



Photo courtesy of Holland Partner Group

Holland Partner Group and Bridge Housing Group are building a Little Italy project that combines market rate and affordable housing.

Affordable Living to Be Part of Little Italy Site

PROPERTY: Luxury Tower to Be Paired With Senior Complex

By RAY HUARD

Luxury apartment complexes are nothing new in downtown San Diego's Little Italy but plans are in the works for one that's paired with an adjacent complex for low income seniors.

Holland Partner Group is partnering with Bridge Housing Group to build a 30-story market rate apartment tower with an eight-story apartment building for seniors next to it on the west side of Kettner Boulevard between Cedar and Beech Streets.

The two buildings will share the 52,555 square-foot site.

The 336-foot tall tower will have 293 luxury apartments.

The 85-foot tall affordable housing complex will have 63 apartments for people over the age of 62.

The Costs

Holland Partner Group will build the tower with preliminary construction costs estimated at \$135 million.

Bridge Housing Group will hire a general contractor to build the affordable housing complex with preliminary construction costs estimated at \$25.7 million.

Added to the construction costs will be a ground lease with San Diego County, which owns the site. Lease details are under negotiation.

Ideally, construction could start in about a year and take about 28 months to complete the tower and about 20 months to complete the affordable portion of the project.

"We're working on getting everything ready to hopefully start construction next year," said Brent Schertzer, Holland Partner Group managing director.

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Tracking Solutions Put Cos. in Control

TECH: Blue Sky Also Delivers Data to Support Various Missions

By BRAD GRAVES

A map showing Africa appears on the large-screen television at Blue Sky Network in Mission Valley. It offers a unique perspective of the continent.

Here and there are icons shaped like helicopters. Each represents a United Nations helicopter, and each shows the aircraft's status. According to the map, a few are running. Those icons have rotating blades.

"It's quite fascinating. If you log into this (at) roughly 6 a.m. Africa time — the middle of the night for us — all of those aircraft are taking off. They're flying nonstop," said Jeff Sherwood, the business development manager giving the briefing on the company.

Blue Sky makes the technology that helps its client, the United Nations, keep tabs on its helicopters. Its busi-

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Mead Makers Rely on Their Creative Juices

BEVERAGE: Drink Fits in With Craft Culture, Return to Nature

By MARIEL CONCEPCION

For a few decades now, San Diego has been distinctively known as the craft beer capital of America. In the early 1990s, the local wine industry began to take off in the county, as well, followed by other micro drink alternative scenes, like cider, sake and even kombucha. Now, it appears the success of these beverage businesses has helped spawn another: meadmaking.

For the last 10 years or so, meaderies, or wineries (mead makers operate under the winemaking license) where honey is fermented

➔ Mead page 32



Coworking Scene Sound in San Diego

REAL ESTATE: Room for Growth Remains in Small Sector

By RAY HUARD

Fallout from the apparent implosion of WeWork is unlikely to have much of an effect in San Diego County, where the overall coworking market is strong according to several economists, brokers and coworking companies.

In the short term, the sense is that coworking will continue to grow in San Diego.

Longer term, there is some uncer-

tainty about the pace of that growth, although most agree that coworking isn't going away.

"I don't see it continuing to grow at the same speed as it has for the last 10 years," said Bennett Cherry, a professor of entrepreneurship and management at California State University San Marcos.

"Ten years ago, there were a lot of displaced workers," Cherry said.

Many who lost their jobs turned to

coworking spaces to become entrepreneurs and contract workers.

"There's a little bit of difference now," Cherry said.

WeWork was one of the companies that blossomed coming out of the Great Recession.

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Bennett Cherry

BIOTECH: Changing hydration from a guessing game to a science

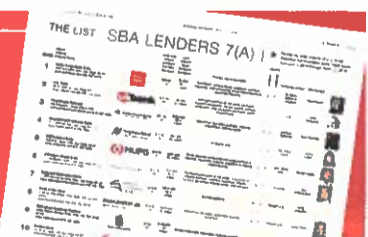
P.8

DEFENSE: NAVWAR's defense spending comes in at \$1.56 billion

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THE LISTS

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CDCs Page 22



"Dad, why is the sky blue?"

"Well, consolidating balances can optimize cash flow, son."

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Little Italy:

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"The two projects are designed to start at the same time," Schertzer said. "We're really excited to get this going. We've been working on this for quite a while with Bridge Housing."



Brent Schertzer

The site is "kind of the gateway between Little Italy and the bay," said Frank Wolden, a principal of AVRP Skypart, which is designing the project.

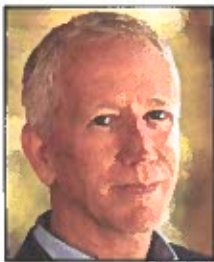
"Beech Street is a very important view corridor through the city to the bay," Wolden said.

"Beech Street is kind of the southern end of Little Italy."

Each to Have Its Own Character

The tower and smaller building will be very different in character.

"They share some common material and things but they do appear as separate buildings," said Brad Wiblin, executive vice president of Bridge Housing. "That was important, that they be related but not be the same."



Brad Wiblin

Under federal and state law, senior housing must be separate from market-rate family housing.

The Bridge Housing building will be

wood frame on a concrete podium with a predominantly stucco finish compared with the tower, which will be concrete, steel and glass in three shades.

"There's a lot of glass and views and balconies and decorative materials," Wolden said.

The tower building will include 5,115 square feet of commercial space wrapping around the Beech Street and Kettner Boulevard side of the building.

"From a design viewpoint, the Kettner experience is a different experience than the Beech Street experience, which is really adjacent to two towers and a major, very active intersection," Wolden said. "That side of the project has every bit an urban face."

The Kettner side of the project, which is the front Bridge Housing portion of the project, is more residential with townhomes across the street, Wolden said.

An existing five-story county-owned parking garage will be incorporated into the project by wrapping the affordable housing portion around the garage.

The smaller size of the Bridge Housing building and its design complements the residential feel of the adjacent section of Little Italy.

No Retail for Affordable Complex

Initially, the affordable housing complex was to include some ground-floor retail but that was removed in response to community comments, Wiblin said.

"We're bringing the residential right down to the ground floor," Wiblin said. "It was clearly the desire of the neighborhood."

The parking levels of the two complexes will be connected to each other and the county garage, but the upper levels of the buildings will not, Schertzer said.

In all, the project will have 176 parking spaces.

Apartments in the tower will range from 509 square feet to 1,301 square-foot and include five penthouse apartments on the top floors, most of which will have two levels.

The building will include 5,115 square feet of commercial space.

Planned amenities include a gym, pool and spa.

Rents in the tower won't be set until the project is closer to completion, Schertzer said, adding that the tower is likely to attract a mix of tenants including "professionals who want to be in the Little Italy neighborhood"

Near the Trolley Station

The project is across the street from a trolley station, which makes it convenient for people to commute to job centers elsewhere, including UTC once the trolley line extension is complete, Schertzer said.

"We don't target our market to any specific group," Schertzer said. "I think we're going to get a pretty large range of people that are interested."

Rents in the Bridge Housing portion of the project will be set according to income with the project designed for seniors designated as very low income to low income.

Based on federal guidelines, very low income is up to \$42,800 for a two-person household and low income is up to \$68,500 for a household of two.

The affordable senior apartments will range from 462 square feet to 1,184 square feet.

"The vision is to create a synergistic feeling of place, providing much needed housing next to transit, integrating a mix of uses into a vibrant historic community and activating an underutilized parcels," said Cynthia Parker, Bridge president and CEO. ■

Luna Grill:

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accounting, human resources and risk management, among other support center functions.

"We plan to expand in existing markets as well as identifying potential new markets and (Bartlett's) team will be key to bringing prudent acceleration and growth as we go," said Pourteymour.

Luna Grill Restaurants LLC

CEO: Sean Pourteymour
REVENUE: Target growth rate is 25% to 30% per year, according to the company
YEAR FOUNDED: 2004
HEADQUARTERS: Carmel Mountain Ranch
NO. OF EMPLOYEES: Nearly 1,200
COMPANY DESCRIPTION: Luxe-casual, full-service sit-down restaurant chain that offers Mediterranean cuisine.

Fast Casual Chain

Founded in 2004, Luna Grill is a Mediterranean food luxe-casual chain with 50 locations, all corporate owned, in Southern California and the Dallas-Fort Worth area. In 2018, co-founder Maria Pourteymour told the *San Diego Business Journal* the plan was to add 10 to 15 new locations every year moving forward. Luna Grill offers Mediterranean dishes of kabobs, rice plates and salads, among other items, at around \$12 per dish. While Luna Grill is a privately held company and does not disclose sales figures, its target growth rate is 25% to 30% per year, according to the company. ■

Connect All:

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• **Nomad Donuts Bakery and Café:** A gourmet donut shop with globally-inspired recipes located in North Park. Owner: **Brad Keller**

• **The Dojo Café:** A café at Fair 44 International Market that plans to use its revenue to support free community programs and events. Owners: **Tayari Shorter, Carlos McCray, Peter Ellew, Kristina Lerbuasin and Nancy Vallejo**

• **Mapigator:** A website and mobile app that matches people with all types of disabilities to businesses that can accommodate their specific needs and preferences. Owners: **Linda St. Angelo Burritt, Janine Boleda**

• **Promodrone:** A startup that uses drones to deliver banner promotions, photo and video advertising, live streaming and impression data capture. Owner: **Jamar Williams**

• **Shukor Bella:** A company that offers hair and skin care products that use Kibbeh butter. Owner: **Rosa Adam**

• **Smart Guider:** A startup developing a cane for the blind and visually impaired that uses autonomous navigation technology. Owner: **Kelvin Crosby**

• **Standard Spoon:** A company that crafts premium cocktail tools, such as mixing spoons, shakers and muddlers. Owners: **Rachel Eva and Shawn Michael**

• **Surf Durt:** A company that manufactures and sells reef-safe sunscreen. Owners: **Maxine Chapman and Nicolette Remmel**

• **Vincii:** An online platform to facilitate in-person learning experiences. Owners: **Sean Uriate, Viet Mai.** ■

Sempra:

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Co. Ltd. for \$3.59 billion cash. The deal is also expected to close in the first quarter.

Sempra said it expects both transactions to yield a total of \$5.82 billion in cash. The San Diego corporation said it plans to use proceeds of the sale to strengthen its balance sheet and support the growing capital needs of its utilities in California and Texas. Sempra is parent to **San Diego Gas & Electric Co., SoCal Gas and Oncor Electric Delivery Co.**

State Grid International Development — the buyer of the businesses in Chile — also has interests in the Philippines, Brazil, Portugal, Australia, Hong Kong, Italy and Greece. The business is a subsidiary of **State Grid Corp. of China**, which runs a network covering 26 provinces in China, accounting for 88% of China's territory, and serves a population of more than 1.1 billion people.

Sempra signed its agreement with State

Sempra Energy

CEO: Jeffrey Martin
REVENUE: \$11.7 billion in 2018; \$11.2 billion in 2017
NET INCOME/LOSS: \$924 million in 2018; \$256 million in 2017
YEAR FOUNDED: 1998
STOCK SYMBOL & EXCHANGE: SRE on the New York Stock Exchange
HEADQUARTERS: Downtown San Diego
NO. OF LOCAL EMPLOYEES: 4,767
COMPANY DESCRIPTION: Energy services holding company and parent to San Diego Gas & Electric Co.

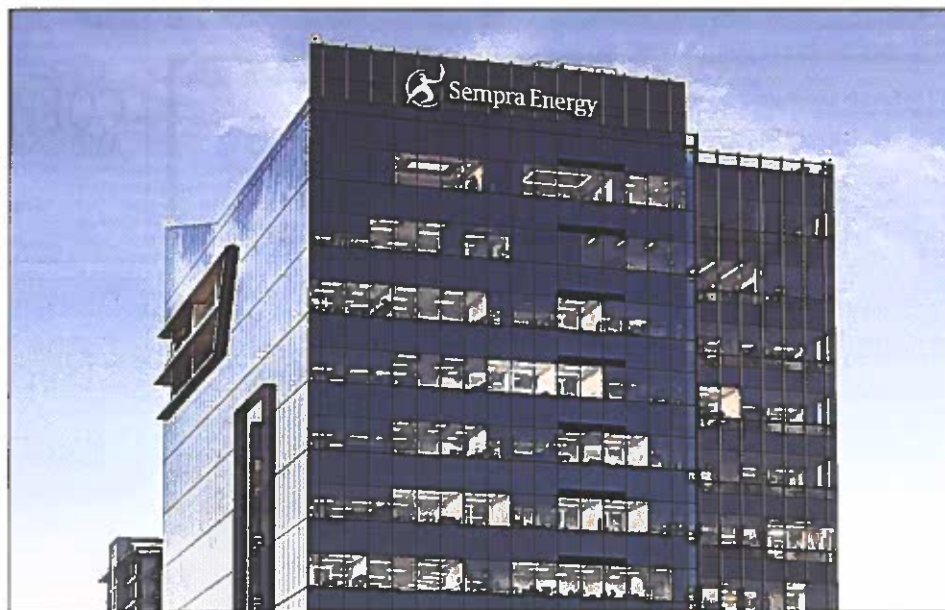


Photo courtesy by Sempra Energy

Sempra's headquarters is located in downtown San Diego. The company has sold several assets and focused its attention on North America following complaints from activist investors.

Grid on Oct. 12. Either party may terminate the agreement if it does not close after one year of its signing. Its financial advisers in the Chilean transaction are **BofA Merrill Lynch** and **Lazard**. Its legal representation is from **White & Case LLP** as well as **Claro & Cia.**

"All of our companies in Chile, including Chilquinta Energía and Tecnoed S.A., are excellent businesses with a strong focus on safety, reliability and customer service," Martin said. "We are so appreciative of the hard work and dedication of our Chilean team over the past 20 years."

In August, Sempra reported second quarter net income of \$354 million on revenue of \$2.23 billion. In the same quarter one year ago, it reported a net

loss of \$561 million on revenue of \$2.18 billion. Sempra had debt of \$24.4 billion at the end of its second quarter, with a debt-to-capital ratio in line with its peers, wrote analyst **Jacob Kilstein** of **Argus Research**, in a Sept. 23 research note.

On Sept. 26, the **California Public Utilities Commission** set revenue amounts for **San Diego Gas & Electric** and **SoCalGas**. The decision adopted a 2019 revenue requirement of \$1.99 billion for SDG&E's combined operations. That includes \$1.59 billion for electric and \$400 million for its gas operations. The decision also adopted a 2019 revenue requirement of \$2.77 billion for SoCalGas, which is approximately \$166 million lower than what SoCalGas had requested. ■