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Oceanside development paves the way for transformation

By CAMERON LEIGH JAMES, Special to The Daily Transcript

Thursday, August 29, 2013

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A rendering shows plans to improve Mission Avenue in Oceanside.

Given its proximity to Camp Pendleton, Oceanside will always have a

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strong military presence -- but city officials, civic worked diligently to clean up its reputation as a rate. Those efforts, combined with the availability of Interstate 5 and choice lots near the beach, are paving the way for transformation.

Although there is no unified vision for downtown Oceanside, a professional planner and the city's downtown area manager, would like to see a pedestrian-friendly environment with easy access to transit, a thriving downtown retail environment that provides jobs and live without commuting.

"I'd like to see things other than used-car lots and auto repair shops on Coast Highway," people say Oceanside has so much potential. We want to realize that potential."

Since the 1990s, downtown Oceanside has been transitioning to more upscale retail. An improving economy has savvy business owners tapping into underserved market segments. **Stone Brewing Co.** opened a company store on Tremont Street last summer. **Oceanside Brewing Co.** is opening a tasting room in a former flower shop on North Coast Highway this fall.

Bagby Beer Co. anticipates opening its new restaurant and brewery -- now under construction -- on South Coast Highway.

"This spot has huge potential, and when we first visited the site we saw what it could be," brew master Jeff Bagby said. "We knew we wanted property in coastal North County pretty big with the ability to have some outdoor seating, as well as enough space for and this property fit our needs perfectly."

When the new SpringHill Suites Marriott opens early January, Oceanside will be another step toward Helmer's vision of a vibrant downtown. The hotel, one of seven either approved or selected for a city-block mixed-use CityMark project being developed by **GF Real Estate Group**, a subsidiary of the Indian Tribe of Colorado.

Helmer said the company has scheduled a meeting to discuss the project, which includes retail.

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“If they don’t want to reopen the entitlement process, they have to stay within those parameters. The local economy is picking up. It shows they want to talk about it.”

When Gov. Jerry Brown dissolved the state’s redevelopment agencies in 2012, Oceanside started the works, and its redevelopment agency was set to expire in 2018. Of those five projects, the S.D. Malkin Oceanside Resort Hotel.

Tracey Bohlen, Oceanside’s economic development manager, said the city has been on the two city-owned lots for more than 30 years. When the redevelopment agency disappeared, the city had \$1 million in bond financing, which prevented S.D. Malkin from moving forward.

The CityMark and S.D. Malkin projects encompass a large portion of a key downtown area.

“These projects are highly critical to our tourism industry and to get downtown vibrant again,” Bohlen said. “These are blocks that are right at the beach.”

None of the projects on the five-block CityMark property required city funds. Bohlen said the S.D. Malkin resort project is on track to move forward, and she anticipates hearing from the Department of Finance by September.

The Mission Avenue improvement project also was stalled due to the redevelopment agency’s plan to narrow downtown Mission Avenue from four to two lanes (making it a one-way street). The city had a \$1.5 million grant from the San Diego Association of Governments. The city had to ask the Department of Finance to use existing bond funds for the balance of the \$3 million project, a key element to revitalizing downtown.

Construction is expected to get under way this fall.

Bohlen said the city has approximately \$12 million in existing bond funds. It is asking the Department of Finance to use those funds to build restrooms that serve tourists, surfers and families along a half mile of beach. “We don’t have any other funds,” Bohlen said. “Most cities have to build or maintain lots of restrooms.”

The city will interview developers this summer to expand a public parking lot into a mixed-use project downtown.

“It’s a \$50 million project,” Helmer said. “We’re going to need more downtown parking.”

Development is also under way on the 465-acre El Corazon property the city acquired in 2009. The site, which was a sand mine, is primarily vacant land. On-site currently is a green waste compost facility, a mine tailings pond and a senior center that opened in June 2009.

The development plan calls for a range of active and passive park activities; commercial and retail; and a residential alternative. Sudberry Properties is developing the commercial center. Grading for 22 multipurpose sports fields will get under way in October, and the fields will be ready for use by 2014. Bohlen said Sudberry is partnering with Surf Cup and plans to hold its first large soccer tournament in 2014.

-James is an Encinitas-based freelance writer.



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NEWS|SAN DIEGO|CONSTRUCTION

Oceanside hotel development to play key role in creating v

By **CAMERON LEIGH JAMES**, Special to The Daily Transcript
 Wednesday, August 28, 2013

San Diego County's northernmost coastal city has seven hotels in development and one under construction. Three of the projects are critical to the city's efforts to create a vibrant downtown area, and all are key elements needed to support the city's growing tourism industry.

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Last September, **GF Real Estate Group**, a subsidiary of the Southern Ute Indian Tril ground on the highly anticipated SpringHill Suites by Marriott. The seaside resort, on mixed-use CityMark project, is within a nine-block development plan that includes the Resort, built in 2008.

Tracey Bohlen, Oceanside's economic development manager, said the Wyndham, a hugely successful, even during the downturn, with occupancy rates at around 90 per

Built by Minneapolis-based **Ryan Companies US Inc.**, the \$40 million SpringHill Sui \$25.1 million construction loan from **U.S. Bank** (NYSE: USB). Hospitality specialist **J Johnson Architects**, who has directed the creative design of more than 60 hotels, c which features a sixth-level pool deck and fitness facility, an independent seafood re: public meeting space and underground valet guest parking. The hotel is designed to the California Energy Code by more than 20 percent, with the goal of achieving Gold Efficiency and Design (LEED) certification from the U.S. Green Building Council.

Expected to open early 2014, the hotel will be operated by **Sage Hospitality** and will people, including 50 restaurant staff.

John Helmer, downtown area manager for the city of Oceanside, expects the hotel tc development.

"This hotel will start bringing people downtown, and support services and other types and be built around it," he said.

It may also spur development of the proposed Oceanside Beach Resort on two city-c project was sidelined when California's redevelopment agencies were dissolved in F redevelopment agency's \$27.6 million in bond financing, Bohlen said, S.D. Malkin w: the project.

The city has since renegotiated the agreement, removing the timeshare element, red and the number of rooms to 389, and eliminating one underground parking level.

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“The project is smaller, more manageable and a little less expensive,” Bohlen said.

The state Department of Finance will render its opinion on the proposed property ma

San Francisco-based developer **Amidi Real Estate Group** is securing financing and drawings for its mixed-use hotel project, 1010 Oceanside (formerly known as Belved Its current, third version was entitled last October. The site, a vacant lot for more than downtown Oceanside and one of the first things drivers come upon as they head west Interstate 5. Taking up an entire city block, the terraced building steps down from 79 afford more ocean views than the previous design.

“The new design is much more pleasing and has a lot of open space,” Amidi project i
“It’s going to be one of the nicest buildings in Oceanside.”

Nikkho said construction on the \$70 million project would probably start next August. live/work lofts, meeting space, and a rooftop deck and pool with an ocean view. The work/play/live project in Los Angeles. 1010 Oceanside is expected to generate annu:

This project is an example of what Helmer would like to see for downtown Oceanside work without commuting.

“I’d like to see projects that produce sales tax and transient taxes to help the city fun
Helmer said.

On the east end of Mission Avenue near Highway 76, **Goli Enterprises** plans to build 1.6-acre lot in a commercial district.

“We are hoping the development will be a positive impact for the area. There are lots will benefit from tourism,” said Emilio Gutierrez, project expeditor for Goli.

Gutierrez said the required studies have been submitted to the city and the project is will be at least a year before the project is approved. Construction will start three mo

Long Beach-based **Jenna Development** has been working on plans to develop Inns years. The 11-acre, three-hotel resort will have an entrance at Jefferson Street south hotel complex (Embassy Suites, Homewood Suites and Hampton Inn) has a unified design, and landscaping will be integrated with the natural flora and fauna of Buena

Tom Bergerson, president of **DMBergerson Architects**, the architect and developm said they are roughly two-thirds of the way through the entitlement process and are r environmental impact report to the city.

“If everything goes well, we’ll have public hearings in May or June next year,” Berger on this since 2010. You have to have a lot of patience and a real passion for it.”

-James is an Encinitas-based freelance writer.



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North County cities tapping into craft beer

By David Ogul, Special to The Daily Transcript
 Wednesday, August 28, 2013



Tim St. Martin, CEO of Barrel Harbor Brew Co., is converting a 3,800-square-foot space at the Vista Business Park into a tasting room and production facility Photo by David Ogul

The region's explosive growth in microbreweries is tipping toward North County.

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Before the summer ends, **Barrel Harbor Brew Co.** will become the ninth and 10th craft brew capital of North County and per capita in the United States.

San Marcos, Oceanside, Escondido and Carlsbad craft brewery craze, with at least a half dozen coming months.

Tim St. Martin is the chief executive officer at Barrel Harbor Brew Co. He is converting a 3,800-square-foot space at the Vista Business Park into a tasting room and production facility. The brewery will produce red ale, brown ale, dry stout and pilsner. St. Martin said production should reach 1,200 barrels per day, with plenty of room to expand.

Just to the west, Daniel Love is in the midst of a roughly \$750,000 expansion that will allow **Brew Co.** to produce up to 10,000 barrels next year and up to 15,000 per day in 2014. The brewery was crafted last year. A tasting room that opened in a former art museum last year has helped draw lethargic downtown and drawn weekend crowds that are spilling over into neighboring areas.

"We have an aggressive expansion plan for the next three years," said Love, who has secured a distribution agreement to quench thirsts with Mother Earth brews throughout Southern California this month.

Over in San Marcos, **Kuracali Sake & Beer Brewery** is readying a 1,200-square-foot production facility. **The Lost Abbey** and **Rip Current**. It will be the first craft sake brewery in California. Kuracali's Red Planet Ales, being distributed at local bars and restaurants.

Brewers in Oceanside have been just as busy. Among the projects: **Oceanside Ale** brewery in that city's business park, plans to open a tasting room on North Coast Highway. **Barrel Harbor Brew Co.** is readying a 4,400-square-foot brewery and tasting room near the airport off state Route 56.

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won several national awards and formerly served as the head brewer for Carlsbad-based Brew Co. He hopes to brew up to 10,000 barrels of **Bagby Brew Co.** beer by the time he opens by early next year a 10,000-square-foot tasting room, restaurant and brewery at the dealership. He hopes to brew up to 10,000 barrels of **Bagby Brew Co.** beer by the time he opens by early next year a 10,000-square-foot tasting room, restaurant and brewery at the dealership.

By next spring, Oceanside will have seven tasting rooms and breweries, said Tracey development manager.

"It's a booming industry," Bohlen said. "It's a tourist attraction and a local attraction, and they're interconnected. The brewers are friendly to each other. There's a great synergy."

Not to be outdone, Pizza Port has taken over more than 37,000 square feet in Carlsbad. Pizza Port's large production facility in the rear of the building that can also serve as a restaurant and brewery. **Brewing Co.**, the granddaddy of North County's craft brewers, was expected by August to open a 10,000-square-foot facility in Escondido that will serve as a packaging, kegging and bottling facility. Meanwhile, is set to open downtown, city officials there said.

San Diego's North County is not operating in a vacuum. The Brewers Association says there are 1,000 microbreweries and 99 brewpubs that opened in 2012 across the country. California has 1,000 breweries in 2012, exactly twice as many as Washington state, which ranked second in the Brewers Association – a group that touts itself as the largest association of brewers in the United States.

Love says he believes the key to growth in the local craft brew industry lies in producing quality beer and getting people to go around and visit your tasting rooms," he said. "Sooner or later, you run into a market that's saturated."

John Snyder, one of several partners opening Legacy Brewing in Oceanside, agrees.

"For those who know how to market their beer and get their product to market, there's a market," Snyder, who notes that Legacy is conveniently located off state Route 76 and just a short drive from the coast. But he also believes tasting rooms will continue to draw in customers, especially where there are 40,000 vehicles are passing by each day.

Legacy's master brewer will be Mark Mericle, formerly of **Heritage Brewing Co.** of Duluth, Minn.

-Ogul is a San Diego-based freelance writer.

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Oceanside development paves the way for transformation

By CAMERON LEIGH JAMES, Special to The Daily Transcript
Thursday, August 29, 2013

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A rendering shows plans to improve Mission Avenue in Oceanside.

Given its proximity to Camp Pendleton, Oceanside will always have a strong military presence -- but city officials, civic leaders and merchants have worked diligently to clean up its reputation as a tough town with a high crime rate. Those efforts, combined with the availability of undeveloped land east of Interstate 5 and choice lots near the beach, are paving the way for a major transformation.

Although there is no unified vision for downtown Oceanside, John Helmer, a professional planner and the city's downtown area manager, would like to see a pedestrian- and bike-friendly city with easy access to transit, a thriving downtown retail environment that provides jobs, and places for people to work and live without commuting.

"I'd like to see things other than used-car lots and auto repair shops on Coast Highway," Helmer said. "A lot of people say Oceanside has so much potential. We want to realize that potential."

Since the 1990s, downtown Oceanside has been transitioning to more upscale retail, restaurants and businesses. An improving economy has savvy business owners tapping into underserved markets, such as craft breweries. **Stone Brewing Co.** opened a company store on Tremont Street last summer. **Oceanside Ale Works** is set to open a tasting room in a former flower shop on North Coast Highway this fall.

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"This spot has huge potential, and when we first visited the site we saw what it could eventually be," owner and brew master Jeff Bagby said. "We knew we wanted property in coastal North County. We also wanted something pretty big with the ability to have some outdoor seating, as well as enough space for brewing equipment. Oceanside and this property fit our needs perfectly."

When the new SpringHill Suites Marriott opens early January, Oceanside will be another step closer to developing Helmer's vision of a vibrant downtown. The hotel, one of seven either approved or seeking approval, is part of a five-block mixed-use CityMark project being developed by **GF Real Estate Group**, a subsidiary of the Southern Ute Indian Tribe of Colorado.

Helmer said the company has scheduled a meeting to discuss the project, which includes public open space and retail.

"If they don't want to reopen the entitlement process, they have to stay within those parameters," Helmer said. "The economy is picking up. It shows they want to talk about it."

When Gov. Jerry Brown dissolved the state's redevelopment agencies in 2012, Oceanside had only five projects in the works, and its redevelopment agency was set to expire in 2018. Of those five projects, the biggest was the S.D. Malkin Oceanside Resort Hotel.

Tracey Bohlen, Oceanside's economic development manager, said the city has been trying to get a hotel built on the two city-owned lots for more than 30 years. When the redevelopment agency dissolved, so, too, did \$27.6 million in bond financing, which prevented S.D. Malkin from moving forward.

The CityMark and S.D. Malkin projects encompass a large portion of a key downtown development area.

"These projects are highly critical to our tourism industry and to get downtown vibrant and alive," Bohlen said. "These are blocks that are right at the beach."

None of the projects on the five-block CityMark property required city funds. Bohlen said a scaled-down version of the S.D. Malkin resort project is on track to move forward, and she anticipates hearing back from the state Department of Finance by September.

The Mission Avenue improvement project also was stalled due to the redevelopment agency's dissolution. The plan to narrow downtown Mission Avenue from four to two lanes (making it a one-way westbound) got back on track last fall with a \$1.5 million grant from the San Diego Association of Governments. The city has applied to the state Department of Finance to use existing bond funds for the balance of the \$3 million project, which city officials see as a key element to revitalizing downtown.

Construction is expected to get under way this fall.

Bohlen said the city has approximately \$12 million in existing bond funds. It is asking the state Department of Finance to use those funds to build restrooms that serve tourists, surfers and families who frequent the city's three and a half miles of beach. "We don't have any other funds," Bohlen said. "Most cities don't have to worry about having to build or maintain lots of restrooms."

The city will interview developers this summer to expand a public parking lot into a multilevel public parking and mixed-use project downtown.

"It's a \$50 million project," Helmer said. "We're going to need more downtown parking."

Development is also under way on the 465-acre El Corazon property the city acquired in 1994. The site, a former sand mine, is primarily vacant land. On-site currently is a green waste compost facility, reclamation activities within a mine tailings pond and a senior center that opened in June 2009.

The development plan calls for a range of active and passive park activities; commercial use, including hotel, office, and retail; and a residential alternative. Sudberry Properties is developing the commercial and residential aspects. Grading for 22 multipurpose sports fields will get under way in October, and the fields will be planted early next year. Bohlen said Sudberry is partnering with Surf Cup and plans to hold its first large soccer tournament there in July 2014.

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Tourism



Juan Tinios Funcke, Baja California's secretary of tourism, said a healthy tourism sector in Baja means more people crossing the U.S.-Mexico border.
Page 8

Innovation



Oliver Baudoux, the founder, investor and CEO of DivAn.com, said the company's marketing platform represents a year of work.
Page 4

The List:
Mortgage Companies
Page 17

Supplement:
Holiday and Event
Planning Guide
Page 319

Companies Find Right Price and Space in Otay

PROPERTY: Improvements To Help Region Compete

By LOU HIRSH

The long-slumbering industrial market in Otay Mesa has recently been waking up, with a series of big property buys and leasing deals highlighted by a site targeted for use by FedEx Corp. Brokerage experts attribute the trend to rising corporate demand for transportation-friendly sites near the border — among other factors — as large buildings and land parcels remain

◆ Otay page 30



Map courtesy of CBRE Inc.

An Otay Mesa property, recently bought Coronado-based developer Kierman Cos., is the site of a proposed FedEx Freight facility approved last year by county planners.



Ready To Grow

PROPERTY: Oceanside Welcomes New Businesses as Tide Begins to Turn for Area

By LOU HIRSH

A Virginia-based maker of organic salami and prosciutto will start construction soon on an 80,000-square-foot production facility at Pacific Coast Business Park in Oceanside. It's among the latest projects indicative of new business coming Oceanside's way these days and of that community's improving economic development outlook.

Olli Salumeria, which scouted several Southern California sites before choosing Oceanside, plans to spend more than \$20 million on what will be its first West Coast plant — and several times larger than its flagship plant in Mechanicsville, Va. It's expected to employ 25 people when it opens in late 2014, a number that could increase to as much as 75 as other phases are completed during the next four years. Chief Operating Officer Rondall Powers said.

The recovering economy is boosting development prospects in Oceanside,



Melissa Jacobs photos

Tracey Bohlen, Oceanside's economic development manager, said the city is seeing a lot of interest from a variety of companies. Projects are percolating in the cluster of business parks that includes Pacific Coast.

economic development leaders and local commercial brokers say. Projects are percolating, particularly in the cluster of business parks that includes Pacific Coast in Oceanside, spanning several hundred acres just north of the Sprinter light-rail line.

Several of these parks, built on former agricultural land, were developed during the past decade and sat mostly vacant for most of that time. The climate is gradually shifting.

"We've recently been seeing a lot of in-

◆ Oceanside page 29

More CEOs Heading For the Exit This Year

LEADERSHIP: Change Is Part Of Job Description for Execs

By MIKE ALLEN

Seven CEOs from the 25 largest public companies in San Diego either left or will exit this year.

While the reasons for leaving vary, the local trend mirrors a national one in which more chief executives are exiting this year.

The turnover count of CEOs in July was 54 percent higher than it was in July 2012. For the first seven months of this year, CEO departures increased 5 percent over the same period last year, according to Challenger,

◆ CEO page 31

Biotech R&D Sector Job Growth Impressive

BIOTECH: Region Sees Increase Despite Bad Economy

By MEGHANA KESHAVAN

San Diego has one of the fastest-growing biotechnology research and development sectors in the country, with jobs in the sector growing about 20 percent from 2008 to 2012, an analysis of government data shows.

By comparison, employee counts in the sector have grown about 5 percent in Boston during the same timeframe, and have dropped about 2 percent in the San Francisco Bay area, according to data from the U.S. Bureau of Labor Statistics.

Long hailed the three prime biotech hubs of the U.S., Boston, San Diego and San Francisco eye one another carefully — there's frequent swapping of talent, technology and

◆ R&D page 30

MetroPCS Joins the Crowd in San Diego

TELECOM: Carrier Enters Good But Competitive Market

By BRAD GRAVES

MetroPCS recently brought its flat-rate, no-contract wireless phone service to San Diego and 14 other markets nationwide, taking on locally based Leap Wireless.

While San Diego presents a crowded field, MetroPCS is chasing the fastest-growing segment of the U.S. wireless market.

Strategy Analytics forecasts that from 2012 to 2016, carriers such as MetroPCS — selling prepaid, flat-rate, no-contract, monthly plans — will experience a compound annual growth rate of 10.7 percent. That compares with 3.3

◆ MetroPCS page 31



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Oceanside:

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interest from several companies, in several different industries," said Tracey Bohlen, economic development manager for the city of Oceanside.

Privately held Olli Salumeria — named for founder and President Oliviero Colmignoli — chose Oceanside after examining several locations in San Diego County for several months. Power said. The company is seeking to broaden manufacturing capacity for the organic hams, salami, coppa and other Italian-style cured meats that it markets through national retailers including Whole Foods Market Inc. (Nasdaq: WFM) and Costco Wholesale Corp. (Nasdaq: COST).

"This seemed to work best for us, in terms of location, cost and the land that was available," Powers said.

Factors Favoring Oceanside

Recent post-recession business activity is welcomed by city and business leaders in Oceanside, where commercial occupancy trends have long lagged behind those of other San Diego County cities.

Oceanside's total industrial vacancy rate through mid-2013, with subleaseable space factored in, stood at 14.8 percent, according to brokerage services provider Colliers International. That was well above the overall North County rate of 9.6 percent and the full county's 9.4 percent.

Meanwhile, Oceanside's midyear total office vacancy rate, reported by brokerage company Cushman & Wakefield Inc., was 18.8 percent, higher than North County's 17.3 percent and San Diego County's 14.2 percent.

Several factors, however, have recently converged in Oceanside's favor, brokers said, though the impact may not be fully evident for several more years. Prime industrial space, including land available for new development, has long been in short supply in central San Diego, and Oceanside is also poised to benefit from recent growth spilling over from neighboring North County cities, especially Carlsbad and Vista.

Multitenant Appeal

Tucker Hohenstein, senior vice president in the Carlsbad office of Colliers, said companies such as Coca-Cola Co. (NYSE: KO) have long chosen Oceanside based on factors such as available space, access to local highways and rail lines, and relatively affordable housing for workers.

He noted that another large company, distributor US Foods Inc., plans to occupy two new large buildings in Oceanside as it expands its North County operations currently centered in Vista. A bigger budding trend taking shape, he said, is heightened interest among developers and investors in new multitenant industrial buildings that are either completed or in the works in Oceanside.

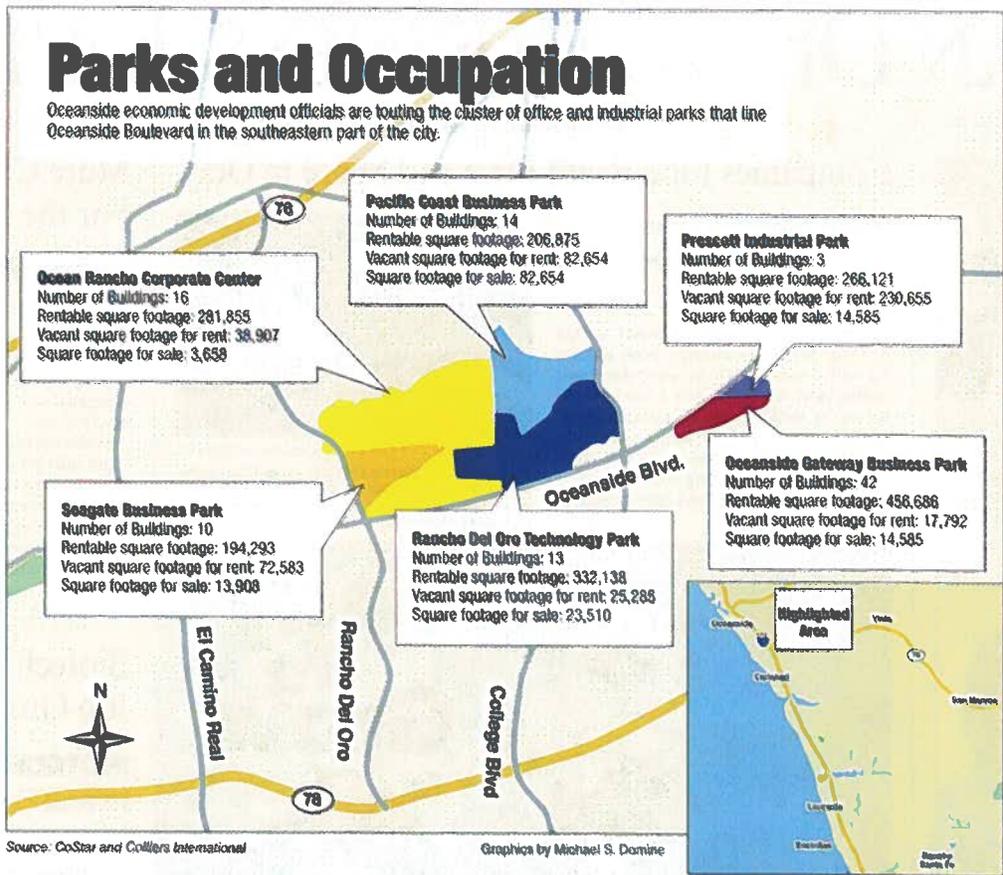


Tucker Hohenstein

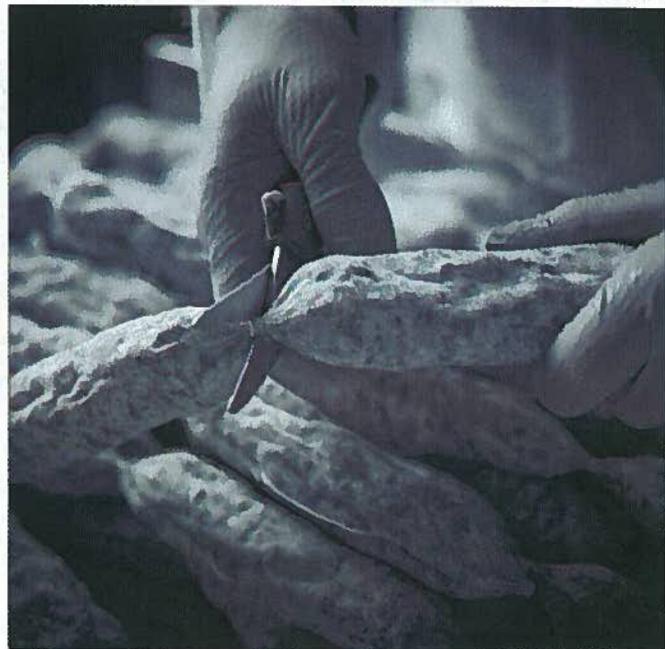
Such buildings have traditionally served as important incubators in San Diego County.

"These smaller companies in multitenant business parks are the backbone of the San Diego County economy," Hohenstein said. "They locate here and grow here, the best example being Qualcomm."

Investors and developers also like multitenant buildings, he said, because they



Photos courtesy of Olli Salumeria
Virginia-based Olli Salumeria, led by founder Oliviero Colmignoli, will soon begin construction in Oceanside on its new West Coast production facility, which could eventually employ as many as 75. The company makes organic salami and ham products, sold at stores nationwide.



diversify long-term tenant risk among numerous industries.

El Corazon of the Matter

Elsewhere in Oceanside's business parks, a new Courtyard by Marriott hotel recently opened at Ocean Ranch Corporate Center. The city's stalwart life-sciences companies, led by Genentech and Gilead Sciences, have been expanding over the last few years. They've been joined recently by newcomers such as Sparsha Pharma, which makes transdermal patches for drug delivery and leased more than 14,000 square feet in a

building on Oceanic Drive.

Across the street from the Olli Salumeria site, health services provider Kaiser Permanente is building a \$25 million, 20,000-square-foot medical office facility. Kaiser officials said the site has plenty of additional space for potential expansion.

"We're expecting that there will continue to be strong customer growth in North County, and this will also provide more convenient access for our members who already live in that area," Kaiser spokeswoman Mina Nicoletti said.

Oceanside also has high hopes for a 465-acre city-owned site called El Cora-

zon along Oceanside Boulevard and bordering the west side of the larger cluster of business parks. Plans are in the works for a complex of sports fields, which could host high-profile soccer and other national and regional athletic events.

When that goes forward, city leaders and brokers anticipate rising demand for other commercial spaces in the vicinity. For instance, Bohlen noted that at least two other hotels have received city approvals, and San Diego-based developer Sudberry Properties has a large retail center in early planning stages that it envisions building on land near El Corazon.

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Economic Development



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News

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Retail

City of Oceanside News is a publication of the Oceanside Economic Development Division. Oceanside Broker News is dedicated to a strong partnership with the City of Oceanside, brokers and developers, as well as business and community leaders. We welcome your input and your newsworthy information for publication.

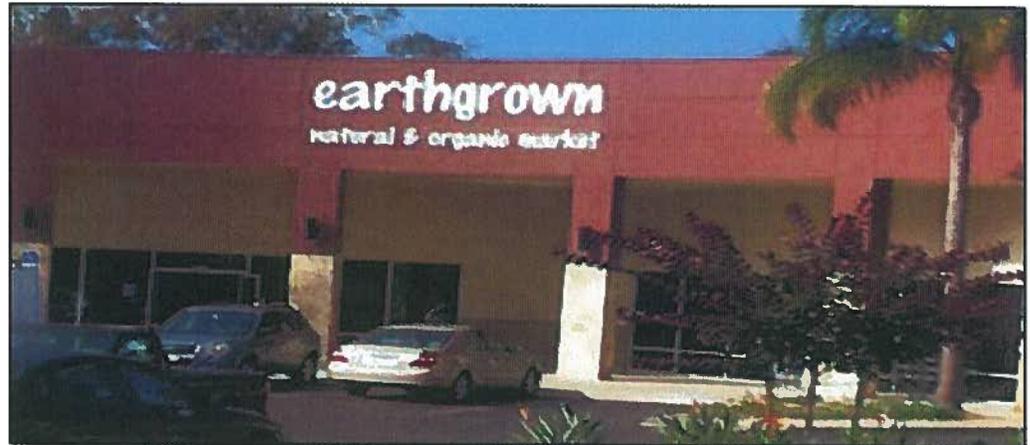
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NEWS



Kaiser Permanente Medical Offices

Kaiser Permanente has started construction on their 20,000 sq. ft. building located at 1302 Rocky Point Dr. in the Pacific Coast Business Park.



Earthgrown Market

Earthgrown Market will soon be open at Loma Alta Creek. The market leased 15,000 sq. ft. at the center with an anticipated September opening.

Construction is moving along for the 40,117 sq. ft. Coastal Academy, a Charter School serving grades kindergarten through 8th grade. The school features two buildings, one building at 37,462 sq. ft. with 2 stories, and a multi-purpose building at 2,755 sq. ft. The school is located at 4096 Calle Platino. A 2014 opening is anticipated.

Frazier Farms has lease 67,000 sq. ft. at 1820 Oceanside Blvd. Opening early 2014.

Camino Town and Country shopping center will be constructing a 1,200 sq. ft. drive thru Starbucks, along with a 10,000 sq. ft. building to house some additional restaurants. The new construction will occur in the parking lot area of the Target shopping center fronting El Camino Real. Building and grading plans are in to the city and construction should begin before the end of 2013.

INDUSTRIAL/OFFICE



2420 Industry St.

Ed Engle and Brian Stump of Asset Management Specialists, Inc. have 10,656 sq. ft. of warehouse space for lease located at 2420 Industry St. Approximately 300 sq. ft. of office space. Separate upstairs office area approximately 1,656 sq. ft. Four 12' roll up doors, 3 at grade, 1 dock high door. Space also has outside storage area. For more information call Ed Engle at 760--720-2829 or Brian Stump at 760-720-2829.



1305 Union Plaza Court

Al Apuzzo, Tim Moore and Christian Peterson of Lee & Associates have a total of 14,081 sq. ft. available for lease located at 1305-1310 Union Plaza Court. Suites range from 594 - 11,228 sq. ft. This property features extensive glass line in all suites, on-site security, and excellent accessibility via I-5 and Highway 78. In walking distance to numerous retail amenities and located just blocks from the Sprinter Station. For more information contact Tim Moore at 760-448-2450 or email tmoore@lee-associates.com or Christian Peterson at 760-448-2438 or email cpeterson@lee-associates.com.

RETAIL

El Pollo Loco is now open in the College Plaza shopping center.

Tapioca Express is now open in the El Camino North shopping center next door to Chipotle.

Jersey Mike's is coming soon to Del Oro Marketplace.



Ocean Ranch Blvd.

Bryan Cunningham of Jones Lang LaSalle has 7,145 sq. ft. of retail space available for lease located at 3617 Ocean Ranch Blvd. in the Ocean Ranch Plaza. Suites range from 1,338 sq. ft. to 2,600 sq. ft. Adjacent to Marriot Residence Inn. Other tenants include: Big Bobs Best Pizza, Gandolfo's Delicatessen, Rosina's at Del Oro, Felix's BBQ with Soul. Junkyard Sports Bar & Grill. For more information call Bryan Cunningham at 858-410-1181 or email Bryan.cunningham@amjll.com.

REAL ESTATE ROUNDUP

Projects, and other activities around San Diego

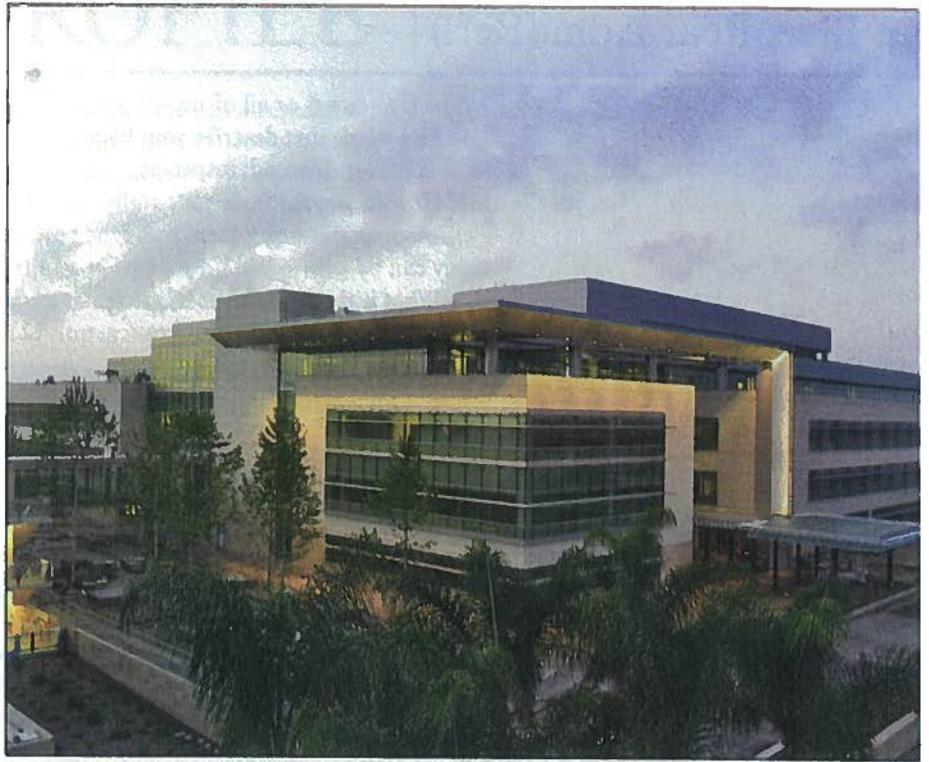


Photo courtesy of Clark/McCarthy Design-Build Team

After nearly three years of construction, the Replacement Naval Hospital Camp Pendleton is nearing completion, a full six months ahead of schedule. The 500,000-square-foot facility is on a 70-acre site near the main entrance of the gate. The \$465 million construction project is the largest American Recovery and Reinvestment Act project in the Department of the Navy.

Naval Hospital Opens Six Months Early

According to a recent release by military officials the Replacement Naval Hospital Camp Pendleton is set to open in mid-December, a full six months ahead of schedule.

"We are very excited about the progress of the construction and eager to move into the replacement hospital," said Capt. Kenneth Iverson, NHCP commanding officer.

"This new facility will allow us to meet the health care needs of our patient populations not just today, but well into the future."

After nearly three years of construc-

tion, the project is approximately 80 percent complete according to Cmdr Dude Underwood, Naval Facilities Engineering Command Southwest resident officer-in-charge of construction for the replacement hospital.

The replacement Naval Hospital is located on a 70-acre site near the main entrance of the base. This \$465 million construction project is the largest American Recovery and Reinvestment Act in the Department of the Navy. The new 500,000-square-foot, four-floor facility will replace the current 40-year-old hospital enhancing the quality and availability of care to the active duty and retired Marines, sailors and family members in the Southern California region.

Tri-City, Fallbrook Districts Seek to Staunch Patient Flow to Palomar

HEALTH The Two Are Planning Ways to Partner in Patient Care

■ By TOM YORK

Oceanside's Tri-City Healthcare District has taken a small, but significant step to bolster its position in North County's increasingly competitive landscape for hospital patients.

The move also benefits the neighboring Fallbrook Healthcare District which has been losing patients to the much larger Palomar Healthcare District.

In late June, the two taxpayer-supported systems Tri-City and Fallbrook Healthcare inked a joint powers agreement under which Fallbrook will send patients in need of critical medical procedures to the 400-bed Tri-City Medical Center.

The goal is to redirect the flow of Fallbrook residents in need of serious attention away from Palomar, which operates the 288-bed Palomar Medical Center in Escondido, the 319-bed Palomar Health Downtown Escondido campus and the 107-bed hospital in Poway.

Tri-City CEO Larry Anderson said the agreement provides Fallbrook with a "tertiary partner" that can do very serious procedures, such as cardiac and interventional radiation treatments.

Fallbrook at a Disadvantage

"Fallbrook really doesn't have a tertiary partner. By default, their partner has been Palomar," Anderson said. "But they don't have a formal relationship to

send work to Palomar.

"But the largest medical group in Fallbrook does," he said, referring to the Graybill Medical Group, a doctors' group that claims to care for 1 in 3 families in some North County cities, including Fallbrook, and which has a close business relationship with Palomar Health.

"Fallbrook has really been disadvantaged by not having a partner to keep their local patients local," said Anderson. "That's their biggest objective."

Vi Dupre, administrator of Fallbrook Healthcare District, which leases out the 140-bed Fallbrook Hospital to a third-party operator, said Graybill was sending too many of its residents to Palomar.

She said the shift took away a third of the patients at the hospital.

"This has caused real financial duress for our hospital," Dupre said. "That's a lot of business. So we began looking for a way to augment services, especially some of the larger services."

Talks Began a Year ago

Both Dupre and Anderson said Fallbrook residents have to drive only 18 miles to reach Tri-City Medical Center in Oceanside instead of 30 miles to the new \$1 billion Palomar Hospital above Interstate 15 and state Route 178 in Escondido.

"This is especially important if there is a lot of traffic," Dupre said. "We felt that the joint powers agreement would allow our CEO to talk to their CEO to come up with expansion of services to benefit our residents. We want them to send patients to Fallbrook instead of sending them out of town."



Larry Anderson

Tri-City's Anderson said talks between the two systems began a year ago, opening with discussions about ways to partner.

Since the two were district hospitals, they had the power to enter into a joint powers agreement.

An Agreement, Not a Merger

The pact is not a merger, but an agreement to share resources, he emphasized.

As part of the joint powers pact, Tri-City has agreed to open a small clinic staffed with four to five primary physicians with a goal of bringing in additional specialists in future years.

The clinic will refer patients to Tri-City

when they need tertiary care but also to Fallbrook for less serious ailments.

Anderson noted that Tri-City was similarly impacted starting in 2008 after Scripps Health purchased the Sharp Mission Park Medical Group, which effectively took away 30 percent of the district's primary care patient flow.

'Competitive Move'

"It was a competitive move to control the market," he said.

Now, hospitals are jockeying for prime positions with the approach of President Obama's Affordable Care Act, which cuts reimbursement, especially for public hospitals like Fallbrook, Palomar and Tri-City, he said.

So, most hospitals are purchasing physician medical practices to ensure the flow of patients to their facilities.

Anderson could not predict how many patients will receive treatment at Tri-City but noted that "it could be significant."

He said currently Fallbrook residents make up about 7 percent to 8 percent of Tri-City's specialized tertiary care business.

The system generates about \$330 million a year in net revenue for all types of care.

"We're in competition with everyone," said Anderson. "Health care is a very competitive business."

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