she is back at headquarters full-time now. She also remains general counsel, in addition to her role as COO. She officially received the title in February but has been operating the entire portfolio since 2008. The last person to hold the title was Wood, who became CEO in 2003, but he continued to exercise the responsibilities of COO until he began turning them over to Becker.

It seems it is not uncommon for Federal Realty managers to prove their mettle with new responsibilities before getting the title, or to wear multiple hats. "When you have great people working for you, people who expand their own responsibilities, that makes it easier for me to leverage myself and take on more," she said.

Becker tries to cultivate the development of her subordinates, and John Hendrickson, COO of Federal Realty's Northeast region, is a case in point. "A few years ago I was impatient about my growth at the company, but Dawn felt I didn't have the polish that I needed," Hendrickson said. "I didn't agree with her at the time, but I now realize she was right." She urged him to take advantage of a Federal Realty leadership development program that emphasized mentoring with a top executive other than a direct superior. Hendrickson did and 18 months later was promoted to his current position.

"We worked hard to get the right people in the right positions during the restructuring of our organization," Becker said. "That, and our high-quality properties and our simple business plan of getting as much out of our properties as we can, helped us during the downturn." SC