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Flip Flop Shops will soon beat a path to Northern California malls

Sacramento Business Journal

Flip flops are coming to the Sacramento region, the Bay Area and Silicon Valley in a big way.

A Vancouver, British Columbia, couple is planning to bring stores of the franchised retail chain Flip Flop Shops to Northern California starting this year.

Charles and Hayley Gadalla have narrowed their list of possible locations down to six malls collectively in the three regions. The only one they're naming specifically as a goal is Westfield Galleria at Roseville, but that spot should come as no surprise given it is the area's largest mall and its shoppers have the highest incomes in the region.

The Gadallas, who bought the Sacramento, Bay Area and San Jose franchise territories, are negotiating on the six locations. They hope to open 10 stores in the three regions. The first would open this fall, with another store to follow every six months.

"We've been watching this concept for about two years now," Charles Gadalla said.

The couple, who are friends with the chain's president, will move to Northern California, at least temporarily.

Charles spent a dozen years in high-tech in database and business intelligence, and formerly worked for **Procter & Gamble Co.** Hayley used to work as a business analyst for the **Royal Bank of Scotland**, and is trained as an accountant.

The Northern California roll-out is part of a big expansion by Flip Flops Shops, which has 15 shops operating and 40 more in development in the United States, Canada, Guam and the Caribbean. Since 2008, the chain has received almost 5,000 franchise applications and has generated more than \$1 million in franchise fees. Founded six years ago, the retailer expects to open 236 stores by 2013.

So far, four shops are operating in Southern California, with six more planned for this year in the Golden State. California, Hawaii and Florida are a focus.

The core demographic for Flip Flop Shops is women age 18 to 32. The retailer's flip flops sell for \$20 to more than \$100, and its brands include Vans, Sanuk, Flojos and Reef.

The stores, which range from 500 to 900 square feet, attempt to bring the beach to customers by playing active lifestyle music, top action sports films on flat screens and filling the air with coconut suntan oil scents. Each store employs three to four workers.

Insurer consolidates offices

York Insurance Services Group of California has inked a 10-year deal to consolidate its three regional offices into one in Roseville.

The Parsippany, N.J.-based firm will occupy 45,000 square feet on two floors at 1101 Creekside Ridge starting at the beginning of next year, said its broker representative Kevin Mechelke, of **Jones Lang LaSalle** in Walnut Creek.

The consolidation is the result of an acquisition of Roseville-based Gregory B. Bragg & Associates Inc. in 2008. With that addition, York was operating from two offices in Roseville and one in Rancho Cordova, occupying about 55,000 square feet. Mechelke said getting employees under one roof will create efficiencies for the company and allow it to lease less space overall.

The landlord is **RREEF**, which acquires and manages investments in commercial and residential property.

Sex sells among the savvy

Michelle Gamble-Risley and Michele Smith, partners in M Communications and 3L Publishing in Sacramento, are vying for the title of sexiest entrepreneur team.

GetYourBizSavvy has narrowed the list down to four teams, and is accepting votes through Saturday at midnight.

The Michel(les), as they're known, are up against a husband-and-wife team and two teams of men: Orna and Matthew Walters, owners of Creating Love on Purpose; Adam Rich and Ben Lerer of lifestyle publication Thrillist.com; and Nick Benas and Jared Verrillo of Big League Wiffle Ball.



Photo courtesy of Flip Flop Shops

Hayley Gadalla models some of the retailer's wares.

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