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PRODUCTS OF OUR ENVIRONMENT

MARKETING: Region’s Famous Brands Include Zoo, WD-40, Hotel Del

By BRAD GRAVES

Rubio’s Inc., the Carlsbad eatery chain, may now be owned by a private equity firm in Connecticut. As far as local branding experts are concerned, however, the quick-service chain still has its bare feet in the Baja California sand.

Rubio’s “does a really good job of owning something,” said Daniel Khabie, founder and chief executive officer of Digitaria Interactive Inc., a San Diego-based digital marketing agency. In today’s marketplace, a person looking for fish tacos has many options, “but Rubio’s is top of mind.”

Dick Daniels, principal of Escondido-based Dick Daniels Public Relations, agrees that the name Rubio’s goes with the phrase “fish taco.” “ ‘McDonald’s’ Fish Taco’ doesn’t have the same cachet.”

Rubio’s has done a good job of articulating the fish taco story, says Khabie. The firm tells about founder Ralph Rubio discovering theoffset dish while on a college trip to San Felipe, Mexico. The focus on the fish taco, however, may have made it harder for the business to diversify, Khabie notes.

Companies Look to Make Most of Coast

PLANNING: $32M Hotel, $15M Retail Center Among Upgrades in Imperial Beach

By LOU HIRSH

After years of economic setbacks, the City of Imperial Beach is making progress on projects that it hopes will someday help it snag visitors away from glitzy San Diego beach communities to the north.

San Diego-based Pacifica Host Hotels, part of Pacifica Cos., recently began construction on the $32 million Seacoast Inn, a 78-room, full-service hotel replacing a 1950s-era motel that once occupied a prime oceanfront site. The project received $7 million in support from the city’s redevelopment agency. Also, San Diego-based developer Sudberry...
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Fan’s Old Stub Proves to Be the Winning Ticket

SDBJ INSIDER
Tom York

MLB team, uploaded a stub from game one of the 1984 National League Championship Series. Ignarski wins an oversized hat, an all-access pass to a Chicago Cubs baseball fan uploaded ticket No. 5,000 on TicketStubCollection.com, a local Web site run by former San Diego resident Russ Havens. Kasey Ignarski, a lifelong fan of his favorite team, submitted the stub … Accounting firm PricewaterhouseCoopers ranks SoCal as the third most active region for investments in venture-backed companies, with the Tech Coast Angels ranked as the No. 1 most active investment group here. Indeed, the Orange County-based group is the largest angel investment network in the nation, according to a spokesman. Members, many of whom reside in San Diego, consist of a lot of high-net-worth individuals who prefer to invest in early stage startups than in government bonds. More details at TechCoastAngels.com … County officials are inviting private citizens to submit their ideas for a REDO of districts for the five board seats now that the 2010 census results have been released. The Redistricting Advisory Committee will take all ideas submitted seriously, and publish them online for everyone to see. For details, browse over to sdcounty.ca.gov/redistricting … The National City branch of the Boys & Girls Clubs, at 1430 D Ave., is set to dedicate Coryell Field in honor of the late Don Coryell, the innovative head coach of the San Diego State Aztecs and San Diego Chargers, at 11:30 a.m. April 19. Coryell’s daughter, Mindy Lewis, and current Chargers head coach Norv Turner will assist with the dedication … Laughter Day on May 1. Laughter Matters, a locally based nonprofit, sponsors the local laugh-in on that day. The goal is to achieve world peace. Visit laughin.org for time and place … Accion San Diego has scheduled its second annual Access to Capital Business Expo on April 16, with Mayor Jerry Sanders as celebrity speaker. The gathering targets entrepreneurs from southeast San Diego who are in search of financing as well as advice on how to run a business. Visit sdcedc.org for time and place … The Warner Robins Air Logistics Center’s San Diego operation received a $247 million U.S. Air Force contract to provide logistics for its Global Hawk unmanned aircraft, according to an April 4 announcement from the U.S. Department of Defense. The Warner Robins Air Logistics Center at Robins Air Force Base in Georgia issued the contract. Defense Department deals specify a variety of payment types. The Northrop deal is a fixed-price contract. The new contract covers air vehicles, engines, payloads, ground segments and support segments for Global Hawks used in peacetime deployments, both in the continental United States and abroad. The Global Hawk is a spy aircraft seen as an eventual replacement for the high-flying U-2 aircraft. Unlike the U-2, the Global Hawk is a robot, operating on a pre-programmed mission. The variant known as Block 20 can reach altitudes greater than 60,000 feet. It can stay in one area up to 24 hours and can be in the air for 36 hours. Northrop said on April 4 that a Global Hawk has been providing aerial surveillance following the March 11 earthquake and tsunami in Japan. The builder is also marking the 10th anniversary of a Global Hawk flight from Edwards Air Force Base to southern Australia. The flight made the Guinness Book of World Records for longest nonstop unmanned flight.
Self-Correcting Golf Ball Is a Game Changer for Recreational Players

SPORTS BIZ: Design Helps Golfers Overcome Hooks, Slices on Drives

By TOM YORK

The word on the course is out: the self-correcting golf ball is in.

Polara Golf has been marketing a unique ball at its Web site and weekend golf shows since launching sales five months ago.

And duffers have been lining up in droves to buy the balls, which correct hooks and slices so that long drives are much more accurate.

“Dimples are deep at the circumference and tiny at the poles, which helps overcome poor swings, he says. Polara is a Carlsbad-based unit of closely-held Aero-X Golf Inc., located in Virginia. Felker, one of the early employees at the original Callaway Golf Ball Co., also serves as chair of the company, launched with capital from 15 investors, most amateur golfing enthusiasts.

The First Shot

The ball with the unusual design has a dimple pattern,” said David Felker, Polara’s chief technology officer. “The same sort of physics that keeps missiles going straight makes our ball go straight.”

The secret behind the science is the dimple pattern,” said David Felker, Polara’s chief technology officer. “The same sort of physics that keeps missiles going straight makes our ball go straight.”

“Because our products are only for recreational golfers, they have no relevance to professional or the USGA or the game for professional golfers,” Felker said. “Customers say they just want to have fun playing on the course.”

Folker said the company decided to sell on the Internet, as well as shows and retail outlets, because of the growing popularity of online retail sites for golfers.

“Scientists Daniel Nepela and Fred Holmstrom invented the sphere in the early 1970s, and they sold 100,000 balls under the “Happy Hooker” brand.”

But the two inventors soon got into a dispute with the US Golf Association, which banned the design from USGA sanctioned tournaments (“because it actually works,” said Felker). The group makes up the rules for the professional game.

The two inventors sued, and settled for $1.4 million, walking away from the business and the patents.

Some 35 years later, several investors, including Felker, decided to resurrect the ball for recreational players who seek to end some of the frustration of driving the ball.

“Since launching sales five months ago, Polara Golf has resurrected an improved version of a self-correcting golf ball. The company says 85 percent of players hit the ball incorrectly. The design was also tested at Golf Laboratories Inc. in Escondido, an independent testing facility under the supervision of a San Diego State University statistics professor.

Much Needed Help

More than 85 percent of all players hit the ball wrong, Felker says, so the ball should prove a boon for weekend players.

Felker says the ball should be teed high, and hit with a high lofted driver for best effect.

Kevin Snyder, shop manager at the Balboa Park Golf Course, said he started hitting the balls about two years ago when first approached by Polara for testing.

“One consulting firm says about 150 million balls are sold each year in the U.S.”

“It’s crazy how straight the ball goes,” said Snyder, who has worked as an assistant golf pro at other courses.

The Polara ball is just the first step for the new company, says Felker.

“Our goal over the next three years is to introduce advanced technology products that cover various aspects of the game to meet the needs of recreational golfers,” said Felker.

Tom York is a contributing editor for the San Diego Business Journal.
Markets Tailored to Tastes of Hispanics Expand

**RETAIL:** Grocers Take Advantage of Supply Of Vacant Retail Space

By LOU HIRSCH

Fast-growing California supermarkets catering to the Hispanic community are expanding into San Diego County presence, filling big vacancies left by departing retailers at older shopping centers and providing a jump-start to long-delayed new developments.

In the past year, Sylmar-based Vallarta Supermarkets Inc. and El Super, a unit of Paramount-based Bodega Latina Corp., have moved into vacated spots in National City. And Anaheim-based Northgate Gonzalez Markets will anchor Mercado del Barrio, a mixed-use development where construction will soon get under way in San Diego's Barrio Logan neighborhood.

“These are big retailers with very solid operations,” said Chris Zapata, city manager of National City, which was hit with five big-box vacancies — spaces of 30,000 square feet and larger — when chain retailers either went defunct or closed selected locations starting in 2008.

In the past year, El Super opened its first San Diego County store in National City. El Super, a spot vacated by Mervyns, and Vallarta opened its second county store in a former Ralphs in National City.

By 2012, the three grocers are expected to generate more than $650,000 in annual sales tax revenue.

All three are aiming to serve California's rapidly expanding Hispanic household base, capitalizing on shopping center dynamics that still favor tenants in many communities.

“There were big chain stores that went out of business in good locations, like Circuit City, and the grocers have been able to move in and get some great deals on leases,” Gotaas said.

Newly released 2010 numbers from the U.S. Census Bureau show that San Diego County's Hispanic population grew 32 percent in the past decade, to just over 991,000. That growth topped the 27.8 percent rate for California's Hispanic population, and the 10 percent rate for San Diego County's general population.

**Opportunities in Big Boxes**

Gary Buxton, vice president of Texas-based retail consulting firm Buxton Corp., said those shifts have been key to filling big-box retail vacancies in places like California, which have large immigrant communities that are often underserved by traditional supermarket chains.

“They're able to set up shop in neighborhoods where a Vons or a Ralphs decided not to establish a presence, and even where they do have stores, the traditional grocers may not have been able to serve certain communities as well as the Latino grocers are able to,” Morse said.

Still to be seen, Morse said, is whether the stores hold the same sway with second- and third-generation shoppers, who are more assimilated.

The store will be Northgate's seventh in San Diego County and the first chain supermarket serving Barrio Logan in southern San Diego. Development officials say the store's commitment helped move forward the long-stalled Mercado project and will likely draw in other merchants and service businesses.

David Morse, president and CEO of New American Dimensions, a multicultural market research firm in Los Angeles, said demographic trends suggest the Hispanic-focused grocers will continue to expand their Southern California footprint in years to come.

First-generation immigrants especially like the stores because their employees and signs are bilingual, and their large size allows one-stop shopping for the foods that Hispanic families prefer, such as handmade tortillas and fresh meats, fruits and vegetables.

“They're able to set up shop in neighborhoods where a Vons or a Ralphs decided not to establish a presence, and even where they do have stores, the traditional grocers may not have been able to serve certain communities as well as the Latino grocers are able to,” Morse said.

Still to be seen, Morse said, is whether the stores hold the same sway with second- and third-generation shoppers, who are more assimilated.

**Is it Really None of My Business?**

In this day when people seem to be sharing almost everything on Facebook, Twitter, and other social networking sites, it seems a little funny that people still don't know when the person sitting next to them in an airplane is looking at their laptop screen. For business people, the saying “It’s none of your business” could be more true.

The problem is that humans are very curious creatures and the lure of a laptop screen is incredibly powerful. It is important to note that a privacy filter is a completely different product from a glare filter, don’t confuse the two of them. A glare filter does not protect your data from prying eyes. A privacy filter makes it so that you can see your screen when you look at it straight on, but the person next to you just sees a black screen. The technology is quite effective.

There are multiple manufacturers of the privacy filters, but the one I am most familiar with is 3M. Privacy filters run anywhere from about $30 to well over $100 depending upon the size of the screen you need to cover. There are also privacy filters available for smartphones, although the one I bought for my Blackberry would not stay on the screen.

One thing is obvious: Privacy filters are a bit more expensive than a glare filter, but not prohibitively so. A privacy filter makes it so that humans are very curious creatures and the lure of a laptop screen is incredibly powerful. It is important to note that a privacy filter is a completely different product from a glare filter, don’t confuse the two of them. A glare filter does not protect your data from prying eyes. A privacy filter makes it so that you can see your screen when you look at it straight on, but the person next to you just sees a black screen. The technology is quite effective.
Challenging Projects Are Creative Outlet for Astro Energy’s Talents

CONSERVATION: Firm Specializes in Improving Clients’ Energy Efficiency

By TOM YORK

When Imperial Valley’s El Centro Regional Medical Center needed to replace its data center heavily damaged by the April 4, 2010, Mexicali earthquake, newly established Astro Energy Group, won the bidding against a number of more experienced competitors, including Honeywell International Inc. and IBM Corp.

And the new business, which develops, installs and finances projects designed to improve energy efficiency and maintenance costs, designed an unusual replacement for the 7,200 square-foot portable trailer that exceeded all of the requirements set by state regulatory officials for medical structures.

John Gaede, director of information technology at the 150-doctor medical center, said, “The best way to describe the Astro Energy Group is creative and industrious.”

He said the company decided to take an MRI trailer already approved by state regulators and turn it into a portable data center, which handles all of the center’s administrative functions, such as patient records, human resources and accounting.

“The only thing we found an MRI that a hospital wasn’t using and with the help of their engineering team, turned the trailer into a fully functioning data center,” said Gaede.

Gaede said the project cost approximately $1.5 million against the $5 million to $6 million cost of building a brick and mortar building to house IT, not to mention the added months, if not years, of time needed for all of the approvals from various regulators.

“We could save billions of dollars if we could deploy structures like this,” he added. “This was the result of the creative, innovative thinking of the Astro guys.”

Close Industry Connections

Rick Moren, who serves as chairman of the Astro Group’s board, calls the work “a one off job” but demonstrated what the business can do, given its close connections with highly experienced subcontractors in the electrical and heating, ventilation and air conditioning fields.

Moreno said his crew and contractors completed the project in just five months, after breaking ground in November.

“We fabricated this, and designed it all ourselves,” said Moreno. “We did it on budget and under time, while doubling their capacity,” he added.

Astro is a partnership that resulted after the melding of South County’s Chula Vista Electric Co. and Astro Mechanical Contractors Inc. more than a year ago.

Another partner is electrical contracting consultant Technology Standards Group Inc.

San Diego has become a focal point for the newly emerging green energy sector, and Astro Energy is one of dozens of Light Goddess businesses that are helping lighting and business owners achieve improved energy efficiency.

The business is targeting the government sector, primarily defense and education, as well as commercial buildings.

The company specializes in coming up with energy savings, achieved by such strategies as a fairly labor-intensive operation and electrical systems to save on energy bills.

Ample Experience

The two primary participants have years of experience in the business.

Chula Vista Electric is an 85-year-old contracting firm, while Astro Mechanical has 51 years in the business.

Offspring Astro Energy has helped the two stay competitive in a very slow economy for new construction.

That’s good, because Moreno says the company faces a number of competitors in the market for retrofits to increase energy efficiency, including a division of San Francisco-based oil giant Chevron Corp.

The two principal partners developed much of their expertise when they worked with the State of California Advanced Lighting Training Program, which came with employee training standards.

“The largest amount spent by the landlord is on electrical and mechanical systems,” Moreno added, noting that energy costs are rising 3.5 percent to 4.5 percent a year. “It’s not getting any cheaper.”

“Energy is going on inside a building, then come up with solutions that reduce power consumption,” he said.

He said newer systems can save up to 35 percent in utility costs.

“Energy conservation is sometimes called the “third fuel,”” said Astro Energy Chief Executive Officer James Masias. “It’s money you don’t have to spend on a precious commodity.”

Tom York is a contributing editor for the San Diego Business Journal.

Fishery Catches on to Need to Cultivate Coveted Bluefin Tuna

AQUACULTURE: U.S. Market Is Next Frontier For Japanese Delicacy

By MIKE ALLEN

Tuna lovers talk about the wonderful- ness of yellowtail and albacore, but in Japan, nothing beats bluefin.

To give an idea of how prized the spe- cies is there, a few years ago, a 282-pound bluefin was auctioned off in Tokyo’s fish market for $1.7 million, or about $105,000. That’s about $370 a pound.

But overflowing of the Northern bluefin in the Atlantic Ocean and Mediterranean Sea as well as in the Pacific has resulted in a global decline of the species.

To augment the wild stock, worldwide efforts to farm or harvest bluefin has been growing, including in Mexico, and now in San Diego through a company launched last year called Umami Sustainable Seafood.

As the name suggests, nearly all of Umami’s bluefin is sold to fish wholesalers in Japan, but Chief Executive Officer Olle Stein- dorphos says the key to success is extending the farming cycle for the fish before they’re harvested. Instead of the traditional farming cycle of keeping the fish for three to six months, Umami keeps it bluefin swimming and growing for an average of three and a half years.

That means the fish are much fatter and, hence, much more desirable to Japanese fish mongers, says Karl Petur Jonsson, Umami spokesman.

“We’re taking in one kilo of bluefin, and from that the output is five to 12 kilos,” Jonsson said. “The fatter fish ensures better prices from markets in Japan.”

The bluefin farming differs from salmon farming, where the fish are raised starting in the larva stage. Instead, the bluefin are caught at 1 or 2 years old, and then kept in enclosures for at least three years.

It’s a fairly labor-intensive operation. The Mexican unit has 240 workers; in Croatia has 51 years in the business.

Gavin Gibbons, spokesman for the Na- tional Fisheries Institute in McLean, Va., the largest seafood trade association, says fish farming is becoming more prevalent throughout the world, and generates about half of the fish consumed globally and will only rise. “To feed the world, aquaculture, fish farming, has to produce more sea- food,” Gibbons said.
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Funding Helps ecoATM Answer The Electronics Recycling Call

ECOATM
CEO: Tom Tullie.
Revenue: Would not disclose.
No. of local employees: 15.
Investors: Constar Inc., Claremont Creek Ventures, Tech Coast Angels, Tao Venture Partners.
Headquarters: Sorrento Valley.
Year founded: 2008.

Mark Bowles, left, and Tom Tullie plan to increase the number of ecoATM cell phone-recycling kiosks to 100 this year and 1,000 by the end of 2012.

With Future of Enterprise Zones in Doubt, Firm May Pack Up, Go

JENSEN MEAT INC.
CEO: Robert Jensen.
Revenue: Would not disclose.
No. of local employees: 130.
Investors: Family owned.
Headquarters: Vista.
Year founded: 1958.
Company description: Wholesale meat processor and distributor to schools and other large institutions.

A Threat to Region
Such threats have South County economic development officials worried, especially in terms of bringing new businesses and jobs to the area.

“We need to continue the enterprise zone, and we need to continue redevelopment, quite honestly,” said Cindy Gomp-Graves, CEO of the nonprofit South County Economic Development Council, a business development arm. “These are tools in my tool box that allow me to incentivize companies to locate in South County.”

Until recently, Brown proposed eliminating the state’s 45 enterprise zones as well as redevelopment agencies to help close a $12.5 billion gap in the state’s spending plan for fiscal 2012.

A Legislative Analyst’s Office report said the zones don’t generate jobs, as claimed by local officials.

“But they are expensive and not shown to be effective, we recommended that the area programs be eliminated,” the report’s authors said.

They said eliminating the zones would generate $581 million in revenue for the state next fiscal year.

Creating Jobs
But Sanders disputes those findings, and points to the value of the agencies.

He says the enterprise zone has generated more than 13,200 jobs at 750 companies in the past three years, noting that Nasso/General Dynamics Corp. has hired 2,900 shipyard workers and Goodrich Corp. has hired more than 1,000 through the program.

Sanders also says it’s not just for large enterprises, small businesses have taken advantage of the program, too.

For example, he says Craft Labor & Support Services LLC has added 98 local jobs since opening in National City’s portion of the enterprise zone in 2008. The company employs 200 in California and Washington state.

Tom York is a contributing editor for the San Diego Business Journal.
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Local Office Market Receives a Vote of Confidence

REAL ESTATE: State, Federal Cuts Won’t Derail Its Recovery

By LOU HIRSH

As federal and state lawmakers dispute about how to cut budgets, local landlords and brokers say they’re not immediately concerned that government downsizing moves will adversely impact demand for commercial office space in San Diego County.

“It’s something we’re keeping an eye on, but we’re not losing sleep over it,” said John Turner, senior vice president with The Irvine Co., among the largest local office property owners, with 60 buildings encompassing 7.4 million square feet.

Turner said the bulk of Irvine’s downtown tenants are firms and agencies that deal with the state and federal courts, as well as the Internal Revenue Service. Generally, agencies related to security and law enforcement are not considered in danger of losing major funding at the federal level.

State and federal courthouse projects are under way in the downtown area, as court systems continue to boost infrastructure to handle rising caseloads. Turner said the federal government has already booked up about 90 percent of the space to be used by court-related agencies in the U.S. courthouse, set to open in 2013.

Drawing More Tenants

That suggests there may still be a need for other government agencies and related firms to find space in commercial buildings if they wish to be near the courthouse, Turner said.

He said Irvine Co. doesn’t have a significant quantity of downtown leases set to end in the next two to three years, the period when government budget cuts would begin taking effect. Even after state and federal lawmakers agree on specific operating costs, it could take several more years to see the full impact on commercial office real estate.

By that point, the local office market will likely have improved significantly along with the rest of the economy, Turner said.

Currently, the largest local government construction project is a six-building, 38-acre County Operations Center, being developed in San Diego’s Kearny Mesa area by Los Angeles-based Lowe Enterprises.

Real Estate Group

Approximately 1,100 employees from nine San Diego County departments have relocated to the first two buildings since they were completed in fall 2010. Two buildings in the project’s second phase are set to be completed in 2012, with the final two buildings to be finished in 2014.

Mike McNerney, a senior vice president in Lowe’s San Diego office, said the county will be housing a total of about 4,000 in the complex when it’s completed, with most being relocated from other county-owned sites.

McNerney, whose firm develops government projects throughout the nation, said he doesn’t expect the county project to create a flood of open commercial office space in vacated locations. For instance, the county could decide to hold on to those buildings that it owns and put them to use for other government operations, or sell off some properties in a process that could play out over several years.

Renata Simril, southwest region managing director in the public institutions practice of brokerage firm Jones Lang LaSalle, noted that federal agencies such as the FBI are actually expanding in San Diego. In the long run, other departments tied to homeland security will also likely be expanding, which could counteract the effect of budget cuts made elsewhere.

“There will need to be some rethinking of real estate strategies, but it’s just too soon to know how that’s going to play out,” Simril said. “Private companies have already taken actions to streamline their office space requirements, but government is always a lagging indicator in terms of the economy.”

Andy La Dow, a principal with brokerage firm Cassidy Turley BRE Commercial in San Diego, noted that there is currently about 600,000 square feet of downtown office space, in which various government agencies will be making decisions in the next two to three years about whether to stay or go.

Expanding Operations

Steve Rosetta, executive managing director in the San Diego office of brokerage firm Cushman & Wakefield, said many government departments such as courts and social service agencies are actually looking to expand operations but waiting for past funding requests to be approved. The fate of those requests could also sway the local office market.

Road Operators Seek Buyer

To Rescue It From Bankruptcy

By EMMET PIERCE

Operators of the financially troubled South Bay Expressway are optimistic that the U.S. Bankruptcy Court in San Diego soon will approve their plan for emerging from Chapter 11 bankruptcy protection.

A hearing on the matter has been set for April 14. About a year after filing for Chapter 11, the operators of the 9.3-mile toll road are talking with potential buyers.

Among them is the San Diego Association of Governments, or SANDAG, which administers a local TransNet half-cent sales tax fund to be spent on transportation projects, said South Bay Expressway CEO Greg Hulsizer.

“There are private sector businesses that are interested in purchasing the franchise also,” he said. “We are providing them information so they can do their due diligence.”

Marney Cox, chief economist for Sand- dag, confirmed that the council’s governing board is exploring the purchase of the expressway. He said the panel considers the toll road to be “an important strategic expressway to be an important strategic asset to the region,” but he declined to discuss details of the proposed transaction.

The public-private partnership used to create the expressway has been described as an innovative way to pay for highways. “Public-private partnerships are more prevalent in Europe, South America, Australia and other parts of the world,” Hulsizer said. “They are becoming more common in the U.S. as cash-strapped governments search for funds to expand aging highway systems, he added.

SOUTH BAY EXPRESSWAY L.P.

CEO: Greg Hulsizer.

Financial Information: For the fiscal year ending June 30, 2009, the South Bay Expressway L.P. had revenues of approximately $211 million and adjusted earnings before interest, taxes, depreciation and amortization, of approximately $3 million. As of March 22, 2010, the bankruptcy petition date, the company had approximately $640 million in book value of total assets and approximately $570 million in book value of total liabilities. As of Dec. 31, 2009, the book value of the asset was declared to be $287 million.

No. of local employees: 50.

Investors: Macquarie Atlas Roads and Macquarie Infrastructure Partners.

Headquarters: Otay Mesa.

Year founded: The current owners financed the project in 2003.

Company description: Owner and operator of the toll road, developed and operated under a public-private partnership with the state of California. It holds a 35-year lease with Caltrans to own and operate the toll facility until it returns to state ownership.

“Public-private partnerships are opportunities to bring in private capital to take on the development to develop, build and operate a road,” he said.

Otay Mesa to Spring Valley Route

The expressway is the southern portion of state Route 125. It extends from Otay Mesa to Spring Valley, passing through Eastlake and Otay Ranch in Chula Vista.

After a free introductory period for drivers, the collecting of tolls started at the beginning of 2008. Each workday the toll road diverts about 26,000 vehicles from the Interstate 805 freeway and South County arterial streets, Hulsizer said. “We are like any other business or service. We have to deliver value to our customers to get them to part with their hard-earned cash.”

The bankruptcy proceedings have not interrupted traffic on the freeway, Hulsizer stressed.

Andy Gompers-Graves, chief executive officer of the South County Economic Development Council, said the toll road is essential for the future development in the South Bay area. The land area it serves “is where the growth has occurred and where it will continue to occur,” she added.

According to Hulsizer, a series of unforeseen problems pushed the highway into bankruptcy. The road was 13 months behind schedule and deeply indebted when it opened in the fall of 2007, he said. At its peak, contractor claims against the toll road exceeded $700 million. Over time, the company’s legal costs continued to mount.

“It was like a perfect storm,” Hulsizer said. “We had significant claims from our contractors and we spent considerable money, $40 million, in lighting claims.

Troubled Times Affect Revenues

The worsening economy, high unemployment and the slowing of cross-border traffic combined to reduce toll-road revenues. Hulsizer said he still believes in public-private partnerships for building public infrastructure.

“In this case the investors will not make a profit,” he said. “They lost their investment. By filing Chapter 11, they basically walked away from their investment and the debt is being restructured. There are probably lessons here to be learned going forward.

One of the things that slowed the project down was the difficult process of winning environmental approvals, he noted. The process took 12 years, he said.

Emmet Pierce is freelance writer for the San Diego Business Journal.
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After Sheding 10 Properties, Sunstone Back in Buying Mode

After forting 10 hotels in the past two years, including four in San Diego, Sunstone Hotel Investors of Aliso Viejo is doing some high-end shopping in 2011. The company announced in January that it planned to acquire $1 billion in hotel properties around the country, aiming to add big upscale properties to its portfolio. Its biggest buy of the year — as of the end of the first quarter — is its planned $475 million purchase of a 75 percent stake in the 1,190-room Hilton San Diego Bayfront.

Sunstone President Ken Cruze said March 29 that the company plans to fund that acquisition in part from proceeds from an upcoming $30 million sale of its Royal Palm Miami Beach hotel in Florida.

Alan Reay, president of Irvine-based consulting and brokerage firm Atlas Hospitality Group, says Sunstone is not being punished by the market after essentially walking away from hotel loans under which it owed more in payments than the properties were worth, including five hotels in Southern California.

Instead, he said Sunstone is already playing the improving fundamentals of the U.S. hospitality market, in which large luxury properties have so far been among the last to recover from the recession. Those properties are among the most valuable assets in the hospitality sector, making their recovery crucial to the overall market.

Reay said the company is now looking to acquire more properties in San Diego after it acquired the Plaza La Valencia in La Jolla in 2010.

“I am not surprised by Sunstone’s bid for the large hotel properties,” said Christopher Thornberg, founding principal of Los Angeles-based Beacon Economics, during a March 31 real estate forecast forum in La Jolla.

“In addition, banks have developed more sophisticated ways of dealing with surplus properties to circumvent foreclosures,” Thornberg said at the forum, presented by Voit Real Estate Services Inc. “The reality is that there has been an increase in acquisitions of Class A properties, and this is likely to continue.”

Thornberg also anticipates a rise in business spending in 2011, as the San Diego County economy continues to benefit from rising global demand for technology and other exports. He remains cautious, however, about potentially excessive Federal Reserve easing of interest rates, which could spur new market investment bubbles.

North Beach-based Voit, started in 1971, has 29 brokers and a property manager at its San Diego office. Founder and Chief Executive Officer Robert Voit said Sunstone’s move to bidding on the 145-room hotel was another example of a more sophisticated ways of dealing with surplus properties to circumvent foreclosures.

“Since their deal fell through last year to acquire $1 billion in hotel properties nationwide market access, Voit said the firm has opened offices in four other Western states, and also expanded its market into new regions including the Northwest, where it doesn’t have an office presence.

Burger Chain Expands in San Diego: Yet another chain burgermeister is beefing up its San Diego County presence. The Counter Custom Built Burgerers, a full-service gourmet hamburger restaurant with headquarters in Culver City, recently opened at the Del Mar Highlands Town Center in San Diego’s Carmel Valley neighborhood. The 2,350-square-foot location is the second restaurant for Sun Diego County franchisees Tom and Charlet Yoo, who previously opened The Counter at The Forum in Carlsbad. Tom Yoo said the couple is scouting locations for potentially five more that would open around the county in the next few years.

Local Firm Buys Morro Bay Hotel: San Diego-based Pacifica Host Hotels is the new owner of the Inn at Morro Bay, located on California’s Central Coast. The 98-room property was previously owned by San Luis Obispo County hotelier and developer John King. It was placed into receivership last year.

Michael de Jesus, Pacifica Hostel’s vice president of sales and marketing, said the acquisition price was approximately $9 million, and the deal closed on March 30.

Send commercial real estate and development news of general local interest to Lou Hirsh via e-mail at lhirsh@sdbj.com. He can be reached at 858-277-8040.
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EXECUTIVES` FAMILIES RETIRE FOOD BANK’S MORTGAGE

Former President Bill Clinton joined Qualcomm Inc. founder Irwin Jacobs and businessman Steve Cushman and their wives April 3 at the San Diego Food Bank to announce the two families are paying off the $1.76 million mortgage on the food bank’s warehouse in Miramar.

The facility was renamed the Jacobs & Cushman San Diego Food Bank to recognize the gift.

Clinton was on town to open the fourth annual Clinton Global Initiative University Meeting at UC San Diego. The initiative convenes global leaders to create and implement innovative solutions to some of the world’s most pressing challenges. CGI’s student university challenges college students to come up with practical solutions and commitments to ongoing global problems.

Clinton’s address at the local food bank was part of the CGI’s three-day forum and preceded a day of volunteer service by the visiting students and other community members at the food bank.

The donation from the Jacobs and Cushman families will retire the debt on the mortgage for the food bank’s facility at 9850 Distribution Ave., saving monthly mortgage payments of more than $18,000. That will allow the food bank to pay for about $6,000 additional meals to the community each month, said a food bank spokesman.

The food bank has been through some difficult times starting in 2005 when it was embroiled in scandal involving recipients taking the food and selling it at swap meets. That led to its parent organization, Neighborhood House Association of San Diego, halting funding, and the resignation of most of the bank’s board members in 2006. In 2007, some of those directors formed a local food bank affiliated with America’s Second Harvest, which operates a warehouse in the Sorrento Mesa area.

Several years ago, under the leadership of Eugene “Mitch” Mitchell, a top executive at Sempra Energy, the food bank separated from Neighborhood House, and started collecting mortgage payments on its main asset, the Miramar warehouse.

The food bank distributed more than 18 million pounds of food last year to individuals, families and a network of nonprofit groups, the organization said.

— Mike Allen

CHASE REVEALS PLANS FOR 10 MORE LOCAL BANK BRANCHES

New York-based JPMorgan Chase Bank, a subsidiary of JPMorgan Chase & Co., said April 4 it plans to open about 100 new branches and add more than 1,500 jobs nationally to better serve its customers.

The plans call for 10 new branches in San Diego, which would add 100 to 125 jobs.

The nation’s second largest bank with about $2.1 trillion in assets said the additional branches in San Diego will be all over the market. Following the additions, Chase will have 103 branches in the county, and more than 900 branches and 3,000 automated teller machines in the state.

Chase acquired most of those branches in a distress sale arranged by federal regulators following the $300 billion-plus failure of Washington Mutual Bank in 2008, the largest bank failure in the nation’s history.

Chase currently has the second-highest number of branches in San Diego County, behind Wells Fargo Bank. Chase said by 2015, it plans to add 525 to 700 new branches in this state. Chase said it has more than 18,500 employees in California, with about 12,000 of those in its branch network. The bank said it has more than 14.5 million consumer and small business customers in California.

— Mike Allen

OPTIMER SHOES GO HIGHER ON FAVORABLE FDA REPORT

A Food and Drug Administration report issued in early April said that a drug from Optimer Pharmaceuticals Inc. is effective in treating a dangerous form of bacteria called Closidridium difficile.

Though the news did not amount to FDA approval, it caused shares in San Diego-based Optimer to rise by nearly 11 percent that day.

The FDA report said the Optimer drug, called fidaxomime, works just as well on the bacteria as the gold-standard drug, a product called Vancocin produced by Pennsylvania-based ViroPharma Inc.

Closidridium difficile is often acquired in hospitals and health care settings. It causes diarrhea and is very difficult to treat.

The FDA issued its report April 1 in advance of a daylong hearing by an FDA panel that had been scheduled for April 5. Optimer shares, traded on Nasdaq as OPTR, closed at $11.83 on March 31, then closed the next day at $13.13.

— Brad Graves

DIGITAL TV SOFTWARE FIRM ACQUIRES ITS GERMAN PARTNER

Verimatrix Inc., a San Diego firm that makes security software for the pay television industry, said March 31 it acquired Convenent GmbH, a German firm that previously was its partner. Terms of the transaction were not disclosed.

Convenent makes digital video broadcasting and content access software.

Following the transaction, Verimatrix will have about 100 employees, including 22 from Convenent.

Founded in 1999, Verimatrix received more than $40 million in venture capital financing including investment from San Diego-based Mission Ventures.

— Mike Allen

North County:

from page 13

North County leaders have set a goal of providing for the highest quality of life measures in the region. Best amenities possible to continue one of the highest quality of life measures in the region.

— Ted Owen is president and chief executive officer of the Carlsbad Chamber of Commerce.
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<th>Exemplary Performance Award Recipient</th>
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<td>William Scarfa</td>
<td>Jonathan Freeman</td>
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<td>CFO, San Diego Regional Chamber of Commerce</td>
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*Updated 04/07/11*
Developers Set Their Sights On Reconstructing Business

CONSTRUCTION: Builders Caught in Changing Market Shift to Small, Infill Projects

There have been a host of challenges for San Diego County’s residential real estate developers since the housing market peaked in 2005, but many have found ways to stay active while awaiting an economic turnaround.

Steve Doyle, president of the San Diego-Riverside business group for Brookfield Homes, said his firm has been selling dwellings “in the 130 to 150 homes per year range for the last couple of years.” In 2005 and 2006, “we were building between 500 and 600 homes a year” and selling buildable lots to other developers.

Developers who want to survive have adjusted to the changing marketplace, he said. They recognize that in the future there will be more opportunities in attached homes and urban-infill projects. The days of large developments of single-family homes along the urban fringe are coming to an end.

Some builders and local contractors have expanded their services to include the rehabilitation of foreclosed homes, Doyle said. Others are waiting out the recession by working on such things as mini-storage centers and convenience stores.

“You definitely will see more infill or smaller lot single-family development” as the economy improves and home construction accelerates, Doyle added. Densities will be higher. “The land that is remaining in San Diego and is available for development is dwindling fast, yet population growth continues to be very strong.”

Future homes will be built near employment centers, rather than in the suburbs, he said. “When you are looking at $4 and $5 for a gallon of gas, you will find people looking for homes that are closer to jobs.”

Homebuyers Return

He noted that the market for new homes has begun to pick up, even though the recession lingers. “We are seeing better interest, better traffic and more buyers this year than last year. We are building attached product in the South County and detached product in the North County.”

Doyle, who has seen several real estate booms and busts, joined Brookfield in 1993. He noted...
For Some Builders, Smaller, Lower Priced Homes Are Better

CONSTRUCTION: With Little Inventory Available, New Home Sales May Rise

By JULIE GALLANT

Residential builders may be down, but they’re not out of the development game. Some of the survivors are building smaller or fewer homes, while others are regrouping with niche products or rental properties.

The story of the rise and fall of the building industry is told through such trade organizations as the Downtown Residential and Marketing Builders Alliance, which grew from three market rate home builders the year it was formed in 1999 to 21 members by about 2006 and has been drawn down again to two members. Alliance members built 11,000 new homes in downtown San Diego between 2000 and 2009, according to Sherm Harmer, president of local development firm Urban Housing Partners Inc., which is constructing the sole project of its type downtown, a 40-unit rental property at Columbia and Fir streets in Little Italy. Harmer says many of the building companies that were in San Diego County during the boom years were regional or national builders that have since closed or dramatically reduced their local operations, some of them consolidating divisions in Orange County and Los Angeles. Roughly 15 builders closed or consolidated their local offices, Harmer says. D.R. Horton Inc. had more than 500 local employees and reduced its staff to fewer than 10, Lennar Corp. consolidated operations in Los Angeles and dramatically reduced its local presence; while Century, William Lyon Homes and Standard Pacific Homes closed their local offices and consolidated in Orange County. The decline is evident in the average number of sales in downtown San Diego, which dropped from 1,200 home sales per year between 2002 and 2006 to 360 sales in 2010, according to Harmer.

Slow Recovery

Now, new home projects are recovering slowly because they’re in price competition with resales, he says. “New homes generally sell for more than resales, but in today’s market many are selling at the same price, and new construction costs more, so it’s hard to make any feasibility out of new construction,” Harmer said.

The survivors are adjusting. Some are ditching the 300-unit high-rises that can’t be built in phases in favor of small phases of single-family homes. “It reduces their financial exposure,” Harmer said. “They’re also building smaller homes that can be sold at lower price points.”

Scaling Back

CityMark Development, an 11-year-old firm of 20 employees in Hillcrest, is among those scaling back its projects. The firm’s vice president, Russ Haley, says that while its typical low-rise to high-rise urban and infill projects previously ranged from 80 to 340 units, its most current project, Beacon Leucadia, consists of 10 high-end luxury custom homes ranging from 1,930 to 2,200 square feet. Starting in the low $900,000s, the homes are just beginning construction, and delivery is expected in late summer. Haley says he’s optimistic about sales, which begin in May. “There’s so little inventory in San Diego right now that if you market a project right and price it right, it should do well,” said Haley, adding that this is the first project CityMark has started in more than four years. “There was a gap of one to two years when we weren’t selling anything at all. It was a very unsettling feeling. When the economy tanked, everything stopped.”

One sign of improvement he points to is CityMark’s involvement in selling six homes in about two months this year at the Mission property in Mission Hills.

Looking at 3 Factors

Paul Barnes, president of Shea Homes San Diego, expects the velocity of home buying to escalate once there’s a turnaround in either the uncertainty about the economy, world events or employment. If any of those three factors crystallizes favorably, there will be a quick recovery, Barnes says, adding that the momentum will build and home pricing will rise. Barnes says he’s also optimistic about sales at two of Shea’s upcoming projects: Aria in Chula Vista, which is opening in June with 46 homes on 15,000-square-foot, single-family lots, and Origin’s Sky-loft community of 73 loft homes along with Social Garden’s 123 condominium homes opening this fall in Mission Valley. “They’re unique enough that even in today’s climate they have attributes that they’ll do stellar sales, quite frankly,” he said.

Although Harmer is expecting a slow economic recovery, he says local home prices are becoming fairly stable and closures and short sales are declining. To be competitive, new homes will have to differentiate themselves from older homes by being built with solar energy systems and other energy efficiencies along with electronic upgrades such as computer-controlled lighting, temperatures and music, remote-controlled appliances and artificial landscaping.

Also, Harmer says, most new housing will be more compact development, more multifamily and located on transportation lines. Harmer cites as examples the 47-unit Pacific Station in Encinitas, with townhomes, lofts and flats ranging from 600 to 2,400 square feet, and Urban Housing Partners’ joint venture Smart Corner project, a 19-story, 301-unit mixed-use condo tower built on a trolley stop downtown.
EXECUTIVE PROFILE | Paul Barnes

Paul Barnes serves as division president for Shea Homes San Diego. As division president, Paul serves the role as chief clarification officer and makes sure that all the various disciplines within the organization are working as a team toward a common set of goals. Shea Homes was recently recognized by J.D. Power and Associates as a leading customer service organization, ranking in the top 5 percent in a group of 800 companies, and the only homebuilder to receive this acknowledgement. He believes that this is a testament to the great team members with whom he has the privilege of working.

BUSINESS PHILOSOPHY

Essential business philosophy: Listen — know that those who touch the problem probably know the best solution.

Best way to keep a competitive edge: Eliminate fear in an organization.

Guiding principles: My job is to make sure that the industry’s best have the tools to succeed.

Yardsticks of success: Customer feedback.

Goals yet to be achieved: Advancing the housing agenda for those who don’t have a voice.

JUDGMENT CALLS

Best business decision: Finding a career that I am passionate about.

Worst business decision: I guess I’ve learned from them all, which makes them all positive experiences.

RESUME

Name: Paul L.L. Barnes.
Company: Shea Homes.
Title: President San Diego division.
Revenue — 2010: $113,500,000.
Revenue — 2009: $104,600,000.
No. of employees: 48.
Year founded: 1881.
Education: Undergraduate: UC San Diego; graduate: San Diego State University.
Birthplace: Los Angeles.
Age: 48.
Current residence: Encinitas.

Toughest business decision: “Right sizing” an organization.

Biggest missed opportunity: Not buying the old “Speedster” in the barn at Black Horse Farms.

Word that describes you: Curious.

TRUE CONFESSIONS

What you like best about your job: The people.

What you like least about your job: Dealing with uninspired bureaucracies.

Pet peeves: Laziness, not taking responsibility.

Most important lesson learned: Never give up.

Person most interested in meeting: George Washington — He never gave up.

Three greatest passions: Living, learning and eating.

First choice for a new career: Owning and managing a race team.

PREDILECTIONS

Favorite quote: “If the wind will not serve, take to the oars.”


Favorite status symbol: My dog.

Favorite place for business meetings: Walking construction sites with people.

Favorite vacation spot: Utah.

Favorite way to spend time: Laughing.

— Steve Adamek

Developers:

that many builders have moved their operations out of San Diego County in recent years.

“There are a few still brave enough to be independent and fully functioning in San Diego, but the larger public builders who are looking to buy finished or near-finished lots have consolidated their efforts somewhere in the Irvine-Corona corridor” where there are more building opportunities.

One growth opportunity will come in meeting the housing needs of low-wage earners, said Jim Silverwood, president and chief executive officer of Affirmed Housing Group. He oversees investor and lender negotiations, financial underwriting and construction and asset management for the company. He has spent 18 years in the affordable housing business here.

“We develop affordable and work force housing throughout California,” he said.

“Years ago we did more suburban affordable housing. More recently our emphasis has been on urban infill and much higher density.”

The company has placed a high emphasis on green building and keeping homes close to transit centers. The focus of the business is creating rental housing. He noted that the strong opposition to rental housing that once was commonplace in the San Diego area has diminished in recent years.

That is because community leaders are trying to find more environmentally sustainable ways to approach construction, he said.

Sheltered From the Storm

The company is based in the Sabre Springs area, near the intersection of Interstate 15 and state Route 56. It often partners with government agencies and nonprofit organizations. Affirmed Housing Group has not seen the same rise and fall of business that has plagued most local builders.

“We did not have a real boom period when the for-sale market went through its dramatic run up,” Silverwood said. “In general, our revenue is actually higher now than during the boom. We have had years where we have delivered over 400 units. We have had years where we have delivered as few as 40 or 50. Our success often is driven by our ability to access other funding sources. We have to cobble together several layers of funding. It is a rather complicated and time-consuming process.”

High-end home builder Bill Davidson, president of Davidson Communities, has been a fixture on the San Diego housing scene for more than three decades.

Davidson said his company’s activity has fallen steeply since the days of the housing boom, which raged from the early to mid-2000s.

“We have had very little activity the last couple of years,” he said. “My company is as small as it has been since I started in 1978. I am guessing 16 or 17 houses last year. We would be up to 300, 320 in our best year. I don’t see San Diego as being a community that can support that kind of activity any longer. Lots are not as accessible as they have been over the last 20, 30 years.”

“A couple of years,” he said. “My company is seeing volumes in sales increasing in January and February.”

“We see volumes in sales increasing in 2011,” he said. “We certainly have seen a lot of price stability. My impression is that consumers are understanding that real estate is undervalued and in the long term it is a good investment.”

Enmet Pierce is a freelance writer for the San Diego Business Journal.
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<td>2031 Via de la Valle, Del Mar 92014 <a href="http://www.coldwellbanker.com">www.coldwellbanker.com</a></td>
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<td>7177 Recondo Center Drive, #300, San Diego 92126 <a href="http://www.century21award.com">www.century21award.com</a></td>
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<td>4</td>
<td>Windermere Real Estate/Exclusive Properties</td>
<td>16236 San Diego Road, #3-10, P.O. Box 9178, La Jolla, CA 92038 <a href="http://www.windermereexclusive.com">www.windermereexclusive.com</a></td>
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<td>9235 Paseo Delicias, Suite K, Rancho Santa Fe 92037 <a href="http://www.barreyestates.com">www.barreyestates.com</a></td>
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<td>11172 Santa Fe Drive, #6, San Diego 92120 <a href="http://www.jopanna.com">www.jopanna.com</a></td>
<td>858-391-5830 858-802-1124</td>
<td></td>
<td>$305.9</td>
<td>$7.8</td>
<td>682 58 11 11</td>
<td>San Diego County</td>
<td>Send</td>
<td>Al Harazly</td>
<td>1 1</td>
<td>1990</td>
</tr>
<tr>
<td>7</td>
<td>Realty Executives Carlsbad</td>
<td>5170 Amelia Earhart, Carlsbad 92008 <a href="http://www.realexyecutivescarlsbad.com">www.realexyecutivescarlsbad.com</a></td>
<td>760-438-0315 760-438-9454</td>
<td></td>
<td>$249.4 $255.4 (5)</td>
<td>$4.8</td>
<td>654 178 40 2</td>
<td>North County, beach and inland</td>
<td>Full-service listing, sales, relocation, mortgages, leasing, short sales, real estate owned properties</td>
<td>Bill Clark</td>
<td>1 1 1</td>
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</tr>
<tr>
<td>8</td>
<td>Re/Max Coastal Properties</td>
<td>4125 Cas St, San Diego 92109 <a href="http://www.rnmcoastal.com">www.rnmcoastal.com</a></td>
<td>858-272-0999 858-272-0877</td>
<td></td>
<td>$139.0 $133.0 16</td>
<td>$3.5</td>
<td>292</td>
<td>31 8 7</td>
<td>Pacific Beach, Mission Beach, La Jolla, Ocean Beach, Point Loma, Greenwood, coastal San Diego</td>
<td>Listings, sales, relocation, leasing, property management, vacation rentals</td>
<td>Gregory S. Fleischer</td>
<td>1 1</td>
</tr>
<tr>
<td>9</td>
<td>Realty Executives Vista</td>
<td>911 Hacienda Vista, Vista 92029 <a href="http://www.realityexecutivesvista.com">www.realityexecutivesvista.com</a></td>
<td>760-758-2300 760-758-8651</td>
<td></td>
<td>$137.5 $135.0 (8)</td>
<td>$3.3</td>
<td>356</td>
<td>34</td>
<td>North County, residential, condominiums, land, income property</td>
<td>Steve C. Jackson</td>
<td>1 1</td>
<td>1979</td>
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<td>10</td>
<td>Prudential Dan, Realtors</td>
<td>5611 Avenida De Playas, La Jolla 92037 <a href="http://www.prudential.com">www.prudential.com</a></td>
<td>858-274-3999 858-581-6867</td>
<td></td>
<td>$78.7 $70.3 (1)</td>
<td>$2.0</td>
<td>168 55 15 2</td>
<td>San Diego County, beach area</td>
<td>Residential, mortgage, investment, commercial, appraisal, rotary, Prudential Financial/Liberty Mutual</td>
<td>Patrick J. Park</td>
<td>1 1</td>
<td>1974</td>
</tr>
<tr>
<td>11</td>
<td>Lifestyle Mortgage &amp; Real Estate</td>
<td>3157 Ruffin Rd., San Diego 92111 <a href="http://www.lifestylere.com">www.lifestylere.com</a></td>
<td>858-751-0700 858-514-8016</td>
<td></td>
<td>$50.4</td>
<td>$4.0</td>
<td>25</td>
<td>San Diego County</td>
<td>Sales, mortgage, property management, leasing</td>
<td>Robert Schirmacher</td>
<td>1 1</td>
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<tr>
<td>12</td>
<td>Andrew Arrayo Real Estate Inc.</td>
<td>1705 Prospect St., La Jolla 92037 <a href="http://www.andrewarrayorealestate.com">www.andrewarrayorealestate.com</a></td>
<td>858-342-0620 858-720-1199</td>
<td></td>
<td>$13.9 $13.0 16</td>
<td>$0.4</td>
<td>36</td>
<td>7</td>
<td>San Diego County</td>
<td>Listings, purchases, leases, investments, syndicate</td>
<td>Andrew Arrayo</td>
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</tr>
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</table>
Operations Center Buildings Earn LEED Gold Certification

The two 150,000-square-foot office buildings recently completed in the first phase of the County Operations Center and Annex redevelopment in Kearny Mesa have earned Leadership in Energy and Environmental Design Gold certification by the U.S. Green Building Council.

The four-story buildings, developed by Lowe Enterprises on behalf of the county, incorporate the latest in sustainable design, construction practices and building materials. The buildings are managed using sustainable practices that reduce environmental effects and also reduce daily operations costs. Approximately 1,100 employees from nine county departments have relocated to the new buildings since they were completed in fall 2010.

“Creating a sustainable building is not only better for the physical environment, but it also creates a better work environment,” said Mike McNerney, senior vice president at Lowe Enterprises Real Estate Group. “Earning LEED Gold is the result of the county staff and everyone on the project team working together to bring sustainable aspects to the campus.”

The County Operations Center buildings’ sustainable design incorporates a variety of energy-efficient, green building technologies. Abundant windows allow for natural light, while energy-efficient roofing and glazing systems reduce heat gain. The new office buildings use 28 percent less energy compared to a building designed to only meet California’s minimum energy performance requirements and consume 40 percent less water by using high-efficiency plumbing fixtures rather than conventional devices. A San Diego Gas & Electric Co. solar electric system, hosted on Parking Structure A, supplies the electrical grid with an estimated 627,216 kilowatt-hour per year of clean energy, enough to supply 103 average single-family homes in San Diego County.

Landscaping features drought-tolerant plants and an irrigation system that has provided a 50 percent reduction in irrigation water usage. Other building systems allow for internal water consumption to be reduced by 40 percent. In addition, the project recycled 90 percent of its construction debris.

The 38-acre County Operations Center, located on Overland Avenue, is being developed by Lowe in three phases. The second phase of development, including two additional 150,000-square-foot office buildings and a 15,000-square-foot conference center and a cafeteria, is currently under way. When completed, the new campus is expected to include 900,000 square feet of modern, efficient office space, built to LEED Gold certification standards, along with two multi-level parking structures.

The project team also includes RJC Architects, Roel Construction Inc., Howard Wright Construction and Arciero Bros. Construction with Project Management Advisors and the county of San Diego Department of General Services overseeing the project on behalf of the county Board of Supervisors.
## RESIDENTIAL PROPERTY MANAGEMENT COMPANIES

 Ranked by number of local residential units managed as of Jan. 1, 2011

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>Number of local residential units managed</th>
<th>+2011 vs +2010 % change (loss)</th>
<th>Square footage of local property managed Millions</th>
<th>Value of local property managed $ Millions</th>
<th>Percentage breakdown of property by square feet</th>
<th>+Accredited? +Accrediting agencies</th>
<th>Top local properties managed</th>
<th>+Local principal +Title(s)</th>
<th>Year established locally</th>
</tr>
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<tbody>
<tr>
<td>1 (NR)</td>
<td>American Assets Trust</td>
<td>11455 S. Center Road, #300, San Diego 92130</td>
<td>858-355-2700</td>
<td>786,155</td>
<td>1</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Y</td>
<td>KSSC, BOMA</td>
<td>Loma Palisades, Imperial Beach Gardens, Mariner’s Point</td>
</tr>
<tr>
<td>2 (T)</td>
<td>Merrill Property Management Inc.</td>
<td>2412 Madison, San Diego 92123</td>
<td>858-657-2165</td>
<td>20,754</td>
<td>19,810</td>
<td>1</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Y</td>
<td>CADM</td>
</tr>
<tr>
<td>3 (C)</td>
<td>Professional Community Management</td>
<td>4927 Point Loma Dr., #110, Carlsbad 92008</td>
<td>760-915-8040</td>
<td>17,817</td>
<td>16,203</td>
<td>1</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Y</td>
<td>CADM</td>
</tr>
<tr>
<td>4 (NR)</td>
<td>Lincoln Property Co.</td>
<td>1280 Murphy Ridge Road, San Diego 92122</td>
<td>949-756-2525</td>
<td>16,213</td>
<td>16,528</td>
<td>5</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Y</td>
<td>IREM</td>
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<tr>
<td>5 (NR)</td>
<td>Mission Realty</td>
<td>7020 Mission Blvd., San Diego 92109</td>
<td>858-275-7070</td>
<td>8,000</td>
<td>7,500</td>
<td>1</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Y</td>
<td>CADM, CBMA</td>
</tr>
<tr>
<td>6 (4)</td>
<td>Cosden Management Corp.</td>
<td>1200 Huffine, San Diego 92123</td>
<td>858-614-7200</td>
<td>7,300</td>
<td>7,200</td>
<td>1</td>
<td>99</td>
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<td>0</td>
<td>1</td>
<td>Y</td>
<td>NA</td>
</tr>
<tr>
<td>7 (NR)</td>
<td>Torrey Pines Property Management Inc.</td>
<td>7059 Fairbanks Ave., La Jolla 92037</td>
<td>858-454-4030</td>
<td>2,919</td>
<td>2,764</td>
<td>2</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Y</td>
<td>IREM</td>
</tr>
<tr>
<td>8 (6)</td>
<td>Stieglitz Management</td>
<td>1187 Ruther St., San Diego 92111</td>
<td>858-588-1111</td>
<td>1,678</td>
<td>1,605</td>
<td>1</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Y</td>
<td>DRE</td>
</tr>
<tr>
<td>9 (9)</td>
<td>Cal Prop Management Inc.</td>
<td>4406 Bayport St., San Diego 92109</td>
<td>858-465-2534</td>
<td>615</td>
<td>595</td>
<td>1</td>
<td>99</td>
<td>0</td>
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<td>1</td>
<td>Y</td>
<td>DRE</td>
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<tr>
<td>10 (NR)</td>
<td>American Real Estate Agents</td>
<td>2523 University Ave., Suite B, San Diego 92104</td>
<td>619-696-8010</td>
<td>130</td>
<td>110</td>
<td>1</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>11 (F)</td>
<td>Ranchland Property Management</td>
<td>16363 Bernardo Center Drive, San Diego 92128</td>
<td>858-679-9292</td>
<td>57</td>
<td>53</td>
<td>1</td>
<td>99</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Y</td>
<td>DRE</td>
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*Not applicable | (NR) Not ranked | (F) Would not disclose | (T) Tied | (C) Column not compilable | (NR) Not ranked

Notes: Column excludes: No. 3 on last year’s list, MCG Properties Group, No. 5 on last year’s list, and SCP Commercial. No. 9 on last year’s list, declining to participate. Total Management Group, No. 7 on last year’s list, and Apartment Fables Inc., No. 10 on last year’s list, did not return surveys.

Source: This company.

It is not the intent of this list to endorse the participants nor to imply anyone’s status or recommend their products or services.

Researched by Stephanie R. Glidden and Daina Yousif
Cybersecurity Symposium – Spring
Tuesday, May 17, 2011 • 10:30 a.m.-5:00 p.m.
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7450 Hazard Center Drive, San Diego, CA 92108

Join us for an engaging “Town Hall” meeting and focused presentations for the San Diego business community.

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Assemblyman

Ernest L. McDuffie, Ph.D.  
Lead for the National Initiative for Cybersecurity Education (NICE)

Darin Andersen  
CDO  
ESET

Duane Roth  
CEO  
CONNECT

Ruben Barrales  
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You also will want to attend the San Diego Business Journal’s 4th Annual Information Technology Executive of the Year Awards, immediately following the symposium.

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Doubletree Hotel San Diego, Mission Valley | 7450 Hazard Center Drive, San Diego, CA 92108
Special Awards Reception with Hosted Hors D’Oeuvres
This event recognizes the most outstanding information technology executives who work in San Diego, as nominated by their employers, employees or clients.

CALL FOR NOMINATIONS
An independent panel of judges will select honorees in each of the following categories:

• Public Company (Publicly Traded)  
• Private Company (Privately Held)
• Nonprofit Organization (e.g., 501(c)(3))  
• Government Agency  
• Business Nonprofit (e.g., Credit Union)  
• Education

Please e-mail nominations to awest@sdbj.com or submit online at www.sdbj.com/ibzevents/
Please keep responses to 200 words or less when responding to each question. Nominations not to exceed 5 pages.

LIFETIME ACHIEVEMENT AWARD RECIPIENT
David Kay  
WordSmart

EXEMPLARY PERFORMANCE AWARD RECIPIENT
Mark Kohlheim  
Cubic Corporation (formerly with SPAWAR)

Nomination Deadline Extended To: Wednesday, April 13, 2011

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Proceeds from this program will support the important work of the Burn Institute such as fire and burn prevention education programs, fund burn research and treatment and support burn survivor support programs such as Camp Beyond The Scars for burn-injured children. The Burn Institute is a 501(c)3 charitable organization.

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858.541.2277 (ext.13)  www.burninstitute.org
ESCONDIDO

Tierra Data Awarded Major Navy Contract

Tierra Data Inc., a provider of natural resources planning, surveys and management, was awarded a contract worth up to $10 million by the U.S. Navy, the company announced last month.

The work will be performed in territories under the auspices of the Naval Facilities Engineering Command Southwest, and include sites for the Navy and Marine Corps in California, Washington, Guam and Hawaii.

Among the services are mapping and analyzing natural and cultural resources, habitats, vegetation and wildlife. The work is scheduled to be completed in 2016.

— Mike Allen

CARLSBAD

Legoland Opens New ‘Star Wars’ Attraction

Legoland California in Carlsbad has debuted its Star Wars Miniland, featuring 2,000 Lego models in interactive scenes from the six “Star Wars” movies.

Actress Carrie Fisher, who portrayed Princess Leia in the first three films, was among guests commemorating the grand opening at a March 31 ceremony. Fisher presented a $5,000 check from Legoland to Make-A-Wish Foundation’s San Diego chapter.

Fisher also met with 9-year-old Carson Wiener, who suffers from leukemia and was granted a wish to meet a “Star Wars” hero and master model builder Gary McIntire. According to a park statement, Miniland scenes are built with more than 1.5 million Legos, with some models more than 6 feet tall.

During the ceremony, Wiener broke a red ribbon with a “Star Wars’’ light saber to officially open the attraction, and was greeted by “Star Wars’’ Storm-trooper characters guarded scenes amid exploding pyrotechnics.

Legoland is owned by U.K.-based Merlin Entertainments Group, which operates 70 attractions and six hotels in 16 countries.

— Lou Hirsh

TIERRASANTA

S$52K Defense Deal a Boost to Small Business

NxtGen Electronics of Tierrasanta said March 25 that it received a $525,000 award from a major defense contractor.

The pre-production quantity order is for two types of miniaturized power circuits — a wideband linear regulator and a full bridge control board — that will go in a U.S. Navy radar project. The business cites many benefits of using miniaturized power circuits, including the need for fewer radar antennas, and better use of power, electronics and bandwidth.

Privately owned NxtGen is a small business founded in 2002. Ron Casten is president. Art Fillmore is chief executive officer.

— Brad Graves

SOLANA BEACH

GoPro Acquires Local Film Industry Firm

Locally based CineForm Inc., a developer of video compression and workflow technology for the professional film and television industry, was acquired by GoPro, which makes wearable and mountable cameras.

CineForm developed a professional codec technology that makes high-definition and 3-D editing faster and more convenient. The codec was used in the making of Oscar-winning film, “Slumdog Millionaire,” the company said.

Following the sale, whose price was not disclosed, CineForm will move its office and employees to an existing office of GoPro’s in Cardiff-by-the-Sea, and have a total of 20 workers. GoPro is based in Half Moon Bay.

— Mike Allen

SAN DIEGO

Water District Debuts Its Solar Technology

The Helix Water District, with headquarters in El Cajon, has activated a new 290-kilowatt solar photovoltaic system, designed to offset more than 11.9 million pounds of greenhouse gas emissions during the next 20 years. The new technology was unveiled in a March 30 ceremony at the district office.

A statement said the zero-emission system, located at Helix’s Nat L. Eggert Operations Center, was provided through a partnership with El Cajon-based Borrego Solar Systems Inc., which designs and installs grid-tied solar electric systems, and the California Center for Sustainable Energy in San Diego.

Officials said the project’s cost was substantially offset by a $463,900 rebate from the California Solar Initiative, awarded by the sustainable energy center. The Helix district contracted with the center’s Energy Advisory Service to conduct an independent energy analysis, in order to determine potential energy and cost savings of using solar.

— Lou Hirsh

RF Industries, the Miramar-area maker of cable assemblies, coaxial connectors and related electronics products, said March 29 it will pay a regular quarterly cash dividend of 2 cents per share. The dividend will be payable April 15 to shareholders of record March 31.

RF Industries went through a two-for-one stock split on March 10. Shares, traded on the Nasdaq as RFIL, closed April 1 at $3.86, down 3 percent from the prior day’s close of $3.98.

— Brad Graves

REGIONAL REPORT

The pre-production quantity order is for two types of miniaturized power circuits — a wideband linear regulator and a full bridge control board — that will go in a U.S. Navy radar project. The business cites many benefits of using miniaturized power circuits, including the need for fewer radar antennas, and better use of power, electronics and bandwidth.

Privately owned NxtGen is a small business founded in 2002. Ron Casten is president. Art Fillmore is chief executive officer.

— Brad Graves

Technology from locally based Borrego Solar Systems Inc. is now in use at Helix Water District facilities in El Cajon.
Imperial Beach:

Properties plans to start construction in early 2012 on a $15 million retail center, set to replace a mostly vacated strip plaza in the city’s aging Palm Avenue corridor, which is also undergoing more than $100,000 in city-assisted storefront façade improvements.

Those projects follow a previously completed, $3 million Palm Avenue street-end project, backed by the Port of San Diego, which created a beach overlook and park-like setting that now sports an 18-foot-tall bronze surfer statue. The project also provided earlier repairs to the city’s pier and
dock.

Jerry Selby, redevelopment coordinator for the City of Imperial Beach, said the long-term future of local projects remains cloudy because of state proposals to abolish redevelopment agencies.

Attracting Locals and Tourists

However, he noted those uncertainties could be balanced out in the short term by the gradual thaw in the economy, which is helping both the retail and hotel projects move forward—even as new retail and hotel development remain scarce throughout San Diego County.

New retail will be geared to local resi-
dents, while the Seacoast Inn and ripple beachfront development could help lure tourists.

“It’s going to be a significant improve-
ment over what was there,” Selby said, of the Seacoast Inn site. “It’s going to be more of a destination, with things that would make you want to stay and check out the scene, even if you’re not staying overnight.”

Allison Rolfe, director of planning with Pacifica Cos., said the hotel is slated to open by late summer 2012. The four-story property will have amenities including a restaurant, conference space and spa.

“EMERALD TEXTILES

CEO: Tom Gildred.


No. of local employees: 170.

Investors: Gildred and Bob Payne.

Headquarters: Otay Mesa.

Year founded: 2010.

Company description: Industrial laundry providing linen service to health care industry.

 shifts, Emerald Textiles can clean and press about 60 million pounds of laundry a year,

Gildred said.

Victor Heredia, operations manager for Emerald, said at previous laundries he’s worked at the equipment was replaced as it wore out; here, everything is brand new, he said.

Heredia and other Emerald managers were involved in designing the laundry’s layout of machinery. The design was done by Western State Design of Hayward.

Gildred’s partner in Emerald Textiles is Bob Payne, the former owner of the Hanalei Hotel and Old Ox Restaurant (both of which were sold), and a major donor to San Diego State University. Gildred’s father is a cousin of Theodore Geord, chairman of the Lomas Santa Fe Group and a former U.S. ambassador to Argentina.

Both men decided to get into the laun-
dry business after seeing a need and realiz-
ing that modern, energy-saving equipment would greatly reduce expenses and gain market share.

Landing a Big Customer

John Chihomsy, spokesman for Sharp HealthCare, said Emerald beat out four other vendors to provide the laundry ser-
vice to the organization that encompasses seven hospitals and 19 Sharp Rees-Stealy medical clinics. While he didn’t disclose the dollar value of the three-year contract, Chihomsy said it will save the company an estimated $1 million in the first year.

The energy savings derived from the modern equipment was a factor in award-
ing the contract, Chihomsy said. “We’re working with a company that has efficient technology that’s reducing water and power usage. That coincides with our green initiative to reduce our power usage and reduce our waste stream, and do whatever we can do to have a positive impact on the environment.”

Sharp’s former laundry provider was Angelica Corp., a Georgia-based company that was acquired by a private equity firm, Trialant Capital Partners, in 2008.

Working With Nature

For instance, new oceanfront develop-
ment could supplement proposals to make the city a mecca for ecotourism — such as bird-watching excursions — taking advantage of the city’s proximity to both the Pacific Ocean and San Diego Bay. Past studies have indicated that the effort depends in part on boosting options for overnight stays in the city.

Currently, Selby noted, the city’s only large, ocean-adjacent hospitality offering is Beach Club, which rents condos to vacationers.

New hotel construction, including oceanfront projects, remains rare in San Diego County, as the industry continues to absorb past excess supply. Alan Reay, president of Irvine-based consulting firm Atlas Hospitality Group, said the only significant local oceanfront development he knows of is the 215-room Hilton Carlsbad Oceanfront Resort & Spa, being built at Carlsbad Boulevard and Ponto Drive in Carlsbad by Wave Crest Oceanfront LLC.

To the east of the Seacoast Inn site, at Palm Avenue and Ninth Street, Sudbury Properties is in talks with tenants to fill Imperial Beach Promenade, which will have about 45,000 square feet of retail space and is set for completion in early 2013.

While he was not prepared to name them, company President Colton Sudberry said there have been serious negotiations with a national small-format grocer, a national coffeehouse chain and several restaurants, among others.

The promenade will replace an older existing plaza spanning about three city blocks, which will be demolished after the city relocates the last of the existing tenants.

“It had become dilapidated over the years, and the city has made it a priority to get something nicer in there,” Sudberry said. Sudberry said the Imperial Beach proj-
ect, located just off Highway 75, will follow his company’s recent strategy of finding well-placed infill sites to build neighbor-
hood and regional centers, since most of the prime outlying retail properties in the county have been built out.

For instance, Sudberry is also devel-
oping a 300,000-square-foot regional center in National City, to be anchored by Lowe’s.

San Diego-based Sudbury Properties plans to build a retail center at Palm Avenue and Ninth Street, replacing a strip mall at the Imperial Beach site.
The eatery, which now goes by the name Rubio’s Fresh Mexican Grill, was founded in 1983. Its Web site lists 203 stores in five Western states, up from 195 restaurants in May, the month that Mill Road Capital bought the business for $51 million.

San Diego DNA

The Rubio’s fish taco is one of a dozen products and places judged recently by San Diego Business Journal editors as the region’s most iconic brands.

Beginning in late March, the editors set out to list San Diego’s most famous products and places, coming up with five dozen. Ranking them on a scale of 1 to 5, they came up with a list of the 12 top-scoring brands.

Several names made the list, including the San Diego Zoo, run by the Zoological Society of San Diego; SeaWorld San Diego, part of SeaWorld Parks & Entertainment; and the Hotel del Coronado.

While the county’s beaches did not make the list, oceanfront venues such as the Del Mar racetrack and San Diego’s Torrey Pines municipal golf course did.

Comic-Con, a production of Comic-Con International, which brings tens of thousands of costumed comic book fans to downtown San Diego, made the list.

Products making the list included the Jet Ski personal watercraft, a product of Kawasaki Motors Corp., which is credited to an Arizona inventor but has a North County tie. Other products were WD-40 lubricant, a product of WD-40 Co., and the Big Bertha line of golf clubs, produced by Carlsbad-based Callaway Golf Co. The Predator unmanned military aircraft made by General Atomics Aeronautical Systems Inc., an affiliate of General Atomics, made the list.

Tied for the remaining spot were Bumble Bee tuna, packed by Bumble Bee Foods LLC, and Chicken of the Sea tuna. Both hearken back to the days when San Diego supported a busy fishing port and canning industry. Danes cites Bumble Bee as an example of a snappy, easily remembered name.

Placing the Product

The foundation of a good brand is a quality product, observes Reid Carr, president of the online marketing agency Red Door Interactive Inc.

Adapting to different markets is key, Carr says. While Californians may view WD-40 as a lubricant and squeak-stopper, the Chinese may see it more as a rust protector.

An effective brand offers an emotional connection that makes an individual consumer choose one product over another, Carr says. People associate locations with memories. The people marketing products into China and SeaWorld can tap into the memories people already have of those places.

Digitaria’s Khabie says if he had one shot at showing outsiders what San Diego was all about, he would take them to the Hotel del Coronado. The hotel “exudes beauty and relaxation, history and class” (11 presidents have visited), and sexism (Marilyn Monroe filmed “Some Like It Hot” there). Self-awareness is a key to branding, and the hotel has it.

The hotel’s marketing machine certainly works hard to promote its history. “We have a responsibility to keep (the experience) fresh and alive, while paying homage to the past,” said Barry Brown, director of sales and marketing at the 1887-vintage hotel. He says the art of balancing the past and present includes keeping up with contemporary visitors’ tastes in food, while dispelling the notion that since the hotel is old, it does not have air conditioning.

Staying Power

San Diego has been fertile ground for new technology. The Massachusetts Institute of Technology credits Clayton Jacobsen II of Arizona with developing the personal watercraft known by the name Jet Ski. Jacobsen’s prototype, however, went through its paces on Agua Hedionda Lagoon.

One iconic brand has endured, though it has fallen into disuse. The Rubio’s fish taco is one of a dozen products and places judged recently by San Diego Business Journal editors as the region’s most iconic brands.

For Hale, cancer detection has always been an area of professional interest, starting in the 1980s. He was integral in creating the PSA test for prostate cancer, launched in 1986 while serving as president of Hybritech Inc. The test became one of the world’s most widely used diagnostic tools for cancer, Hale says.

In joining Biocept, Hale also joins an old friend, Ivor Royston, a co-founder of Hybritech. The company was eventually acquired by Eli Lilly and Co. The duo also worked together at the oncology company CancerVax Corp., which merged with Micromet Inc. in 2006. Royston became a Biocept director at the end of 2010 and had a role in bringing Hale on board as executive chairman.

“When I talked to recruiting firms, they told me, ‘You’re not going to get David,’ ” Royston laughed. “But I asked David to go ahead and take a look at this company. We both share excitement for the technology. It can revolutionize how we treat cancer and how we diagnose cancer recurrence.”
have been awarded any of the $1.9 billion of just eight for-profit companies that went to big pharmaceutical companies, there is a potential huge market for embryonic stem cells. We will see how this plays out in the future.

Accidental Discovery

He came to the discovery by a side trip from his original research in cardiovascular disease during his Ph.D. studies at The J. David Gladstone Institutes in San Francisco. A supervisor gave him a gene that may have links to arteriosclerosis to use in creating “knockout” mice, mice with specific characteristics needed for testing. Yamanaka said, “I always thought about this gene in cancer, not what I was studying.” Yamanaka said. “It was very interesting. I found another gene I thought was important to study.”

But since he isolated them, Yamanaka and his team have changed the protocols for how skin cells become stem cells to get closer to the flexibility and durability of human embryonic stem cells. “The cells are not yet up to the embryonic stem cells’ performance but they will get there,” said West of ViaCyte.

Marty Graham is a freelance writer for the San Diego Business Journal.

VIACYTE
CEO: John S. West.
Financial information: Not disclosed.
No. of local employees: 40.
Investors: Privately held, venture capital backed.
Headquarters: Torrey Pines, branch in Athens, Ga.
Year founded: Founded in 1999 as Novocell Inc., the company merged with CyThera and BresaGen in 2004, and changed its name to ViaCyte in 2010.
Company description: ViaCyte is a preclinical therapeutic company focused on diabetes, developing therapies with human embryonic cell lines.

In CIRM grants so far. The bulk of the money has gone to universities, hospitals and nonprofit research institutes including The Scripps Research Institute and the Salk Institute for Biological Sciences.

Joe Panetta, president and CEO of Bio-com, the trade group representing the life sciences industry in Southern California, said: “ViaCyte is a preclinical example of the innovation being developed in Southern California to cure or treat a myriad of diseases, such as diabetes. The company’s stem cell technology holds promise for millions of people worldwide, which is why it is one of the very few companies that have received funding from CIRM.”

Controversy Over Source of Cells

CIRM arose from the ashes of the Bush administration clamp-down on stem cell research because of the use of human embryos — which remains controversial. Yamanaka’s discovery of a way to turn adult human cells into stem cells was the result of a single-minded determination to eliminate the need to use human embryos to obtain stem cells.

“The first time I saw an embryo, a tiny human, I made up my mind,” Yamanaka said.

The stem cells from embryos are so valuable because they are undifferentiated, which means they don’t know what to grow into as they split into more and more cells. So putting the genetic code of a defining cell into a stem cell informs the cell what kind of cell to become and to create by multiplying. Yamanaka took adult skin cells and used a series of effects on them to strip them of their differentiation so they forget they are skin cells and become the base material, a stem cell. Then he began trying to introduce combinations of genes into the stem cells to get them to differentiate.

It was a long, lonely and, at first, unsupported project. But in 2006, he reported that his team was able to get mouse cells to become stem cells.

Ligand:

from page 3

ation four years ago when new management came in. John L. Higgins took over as CEO in 2007, drastically cutting expenses and embracing a new business model that’s centered on acquiring distressed biotechs and partnering with large pharmaceutical companies, such as GlaxoSmithKline plc., Merck & Co. Inc. and Pfizer Inc., that will bear the financial burden of commercializing drugs.

In November — in a move that Higgins said capped the company’s extensive restructuring efforts — Ligand’s board of directors directed the CyDex spinoff. The institute is its single largest venture capital investor, with $26.3 million in four grants since 2007. ViaCyte is the biggest corporate supporter of ViaCyte’s work. The institute is the last year, royalties from the drug could see a major boost in 2013 to as much as $12 million, McKay said.

The other program with great potential for Ligand’s balance sheet is known as SARM, a drug that increases muscle mass and can be used to treat patients with muscle-wasting conditions. SARM is on the verge of being licensed to a company that can bring it through the FDA approval process and market it to doctors, McKay said.

“It’s a potential huge market for SARM,” Cohen said. “With good phase one data, they could potentially do an all-out $100 million to $200 million deal with a large pharmaceutical company. It turned out to be important to the stem cells.”

The cells derived from human skin aren’t ready for prime time, Yamanaka said. He points out that he uses a retrovirus that causes cancer — undifferentiated growth — in the process of deriving stem cells. And they have to be tested and retested for safety.

But since he isolated them, Yamanaka and his team have changed the protocols for how skin cells become stem cells to get closer to the flexibility and durability of human embryonic stem cells. “The cells are not yet up to the embryonic stem cells’ performance but they will get there,” said West of ViaCyte.

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Ligand Pharmaceuticals, a drug discovery and development company founded in 1987, says it is on track for its first profitable year.

Photo courtesy of Ligand Pharmaceuticals
Thursday, June 23, 2011 • 12:00 - 1:30 p.m.
Sheraton San Diego Hotel & Marina, Grand Ballroom
Lunch will be served

Named after Carl Heilbron, the first president of Rotary Club 33 of San Diego in 1911, The Heilbron Awards are designed to recognize small, medium and large public and private companies that exemplify the pay it forward spirit — that give of themselves and their professional expertise to advance the well being and success of others in the community.

The Heilbron Awards are considered on a company wide basis, not on an individual basis. The purpose of the Heilbron Awards is to celebrate public and private companies that not only exhibit high ethical standards and a commitment to service, but that also have utilized the company’s professional skill set to excel and enrich the company itself and others in the community.

An independent panel of judges will select honorees in the categories of small, medium and large businesses.

NOMINATION CRITERIA

Please keep responses to 200 words or less when responding to each question.

- Nominated company name, nominated company president/CEO, mailing address, phone number, e-mail address, company website, company industry, year founded, name of founder(s), total number of full-time employees in the San Diego region
- Nominator name, title, company/organization, mailing address, phone number and e-mail address and company website
- Into which category does the nominated public or private company fall:
  - Small Business (less than 50 employees)
  - Medium Business (51-250 employees)
  - Large Business (more than 250 employees)
- Describe a project in which the nominated company utilized its professional knowledge and skill set to provide an individual, organization, or community with support that would not have been available otherwise
- Demonstrate how the nominated company’s high ethical standards and commitment to service played a role in the aforementioned project
- Describe how the nominated company’s support and expertise influenced the attitudes and professional outlook of the individual, organization or community involved in the aforementioned project
- Please explain what the nominated company has gained from the above mentioned experience

- List four professional references and contact information:
  - Bank
  - Accounting Firm
  - Law Firm
  - Major Vendor/Other
- Additional required items:
  - Nominated company’s bio or description
  - Letter of recommendation and/or testimonial
  - Nominated company’s president/CEO photo in jpg format (hi-res, 500 KB or larger)
  - Company logo (eps format)

NOMINATION DEADLINE:
FRIDAY, APRIL 22, 2011
Please e-mail nominations to awest@sdbj.com or submit online at www.sdbj.com/bizevents/

FOR MORE INFORMATION
Contact April West at (858) 277-6695

Sponsorships Available
Top Industrial and Flex Sales  February 2011  •  Ranked by sale price

Data provided by:

1BHF 4”/*&(0#64*/&44+063/”QSJM

Top Industrial and Flex Sales

1 4055 CALLE PLATINO
4055 Calle Platino
Oceanside, CA 92056
Buyer: Southwest Greene International Inc.
Seller: LBA Realty
Sale price: $5,995,000
Building square footage: 71,160
Price per square foot: $84.25
Year built: 1989
Buyer broker agent: Bob Willingham, Coldwell Banker Commercial NCP
Listing broker agent: Robert Gunness, CB Richard Ellis
Sale date: 2/12/2011

2 1390 ENGINEER ST.
1390 Engineer St.
Vista, CA 92083
Buyer: Preserved Treescapes International
Seller: Loyd H. Wells
Sale price: $5,750,000
Building square footage: 41,944
Price per square foot: $137.09
Year built: 2001
Buyer broker agent: na
Listing broker agent: Mike Erwin, Cassidy Turley BRE Commercial
Sale date: 2/18/2011

3 2555 BIRCH ST.
2555 Birch St.
Vista, CA 92083
Buyer: Bruce & Patricia Bartlett
Seller: George & Debra Maynard
Sale price: $2,735,347
Building square footage: 27,241
Price per square foot: $100.41
Year built: na
Buyer broker agent: Mike Erwin, Cassidy Turley BRE Commercial
Listing broker agent: Donald Grant, Dennis Visser, Cassidy Turley BRE Commercial
Sale date: 2/25/2011

4 OCEANSIDE MEDICAL CENTER
1205 Avenida Chelsea
Vista, CA 92083
Buyer: Paul A. Elson
Seller: Timothy J. & Marie M. Cunning
Sale price: $2,225,550
Building square footage: 22,707
Price per square foot: $98.01
Year built: na
Buyer broker agent: na
Listing broker agent: Robert Gunness, CB Richard Ellis
Sale date: 2/8/2011

5 12169 KIRKHAM ROAD
12169 Karkinham Road
Poway, CA 92064
Buyer: Virek Corp.
Seller: Direct Capital Resources LLC
Sale price: $1,275,000
Building square footage: 11,768
Price per square foot: $108.34
Year built: 1998
Buyer broker agent: Brent Bohiken, Grubb & Ellis
Listing broker agent: Brent Bohiken, Grubb & Ellis
Sale date: 2/24/2011

6 2704 GATEWAY ROAD
2704 Gateway Road
Carlsbad, CA 92009
Buyer: Waterworks Aquatics
Seller: Leighton P. Elze
Sale price: $1,196,500
Building square footage: 8,764
Price per square foot: $136.52
Year built: 2008
Buyer broker agent: Ari Starck, Cassidy Turley BRE Commercial
Listing broker agent: Dennis Visser, Ari Starck, Cassidy Turley BRE Commercial
Sale date: 2/14/2011

7 3960 HOME AVE.
3960 Home Ave.
San Diego, CA 92105
Buyer: Mama’s Kitchen
Seller: Morton & Maxine Kleinberg Trust
Sale price: $265,000
Building square footage: 10,000
Price per square foot: $82.50
Year built: 1971
Buyer broker agent: Ryan McCray, Hughes Marino
Listing broker agent: Arthur Bleier, Voil Real Estate Services
Sale date: 2/18/2011

8 221 W. 33RD ST.
221 W. 33rd St.
National City, CA 91950
Buyer: Richard West
Seller: Rafael Rubio
Sale price: $754,000
Building square footage: 8,040
Price per square foot: $93.78
Year built: 1970
Buyer broker agent: Nick Price, Voil Real Estate Services
Listing broker agent: NA
Sale date: 2/15/2011

9 6124 INNOVATION WAY, UNIT L2
6124 Innovation Way, Unit L2
Carlsbad, CA 92008
Buyer: Laith Haisha
Seller: Ryan Companies US Inc.
Sale price: $467,532
Building square footage: 2,886
Price per square foot: $162.00
Year built: 2007
Buyer broker agent: Tom Paraschos, Palisade Realty Inc.
Listing broker agent: Bob Willingham, James Karlovsky, Coldwell Banker Commercial NCP
Sale date: 2/3/2011

na Not available
NA Not applicable
Construction Starts on White Labs’ Facility
San Diego-based design firm Smith Consulting Architects has completed documents and construction has begun for the new 12,035-square-foot office and research and development facilities of White Labs Inc. within the Mark II Business Park, located at 9495 Candida St. in the Mira Mesa area of San Diego.

White Labs has been involved in the American and worldwide craft brewing movement since the early 80s. With offices in California and Colorado, the company provides a wealth of pure yeast and fermentation services not only for brewers, but also for winemakers, distillers and various fermentation businesses. White Labs is moving to the larger facility from its existing location in the Miramar area.

The tenant improvement project involves the creation of 5,000 square feet of clean area for production, along with microbiology-analytical- and bacteria-lab environments. The facility will also house offices, training/classroom space, cold storage, a distribution area, and tasting room.

Construction commenced in mid-March, with completion targeted for mid-June. Chris and Lisa White of White Labs are providing project oversight.

Mark Langan is vice-president-in-charge for Smith Consulting Architects, with Brian Drache as project architect. Jim Serbia and William Camacho of Serbia Consulting Group are providing project management services. Todd Davis of Cassidy Turley BRE Commercial represented the lessee.

Good & Roberts is the general contractor, with Berg Electric and Pacific Rim Mechanical as the design/build electrical, plumbing and mechanical team.

Two Office Condos Sold for $1.3M in Sorrento Valley
Cassidy Turley BRE Commercial announced that it facilitated the sale of two office condominiums at Venture Sorrento Office Park in Sorrento Valley for $1.3 million.

Located at 11189 Sorrento Valley Road, units 104 and 105 in Venture Sorrento Office Park total 6,204 square feet and were sold to the Del Mar Union School District for use by its facilities department.

Venture Sorrento Office Park, formerly Venture Commerce Center, is located at 11189-11199 Sorrento Valley Road. The property offers small businesses the opportunity to own their office in the heart of San Diego’s financial, legal, medical, high-tech and life sciences submarkets, known as Del Mar Heights/Carmel Valley, Torrey Pines, Sorrento Mesa and University Towne Center. Venture Sorrento Office Park is easily accessible from both Interstate 5 and I-805 and is located across the street from the Sorrento station for the Coaster commuter train.

Venture Sorrento Office Park is owned by PV Venture Sorrento LLC, a subsidiary of PacVentures Inc., a commercial real estate investment and development company based in San Diego that focuses on acquisition and development of properties in the Southwestern United States. The firm currently has projects in California, Arizona, Texas, Colorado, Utah and Oklahoma. For more information, visit pacventures.net

Phillip Linton of Cassidy Turley BRE Commercial is the listing broker for the project. The buyer was represented by Chuck Wasker of Colliers International and Mark Kagan of Tenant Rep Real Estate.

There are 14 units at Venture Sorrento Office Park, 10 of which have been purchased. Available units range in size from 1,767 to 6,051 square feet and can be finished as either Class A offices or modern life sciences labs. All of the units are on the ground floor, have individual entrances and building signage rights, and look out over the adjacent Los Penasquitos Canyon Preserve. For more information, visit VentureSorrento.com.

Leasing Level Steps Up At Renovated Complex
Cassidy Turley BRE Commercial recently announced that Newport National Corp. has executed significant building and site renovations. At 5962 La Place Court, the project totals approximately 163,070 square feet in three buildings. The building located at 5962 La Place Court is a two-story multitenant office building containing 23 new spec suites available for lease ranging in size from 742 to 4,642 square feet and totaling 46,895 square feet.

The additional two buildings at 5964 and 5966 La Place total approximately 116,175 square feet and are partially leased for office, R&D and life sciences tenants. Additional premises are available for lease ranging in size from 19,544 to 42,707 square feet.

Newport National Corp. purchased the property in January 2010 and has since increased the total occupancy of the project to 74 percent with recent leases signed by GenMark Diagnostics Inc.; Colorati Inc.; Meissner Jacquet Investment Management Services; and Millennium Trust Co. LLC.

Upon purchasing The Campus, Newport National Corp. executed significant building and site renovations. At 5962 La Place Court, renovations include remodeling of all of the vacant suites, common area corridors and lobbies with new walls, doors, high-efficiency lighting, digitally controlled heating, ventilation and air conditioning, ceiling tiles, carpet tiles and fresh paint. First- and second-floor restrooms feature stone countertops, stainless steel partitions, high-efficiency lighting, new plumbing fixtures, tile on the floors and in the showers, wall coverings and fresh paint. The courtyard has been transformed into an Asian Fusion inspired botanical garden complete with two rake gardens, tropical plants from around the world, multiple koi ponds and waterfalls, lunch tables with shade, and an exterior kitchen/barbecue area.

“The Campus is positioned as the new go-to location for tenants in Carlsbad looking for an affordable option with Class A finishes and a unique environment,” said Justin Halenza of Cassidy Turley BRE Commercial, who is part of the exclusive leasing team for The Campus, along with Josh Bernstein, Dennis Visser and Aric Starck. “The increased occupancy during this new ownership and renovation process proves that there is new activity among tenants in the area. Newport National Corp. is continually working to create amenity-rich projects featuring excellent architecture with state-of-the-art features related to efficiency and green technology to attract and retain high-quality tenants.”

For more information about leasing opportunities at The Campus, please contact Halenza at 760-431-4200.

Occupancy at The Campus complex has increased to 74 percent since Newport National Corp. purchased the Carlsbad property in January 2010.

Two Sorrento Valley office condominiums have been sold to the Del Mar Union School District for $1.3 million. The units are in the Venture Sorrento Office Park.
**EMPLOYMENT OPPORTUNITIES**

**RECREATION, RESTORATION & RE-INVESTMENT...**

Padre Dam Municipal Water District is seeking a creative, entrepreneurial, energetic visionary individual for the position of Director of Park & Recreation. This position is an important member of Padre Dam’s Management Team who will lead and direct Sandee Lakes Recreation Preserve. Sandee Lakes is a resource to the local community with an emphasis on preservation initiatives. The Park has a variety of educational and recreational programs that focus on youth, adult, family and senior activities. The incumbent will be responsible for managing all operations at the Park in an entrepreneurial manner, including master planning and grant development, to ensure total financial self-sufficiency.

To learn more about this unique and exciting opportunity go to www.padredam.org and click on “Human Resources” or call 619-258-4856 to request an application package.

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**EMPLOYMENT OPPORTUNITY**

European based marketing research consultancy seeks a San Diego based market research executive to complement their team via a “Satellite position”.

- 3+ years of market research experience (primary & qualitative) enabling candidate to:
  - Conduct client’s global marketing teams
  - Independently design research proposals and market research studies
  - Analyze, interpret market research and formulate results
  - Write focus groups or IIDs occasionally (incl. travel)
  - Experience in life sciences, healthcare, pharmaceutical and biotech industry strongly preferred

Please contact: Christiane Perleberg, perleberg@aol.com or call 818-706-3050 for more information or to apply.

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**INVESTMENT PROPERTY**

**PUBLIC NOTICE**

City of San Diego
Draft FY 2012 Annual Action Plan

Under Title I of the Housing and Community Development Act of 1974, as amended, the City of San Diego invites citizens to participate in the preparation of the FY 2012 Annual Action Plan (AAP). The AAP is the yearly update to the Five-Year Consolidated Plan and consists of the activities to be funded through the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnership (HOME), and Housing Opportunities for Persons with AIDS (HOPWA).

NOTICE IS HEREBY GIVEN that the City of San Diego’s Draft FY 2012 AAP is available for a 30-day public review from April 4 through May 5, 2011. The purpose of the review is to provide the public with an opportunity to comment on the planned expenditures of approximately $29 million in federal entitlement funds. The draft document will be available in the reference section of all City of San Diego libraries and at the CDBG Program office located at 1200 Third Avenue, Suite 1400, San Diego, CA 92101. The plan will also be available for review on the City’s CDBG Program website (www.sandiego.gov/cdbg/general) and the Housing Commission’s website (www.sdhc.org). Notice is also hereby given that the public hearing to present the Draft FY 2012 AAP at a Public Safety & Neighborhood Services (PS&NS) Committee is scheduled for Wednesday, April 13, 2011 at 2:00 pm in the City Council Chambers, 202 C Street, 12th Floor, San Diego, CA 92101. A schedule of community meetings in which the draft AAP will be presented is listed on the City’s CDBG Program website. Public comment may be provided at the community meetings and public hearing. In addition, comments can be submitted in writing during the 30-day public review to the CDBG Program office in person/mail (1200 Third Ave, Suite 1400, San Diego, CA 92101), or by e-mail (CDBG@sandiego.gov) through May 5, 2011. All information and updates regarding this process will be posted on the City’s CDBG website (http://www.sandiego.gov/cdbg/general).

To order information in an alternative format, or to arrange for a sign language or oral interpreter for the PS&NS Committee meeting, please call the City Clerk’s office at least five (5) working days prior to the meeting at (619) 533-4000 (voice) or (619) 236-7012 (TDD/TTY).

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**LITIGATION ASSOCIATE**

Butz Dunn & DeSantis, an established litigation firm specializing in complex litigation seeks an associate with 3-5 yrs exp. for its San Diego office. Qualified candidates must possess excellent writing skills for considerable motion practice in complex matters and outstanding academic credentials from a superior ABA accredited law school. Courtroom and deposition exp. preferred. Email resume to resume@butzdunn.com.

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**COMMERICAL LEASING**

**FOR LEASE**

Mammoth Lakes, CA
Retail & Restaurant Space 800-8000 sq. feet

Matthew Lehman
760-822-5845
http://www.trademarkmammoth.com
Please visit www.RBCourtyard.com or call 858.673.5687
## Market Recap

### Top Gainers & Losers

#### Top Gainer
- **Gann, Inc.**
  - **Ticker:** GAN
  - **Price:** $1.52
  - **Change:** +0.08
  - **Net:** +0.05
  - **Percent:** +4.09

#### Top Loser
- **Alsea, Inc.**
  - **Ticker:** ALSAF
  - **Price:** $5.59
  - **Change:** -0.52
  - **Net:** -0.32
  - **Percent:** -5.61

#### Market Recap

- **Advancers:** 47
- **Decliners:** 25

### Market Trends

#### 4/15/2011
- **S&P 500:** 1,332.63
- **NASDAQ:** 2,931.19
- **Dow Jones:** 18,573.98

#### Market Recap

- **S&P 500 Index:** 1,332.63
  - **Change:** +0.08
  - **Percent:** +0.06
- **NASDAQ Composite:** 2,931.19
  - **Change:** +0.08
  - **Percent:** +0.03
- **Dow Jones Industrial Average:** 18,573.98
  - **Change:** +0.08
  - **Percent:** +0.04

### Market Recap

- **S&P 500 Index:** 1,332.63
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  - **Percent:** +0.06
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  - **Change:** +0.08
  - **Percent:** +0.03
- **Dow Jones Industrial Average:** 18,573.98
  - **Change:** +0.08
  - **Percent:** +0.04

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  - **Percent:** +0.06
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  - **Change:** +0.08
  - **Percent:** +0.03
- **Dow Jones Industrial Average:** 18,573.98
  - **Change:** +0.08
  - **Percent:** +0.04
EXECUTIVE PROFILE  | Jeff Graham

Jeff Graham is the vice president of redevelopment of the Centre City Development Corp., the public nonprofit corporation acting on behalf of the City of San Diego Redevelopment Agency to implement redevelopment in downtown San Diego. CCDC’s achievements include Horton Plaza, Petco Park, the Gaslamp Quarter and the attraction of more than 35,000 downtown residents, expected to grow to 90,000 by year 2030.

ORGANIZATION
Mission of organization: Redevelopment and economic development of downtown San Diego.
Year founded: 1975.
Milestone: Adopted new Downtown Community Plan guiding growth through 2030.
Annual revenue: $120 million.
Administrative expense as percent of revenue: 6.7 percent.
Board of Directors:
Chair: Ken John Kilkenney
Number of board members: Nine (current is nine). There are seven.
Number of employees: 46 (43 regular, 3 temporary).
Number of volunteers: 34.

OFFICE ISSUES
Recent challenge: Governor Brown’s proposal to eliminate all of the state’s redevelopment agencies.

Measures of success: Downtown employment growth, private investment, revenue growth to city, improvements in quality of life.

Smart move: Joining the staff at CCDC.

Misconception: That public redevelopment funds are used to subsidize market-rate private development in downtown.

PROFESSIONAL INSIGHTS
Toughest aspect: Conveying the strong relationship between a vibrant and successful downtown and the success of the entire San Diego region.

Biggest pain: Volume of meetings.

Greatest pleasure: Working with the highly skilled and passionate staff at CCDC.

Best recent moment: Learning the governor’s proposal to eliminate redevelopment agencies.

Dream for another life: A life without politics.

Causes: Urban Land Institute, various homeless charities, various arts and cultural nonprofits.

— Steve Adamek
Group’s Fierce Fundraising Efforts Bring Help to Cancer Fight

AMN Healthcare is sponsoring the 2011 Susan G. Komen for the Cure Awards Ceremony which was to be held Apr. 7. The San Diego affiliate will distribute grants amounting to nearly $1 million, almost double the amount of last year. The grants, raised through local events and fundraisers, allow the organization to support the uninsured and underinsured women of San Diego through every step of their breast cancer journey. “San Diegans have spoken with their dollars even during these tough economic times,” said Laura Farmer Sherman, a breast cancer survivor and executive director of Susan G. Komen for the Cure, San Diego … St. Madeleine's Sophie Center was named Nonprofit of the Year at the San Diego East County Chamber of Commerce gala held on Feb. 25 at the Crystal Ballroom in El Cajon. This was the first year that the chamber chose to recognize a local nonprofit at the gala. St. Madeleine's was chosen for its program helping adults with developmental disabilities and its strong community involvement. The chamber is celebrating its 100th year, and it hosts the annual gala to feature and recognize outstanding community leaders … Major Eric Burton, a U.S. Marine Corps officer, has been awarded the 2011 Meg Whitman Scholarship for the University of San Diego’s Master of Science in Executive Leadership program. The $2,000 scholarship is funded by MSEL alumni, and is awarded annually to benefit students who have demonstrated a history of bold leadership. Burton, who will begin the MSEL program in August, is currently serving in Afghanistan … Walden Family Services received a $20,000 grant from the Dwight Stuart Youth Fund for its Independent Futures program, which supports pre-emparked and emancipated foster youth in developing independent living skills. The mission of the DSYF is to support organizations that provide direct services to underserved children so they may gain skills, values and confidence to achieve their goals … Access Destination Services was recognized as 2011 Event Company of the Year during the Event Solutions annual Spotlight Awards gala. The spotlight awards honors event professionals and companies for their exceptional body of work throughout the year … American Heart Association’s National Start! Walking Day was to be held Apr. 6 at the San Diego Concourse where Mayor Jerry Sanders was to join event sponsors Suffolk-Roel and Union Bank to kick off a one-mile wellness walk downtown. Mayor Sanders hopes his participation will serve as encouragement for others getting started with their own heart health efforts … Junior Seau Foundation is accepting applications for the Scholars of Excellence to San Diego County high school seniors. The program is funded through donations from Edco, Qualcomm, DC Shoes, Richard Dean Construction and Fresh Pac International. More than $100,000 will be distributed to students … Mama’s Kitchen will celebrate the 20th anniversary of Mama’s Day on May 6 at the Hyatt Regency La Jolla at Aventine. Tony Kopas, the founder of TK&A Custom Catering, created the concept and founded the Mama’s Day event in 1991. The event is a tribute to Kopas who died of complications of AIDS in 1995. Proceeds help hundreds of critically ill San Diego County residents … Goodwill Industries presented the “Sutherland Award” to Luce, Forward, Hamilton & Scripps LLP at the firm’s annual board meeting on March 21. The award is presented annually to a local business that has been a strong supporter of GISP. Luce, Forward has provided its pro bono services to GISP since the mid-1990s including employment counsel on administrative claims with various state agencies, personnel matters and staffing … Vista Hill Foundation is presenting its 2011 Fashion — Oz Show on Apr. 14 at the Manchester Grand Hyatt San Diego hotel. Sponsors include San Diego County Credit Union, Chandler Asset Management Inc. and Audrey S. Geisel/Dr. Seuss Fund. Proceeds benefit the Don Allen ParentCare Family Recovery Center, SAFIR and Sam and Rose Stein Education Center, all programs of Vista Hill. Please send Kudos and Giving items to Joyce Glazer at jglazer@sdbj.com.

THE 2011 Nonprofit Giving Guide


The Giving Guide will feature an in-depth 2-page profile of your organization while placing you in front of interested sponsors, donors and other supporters, in addition to raising overall awareness of your cause. This guide includes the Nonprofit Organizations Lists.

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Sponsorships are available
As The Economist put it recently, the phrase “new normal” is usually used to explain the persistence of underwhelming economic data. Certainly we have been in that in most every expression of recovery numbers such as with the still high unemployment level or the rate of new job growth. I believe that the suggestion of a “new normal” is much more than that, as is the return. Ten percent return in an investment is the “old” 20 percent. It has to be this way because most deals with lower payers jobs. The notion of “Return on Investment” has been turned on its head and do the same, blending as a people. As I look to Brazil: here is a nation of 49 different cultures, where races blended much earlier than here in the United States. Different shades, same dreams.

Shrinking Investment Returns

The motivation of “Return on Investment” has been turned on its head and the new normal is much more than that. It is generally now understood in investment circles, certainly in real estate deals but not exclusively, that “acceptable” investment returns have been cut roughly in half. This essentially means that many, many investors will expose themselves to the same level of risk for one-half the return. Yet an investment in an existing income property or even in real estate development, where risk is notoriously high, is the return must go down. It has to be this way because most deals require more equity (and less debt) it is simply about math that the return must go down.

More Money Down

The new normal in mortgages — both commercial and residential — is that fees and percentages will go down as the availability to services and self-sell become the rule. I do not know how commission rates are going to shake out over the coming years. But here is what I suspect: there are many, many fewer transaction “middlemen” in either the residential or commercial sector. The clearance cleaned out the overpopulation of brokers and agents. During the last five years it has been a matter of “survival of the fittest” and there has been a large weeding out process of those who actually can make a living, much less prosper as transaction middlemen.

Brokers Are Specialists

The new normal in the business of real estate is that fees and percentages will go down as the availability to services and self-sell become the rule. I do not know how commission rates are going to shake out over the coming years. But here is what I suspect: there are many, many fewer transaction “middlemen” in either the residential or commercial sector. The clearance cleaned out the overpopulation of brokers and agents. During the last five years it has been a matter of “survival of the fittest” and there has been a large weeding out process of those who actually can make a living, much less prosper as transaction middlemen.

Coming out of the recession, the nation’s retailers are hard-pressed to find solutions for lower consumer spending, high costs of brick-and-mortar space rent and the continuing onslaught of online share from Internet retailers. Look for these retailers to continue to compress the size of their stores (warehousing excess merchandise in former industrial space), and continue to “drive” their customers to their Web sites. Even retailers with failed business strategies — e.g. Borders and Blockbuster — continue to trade in their virtual space while closing down their “real” space.

Old Industrial Is the New Retail

The new normal in the industrial sector involves a sharing of functions. What used to be the exclusive domain of manufacturing, has now morphed into an ever-increasing devotion of space to warehousing. Much of this supports the trends in the retailing sector. Manufacturing itself is evolving to be less people-intensive through technology and robotics. Hence, the industrial market is much more attractive than the other real estate sectors because it has accommodated the changes associated with the “new normal” much more adeptly than their brethren.
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HEALTHY IMPACT

STAFFING: Health Care Reform Likely To Create Growth Opportunities for Firms

By STEVE SINOVIC

Health care reform may be a permanent fix to provide every American with basic medical services, but look to temporary staffing firms to do a lot of the heavy — and challenging — lifting on the patient care recruitment front.

Landmark legislation signed into law by President Obama promises to bring far-reaching change to the nation’s health care system.

While many of the law’s provisions don’t take effect until 2014, access to health care provided under this bill will greatly increase the need for clinical professionals. At the same time, a large number are already leaving the workforce.

Susan R. Salka is the CEO of AMN Healthcare. AMN and other temporary health care staffing companies might benefit from the overhaul of the nation’s health care system.

Campaign Promotes Region as Tech Center

LOOK TO FILL 6,000 JOB OPENINGS IN SOFTWARE, INFORMATION TECHNOLOGY

By MIKE ALLEN

Responding to a projected dearth of local engineering talent to fill the growing number of jobs created by San Diego’s high-tech companies, two organizations are joining with the private sector to launch a recruiting campaign to attract such workers from other parts of the state.

In March, the San Diego Software Industry Council and San Diego Regional Economic Development Corporation announced the SD TechWorks campaign.

“Our region has a great deal to offer in terms of opportunities for people who aren’t terribly aware of the tremendous job opportunities we have here, so we have to do a better job of promoting the SDTC,” said Bob Slapin, executive director of the Software Industry Council.

Slapin said the goal is to publicize that local tech firms have about 6,000 job openings in the software and information technology fields.

Pentagon Cutting Exquisite Programs

DEFENSE: Money Going to Projects Deemed More Worthy

By BRAD GRAVES

With the U.S. Department of Defense keeping a closer eye on spending, the defense industry’s main customer has less tolerance for the “exquisite” program.

That was one of the messages that Robert O. Work, undersecretary of the Navy, delivered Jan. 26 at the San Diego Convention Center during the West 2011 military conference.
New Challenge Is on the Plate Of Media Maven

Well, when we last checked in with new media guru Ron James—the genius behind San Diego Magazine’s pioneering Web site and a former key player at signsandiego.com and the now defunct San Diego News Network— he was heading off to retirement in the Wine Country to write about his favorite wines and really good food. Well, he’s decided to stay a little closer to home. He launched his newest brainchild, Wine & Dine San Diego Magazine, on Jan. 24, and has assembled a first-class team of food writers to turn out reviews and profiles. The site will also provide one-stop browsing for deals and discounts at area restaurants. Former L.A. Times restaurant reviewer David Nelson serves as associate publisher. After a year and a half of utter silence, the dynamic radio duo of Jeff and Jer (Jeff Detrow and Jerry Crusci) returned to the airwaves Jan. 24 during the morning drive time on local station KyXy/96.5. Thanks to Insider correspondent and publicist Jan Rieger for the reminder about their return. Former East County Chamber of Commerce CEO Mike Cully’s attorney was threatening to file a breach of contract lawsuit against Cully’s former employer the week of Jan. 24. He is seeking $12,000 he says he’s owed for his sudden termination Sept. 23. Cully, currently an M.B.A. student, is a former television journalist who successfully served as the head of the Visalia Chamber of Commerce. No comments from East County chamber executives about the dispute...The Thomas Jefferson School of Law, which recently started classes in its eight-story urban campus in East Village, said it has assumed the master lease of Entrada, a 172-unit residential complex located at Island and 11th avenues a block away. The lease will enable the law school to recruit nationally.

Firm Asserts Edgy Image With New EdgeWave Name

EDGEEAVE
CEO: Lou Ryan.
Revenue: $13.3 million for 2010 first nine months; $13.7 million for the like period of 2009.
Net losses: $1.9 million for 2010 first nine months; $863,000 for the like period of 2009.
No. of local employees: 136.
Year founded: 1995.
Stock symbol and exchange: SBIS.OB on the OTC Bulletin Board.
Company description: Designer and maker of secure content management software for medium and large companies.

Firm’s Injectable Acetaminophen Aids Postoperative Patients

HEALTH CARE
CEO: Mark Smith.
Revenue: $3.33 billion in 2010.
No. of local employees: 87.
Stock symbol and exchange: CADN.OB on the NASDAQ National Market.
Company description: Supplier of injectable pain-relief products.

Qualcomm’s First Quarter Tops Forecasts

Qualcomm Inc. beat Wall Street analysts’ expectations both in revenue and profit growth for its fiscal 2011 first quarter sales.

Cadence Makes Big Addition to Pain-Relief Arsenal

“‘Our therapeutic is addressing incisional pain following surgery, When combined with a stronger drug, it allows for much better pain relief.’ — Ted Schroeder Cadence Pharmaceuticals founder, president and CEO

In simple terms, EdgeWave’s secure content management software products protect data at medium to large businesses.

“We help organizations protect their employees and their digital assets from harm with all the bad things that can happen to you when you’re out in cyberspace with a Web browser... or exchanging e-mail with somebody outside the organization,” said Brian Nugent, EdgeWave’s chief operating officer.

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HEALTH CARE

Firm’s Injectable Acetaminophen Aids Postoperative Patients

By STEVE SINOVIC

Refitting the company’s name, San Diego-based Cadence Pharmaceuticals Inc.’s sales staffers are marching to appointments to get a share of the pain-relief business at the nation’s hospitals.

The company’s distribution centers are fully stocked and accepting orders for Orfimev, the injectable therapeutic now being marketed by Cadence.

After an expensive seven-year process to bring the drug to market, the company’s top executive said Cadence is looking to meet a huge unmet need at the nation’s hospitals with its intravenous pain reliever for patients who are unable to swallow pain pills.

Helping fund the company’s various efforts was a November 2010 financing.

Cadence Pharmaceuticals founder, president and CEO Ron Cesak said the fundraising campaign “was a challenge in that we had to put our name out there and market Cadence.”

Cesak said the company raised $26 million in the financing.

“Having a business plan is important, but it’s not the whole story,” Cesak said.

Qualcomm’s First Quarter Tops Forecasts

Qualcomm Inc. beat Wall Street analysts’ expectations both in revenue and profit growth for its fiscal 2011 first quarter results released Jan. 26.

For its first quarter ended Dec. 26, the San Diego-based designer and maker of chips used in wireless devices and base stations reported $3.35 billion in revenue, up 25 percent over the like quarter of the 2010 fiscal year. The number was above the $3.2 billion average forecast by stock analysts.

Net income for the first quarter was $1.17 billion, up 39 percent from the prior fiscal year’s first quarter. On a diluted share basis, the profit was 71 cents, compared with 56 cents per share in the 2010 first quarter.

“We were just an all-around great quarter,” said Bill Kreher, an analyst with Edward Jones, quoted in an Associated Press report. “They are really in the sweet spot in the shift toward smart phones and tablets.”

“Qualcomm is really in the sweet spot in terms of the shift toward smart phones and tablets,” Kreher said.

“They are really in the sweet spot in the shift toward smart phones and tablets,” Kreher said.

Qualcomm also revised upward its full year expectations to revenue of $13.6 billion to $14.2 billion.

“We are working to protect our intellectual property assets from harm and employees and their digital data at medium to large businesses. With a proven track record of restructuring and assistance during these difficult times, we are very happy to help our fellow citizens in need of guidance and assistance during these difficult times, with debts of $10 million or more.

ARE YOU IN JEOPARDY OF LOSING YOUR PROPERTY TO THE BANK?

Aids Postoperative Patients

Cadence Pharmaceuticals founder, president and CEO Ron Cesak.

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