

Property, People and Perceptions of Region to Change With Apple's Arrival

WORKFORCE: Talent Catches Apple's Eye, Drawing Big Move

■ By ELISE REUTER

Google, Amazon, and now, Apple Inc. are lining up to be the latest companies to join San Diego's growing tech hub. While San Diego has plenty of behind-the-scenes tech talent, between companies Qualcomm, Viasat and Illumina, it has few household names in consumer products.

Now, it's about to get one of the world's most valuable brands, with Apple Inc. planning to add more than 1,000 employees in the area in the next three years, the company said in December. The new site should heat up the competition for local engineering

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PROPERTY: UTC Location Is Well-Suited To Co.'s Wants, Needs

■ By RAY HUARD

Apple Inc. is expected to lease a UTC building owned by the Irvine Co. as it brings more than 1,000 new jobs to San Diego over the next three years, according to brokers and others who are following Apple's move.

Completed in 2017, the 96,435 square-foot, three-story Eastgate Ter-

race building at 9779 Towne Centre Drive is vacant and is in one of San Diego's hottest submarkets for office space and one of the few with large blocks of space available.

Neither Apple nor the Irvine Co. has confirmed the move.

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Photo by Jamie Scott Lytle

A UTC office building at 9779 Towne Centre Drive is seen as the likely site for Apple, Inc. in San Diego.

2019 LOOK AHEAD

Diverse Sectors Bring Balance to Economy

ECONOMY: Defense, Tech And Tourism to Help S.D. Beat National Numbers

■ By BRAD GRAVES

San Diego's economy will likely run faster than the national economy in the coming year.

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Restaurateur's Success Serves as Example

DINING: Intricacies Span From Managing to Menu

■ By MARIEL CONCEPCION

The sun is shining on Rise & Shine Restaurant Group ... now. A decade after opening his first restaurant in Pacific Beach, founder and owner Johan Engman today owns over a dozen restaurants throughout Southern California. This includes seven locations of Breakfast Republic and three Fig Tree Cafe, and the two non-breakfast/lunch concepts: El Jardin at Liberty Station and

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Photo by Jamie Scott Lytle

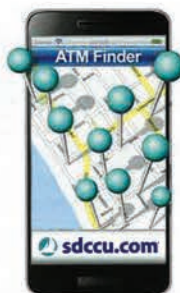
Johan Engman acquired Coronado Bayside Grill in September and ran it as-is through the end of the year before shutting down for three months for a full rebranding and remodeling.

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One Paseo's Retail Mix to Be Open for Business in Spring

By RAY HUARD

Part of **Kilroy Realty's** One Paseo mixed-use development in Carmel Valley will open to the public in 2019 as construction moves ahead on the rest of the project.

Retail stores are set to welcome their first customers March 1 on the 23-acre site.

The project has 96,000 square feet of retail space.

Retail tenants include local jewelry designer **Marrow Fine's** first brick-and-mortar shop, **Faherty** clothing of New York, **Pigment**, **Van de Vort**, **West of Camden**, **Whiskey x Leather**, **International Smoke**, **CurBar**, **Motion Stretch**, **Dry Bar**, **Shop Good** and **Soul Cycle**.

Dining options include **Cava**, **Salt & Straw**, **Urbn Pizza**, **SusieCakes**, **Ways & Means Oyster House**, **Shake Shack**, **Parakeet Café** and **Tender Greens**.

Soon to follow will be One Paseo's 608 apartments, with leasing to start as soon as April.



Retail shops in One Paseo are set to open in March.

Rendering courtesy of Kilroy Realty

Still under construction are two office towers — a four-story building and a six-story building with a total of 285,000 square feet of space.

"Everything will be done by mid-2022," said **Nelson Ackerly**, senior vice president of Kilroy Realty. "It will be the premier live, work, play community in the north part of San Diego."

In November, Kilroy signed two tenants for the office buildings.

With construction just starting on the office buildings, **Compass Real Estate** signed up to lease 22,476 square feet in the four-story building, taking up the entire ground floor.

A life sciences company signed a lease to take 67,020 square-foot of space in the six-story building, taking over the entire fourth and fifth floors.

In all, One Paseo will have 285,000 square feet of office space.

Sea Change Being Planned for \$1.2B Waterfront Development

By RAY HUARD

Plans for the \$1.2 billion redevelopment of Seaport Village on the downtown San Diego waterfront will be firm up in 2019.

Renamed "Seaport San Diego" by developer **Yehudi "Gaf" Gaffen**, the project tentatively would include a 480-foot tall waterfront tower, a 192,050 square-foot aquarium built in partnership with **Scripps Institution of Oceanography** and **OdySea**, a learning center, an urban beach, hotels, a hostel, a public market, parks, plaza, a blue-tech incubator and a revitalized commercial fishing basin at the historic Tuna Harbor site.

"Nothing like this has been done before in San Diego, but we feel good about the progress thus far and we're looking forward to all that's ahead," Gaffen said.

He said that the "core elements" of the project remain, but it continues to evolve.

"2019 will be an important year for Seaport," Gaffen said. "We will be vali-



The planned redevelopment of Seaport Village into Seaport San Diego faces several important steps in 2019.

Rendering courtesy of Seaport San Diego

dating the current design and begin testing concepts to see what San Diegans prefer to do and see at our waterfront."

Revised plans for the redevelopment are expected to be presented to the public in the spring, with a final design going to the **Port District** for review by midyear.

If the Port District approves the plan, a formal environmental review will begin under the California Environmental Quality Act (CEQA).

Plans for Seaport had to be significantly changed in early 2018 when an earthquake fault line was discovered running through the 70-acre site.

The tower that is central to the project was moved from the northwest corner of the site to the southwest to avoid the fault line and make room for a 192,050 square-foot aquarium.

Additional changes in the hotel mix were made in response to a marketing study.

Hotel Boom Appears to Have Staying Power for 2019

By RAY HUARD

More hotels are coming to downtown San Diego in 2019, with a total of 2,444 rooms expected to come on line throughout San Diego County.

That far exceeds the 1,387 rooms that were expected to be added to the county's hotel room inventory through the end of 2018, but experts said the surge in new hotel construction will be easily absorbed with no danger that the region will wind up with an excess.

"I don't think downtown San Diego is even close to being overbuilt," said **Carl Winston**, executive director of the **L. Robert Payne School of Hospitality and Tourism** at San Diego State University.

Hotels slated to come on line in downtown San Diego in 2019 are the 168-room **Guild Hotel** at 500 W. Broadway and the 239-room **Carte Hotel & Suites** at 401 W. Ash St., according to the **San Diego Tourism Authority**.

They follow the 2018 opening of the



The Moxy Hotel opened in downtown San Diego in November.

Rendering courtesy of The Moxy Hotel

400-room **InterContinental San Diego** Lane Field South at 901 Bayfront Court and the 126-room **Moxy Hotel** at 831

Sixth Ave.

"San Diego is expected to grow modestly over the next few years," **Lodging**

Econometrics — a lodging industry consulting firm — said in a December report.

In addition to downtown, Oceanside, Carlsbad and south and east portions of San Diego are the hot hotel submarkets, according to **Lodging Economics**.

If all the hotels either under construction or planned come to market, 8,716 rooms will be added to the inventory countywide.

"Keep in mind, many of these projects will not get built if they have not yet received financing," said **Robert Rauch**, CEO of **RAR Hospitality**. "Hence, I believe demand will catch up with supply in a few years, especially if the much-needed convention center expansion gets built by 2023," Rauch said.

A drive to expand the San Diego Convention Center stalled in 2018 when it was ruled — mistakenly — that the measure failed to get enough voter signatures to put it on the November ballot. It is now set to go on the 2020 ballot.