

Briefings:

May 2017

San Diego Awarded \$1.6M Federal Grant to Promote Growth of Local Defense Industry; South County EDC to Conduct Aerospace/Aviation Forum

The city of San Diego has been awarded a \$1.6 million grant from the Department of Defense's Office of Economic Adjustment to support the resiliency and growth of local defense contractors. The city and its key partners, including the San Diego Regional Economic Development Corporation, County of San Diego, San Diego Military Advisory Council, East County Economic Development Corporation and South County Economic Development Council – collectively named Propel San Diego – will deploy programs to support the region's defense ecosystem.

"San Diego is proud of its military roots and our defense industry plays an integral role in our local economy," San Diego Mayor Faulconer said. "This grant will help support our local defense contractors so they can keep creating the kind of good-paying jobs San Diegans deserve."

Leveraging the grant, the Propel San

Diego team will concentrate on economic development strategies for companies expanding in or at risk of leaving the region. As part of this work, Propel San Diego will create a database of all defense firms in San Diego County and deploy an interactive tool to explain and model changes in defense spending activity.

Home to the largest concentration of military assets in the world, San Diego's economy is inextricably linked to the national defense ecosystem. According to San Diego Military Advisory Council, the total economic impact of the defense industry is nearly \$45 billion.

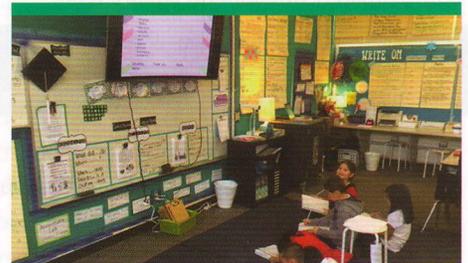
Defense-related organizations are as diverse as San Diego's key industries and include companies specializing in aerospace, maritime, unmanned vehicles, robotics, autonomous systems, cybersecurity, advanced manufacturing and more.

Leveraging Department of Defense support and the grant, Propel San Diego
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Samsung and SCEDC Partner to Give TVs to Schools in Need

Samsung International, Inc. has begun donating smart TVs to South County schools in need as part of their five-year commitment with South County Economic Development Council.

"We're excited to kick off the TV donations to these schools throughout
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To date, more than 50 televisions have been delivered to schools throughout South County.

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AEROSPACE & AVIATION FORUM

Join us as we investigate ways to encourage growth of the Aerospace & Aviation industry.

May 11, 2017
8:30 - 11:00 a.m.

Martin Luther King Jr. Community Center
140 E. 12th Street National City

The Baja Center Boasts a Sellout Month in May

Baja California's new 300,000-square-foot convention center on the highway between Tijuana and Rosarito is boasting a sellout of space in the month of May. The new convention center can accommodate events of up to 12,000 attendees and has several planned this month.

The Baja Center hosts concerts, sporting events and corporate events. The first phase of the multi-year project includes the lobby, exhibition hall, gardens and open space. It is about one fifth the size of the San Diego Convention Center's main hall and is anticipated to be a complement to the San Diego Convention Center, allowing for cross-border conventions.

Two future expansion phases are planned, which will build out the center to approximately one million square feet.

City of Tijuana Launches New Business Development Initiatives

David Moreno from the city of Tijuana was the featured presenter at the April Board of Directors meeting of the South County EDC. At that meeting, he gave an overview of the initiatives under way in the city of Tijuana to attract international business and grow several industry sectors.

The city now has a Binational Affairs office in downtown San Diego. This office serves as a link for local governments and business organizations to coordinate the Tijuana mayor's agenda in the areas of border planning, infrastructure, tourism and other economic development projects.

The city is also investing in micro-business and small-business development

with loans for as little as \$1,500 to \$10,000 Mexican pesos.

The more than 50 companies involved in some aspect of aerospace manufacturing in Tijuana means this is an area of focus to further grow the city's manufacturing sector. Other manufacturing industries are also on the rise including medical devices, automotive and electronics.

Once again, the real estate market is on an upswing in the city of Tijuana as 29 new residential projects have broken ground, along with 13 new commercial projects and three new vacation destinations.

CHAIR'S MESSAGE

As part of the Propel San Diego initiative, South County EDC is partnering with the city of San Diego, San Diego County, San Diego Regional and East County Economic Development Councils in addition to San Diego Military Affairs Council to promote growth of our local Defense Industry. To kick off that partnership, we were honored to have two special guests at our March board meeting to give a presentation to our entire membership.

Libby Day, business development officer for the city of San Diego, gave an overview of the Propel San Diego initiative and Randy Bogle, executive director of the San Diego Military Advisory Council gave an overview of his organization's work in the community and outlined how it will be playing a key role in facilitating the exchange of contractual information that will keep business in the South San Diego region.

The military sector is responsible for 301,000 of the jobs in the greater San Diego area, or 10 percent of the jobs in the

county. With Propel San Diego, South County EDC and the San Diego Military Advisory Council and other partners will be looking to increase the \$23.3 billion in defense funds that flow to San Diego annually.

For example, the total number of military ships based in San Diego increased from 53 to 57 in 2017. This is significant in that the 53 ships in 2016 were responsible for \$6 billion in spending in our region.

Join us on May 11 when we hold a forum to begin to investigate ways to encourage growth of the Aerospace & Aviation industry specifically in South San Diego County.



Clarissa Falcon

Chairwoman of the Board

Save The Date

Elected Official Reception

Thursday, September 28, 2017

National City, CA 91950

CHULA VISTA

Chula Vista Launches “This Is Chula” Campaign

Residents and visitors throughout the San Diego region will experience a view of Chula Vista that is designed to engage and encourage people to take another look. The city of Chula Vista has launched an advertising and awareness campaign called “This is Chula” that is aimed at increasing awareness and correcting misperceptions about their city, the second largest in San Diego County.



Each billboard invites the public to visit a new website the city has launched, www.ExploreChulaVista.com. Online and via mobile, the public will see digital ads and Facebook posts inviting engagement through the city's existing social media accounts, using #THISisChula to highlight the many assets and exciting activities to explore in Chula Vista.

The most visible element of the campaign, which runs from February through June, are billboards featuring the message “This is Chula” with photos of Aquatica waterpark, imagery of craft breweries on Third Avenue, the Chula Vista waterfront, and concertgoers at Mattress Firm Amphitheatre. These billboards will rotate in high traffic areas throughout San Diego County.

As Mary Casillas Salas, mayor of Chula Vista, explains, “This is an exciting awareness campaign that not only showcases our Chula Vista community culture and pride but also updates our neighbors and visitors. If you enjoy sports, hiking, boating, family activities, arts, dining, concerts, craft beer, tech centers

and the bayfront, you will find there really is something here for you.”

Chula Vista's current population is just over 265,000 with a median household income of \$71,300, which is higher than the county average. The city has received increased recognition for its Smart Cities initiatives (including a 2016 White House award); its work to establish a University and Innovation District; plans to develop the Chula Vista Bayfront; and recent acquisition of the Olympic Training Center, which it has rebranded to the Chula Vista Elite Athlete Training Center.

Chula Vista schools are also receiving accolades, with four elementary schools in the Chula Vista Elementary School District receiving California State Gold Ribbon School Awards in 2016. Chula Vista high schools also have been recognized in U.S. News & World Report and other news publications. The city's new awareness campaign and www.ExploreChulaVista.com website offer opportunities to explore these community details with vibrant images organized in five categories: Adventure; Entertainment; Dining & Shopping; Sports & Recreation; and, Arts & Culture

The new website includes a “Did You Know” page that offers added insight, links and statistics about Chula Vista. Social media engagement is encouraged and highlighted, with contests planned for anyone to share their own “Chula” moments, artwork and photos.

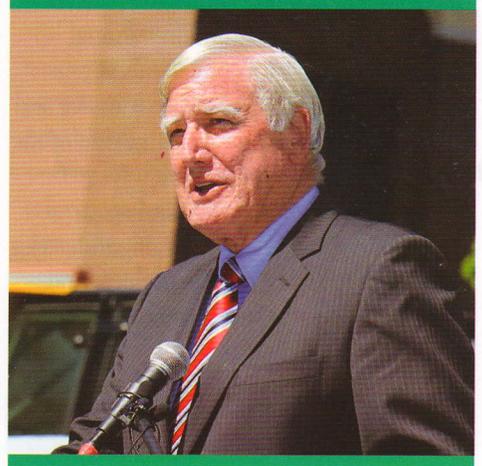
COUNTY

South County Exposure Increasing Due to Local Craft Beer Industry

By Supervisor Greg Co

Raise a glass! South County is finally getting recognized in all the talk about the explosive growth in the craft beer industry. For years, the San Diego region has benefited from craft beer brewing. In fact, a study by the National University System Institute for Policy Research estimated that in 2015, 114 San Diego breweries and brew

pubs generated \$851 million in sales and employed over 4,500 people. Although much of the attention on the craft beer industry has focused on businesses in San Diego, recent developments show that there is a lot hopping in South County.



A Voice of San Diego report on the “South Bay's Craft Beer Boom” profiled some of the increasingly popular craft tasting rooms in South County. But it also noted that our part of the region has been overlooked in this regard citing, for example, La Bella Pizza Garden, which has been serving craft beer for more than 20 years.

There's more on the way. This summer we saw the opening of the first phase of Coronado Brewing Company in Imperial Beach. Eventually, there will be two 15,000 square-foot buildings, one of which will house a second Coronado Brewing location and the other will be home to a local coffee shop, bike shop and additional retail.

All of it will be within view of the Bayshore Bikeway. Bicyclists and others who use the bikeway will be able to stop at the Coronado Brewing Company and take a break. Tourists and residents from other parts of the region will surely pedal their way to such a scenic location for brunch or drinks.

It's a good reminder that economic development isn't limited to just building offices, factories and warehouses. Sometimes, it can just mean creating a fun

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REGIONAL ROUNDUP

(continued from Page 3)

place for people to eat, drink and play, creating a reason for residents and tourists to visit and spend money in our communities.

The South County Economic Development Council knows this. That's why in 2013, the organization's annual Economic Summit was highlighted by keynote speaker Greg Koch, co-founder and CEO of Stone Brewing Company, one of the largest breweries in the nation.

San Diego County, cities and agencies should encourage these emerging industries as a way to energize our economies. And boosting our economies is something we can all say cheers to!

CORONADO

Coronado Boasts Top Rating from Moody's

Moody's Investors Service has issued a Aaa credit rating, its highest credit rating, to the city of Coronado for its exceptionally strong financial position, large tax base, and affordable debt and pension liabilities. The Moody's rating affirms its previous Aaa rating issued to Coronado in 2014.

Coronado joins 12 other California cities, including Beverly Hills, Newport Beach and Palo Alto, with the Aaa rating, and remains the only San Diego County city with the agency's highest rating.

"Coronado is proud to have earned a Aaa rating again from Moody's," said City Manager Blair King. "The rating validates Coronado's credit position as being of the highest quality."

The report noted that Coronado has an exceptionally healthy economy and tax base with a full value per capita (\$331,502) that is much stronger than the U.S. median. The report found the city's median family income equals 164.4 percent of the U.S. level. Finally, Moody's reported Coronado's fully assessed value (\$7.7 billion) is materially above other Moody's-rated cities nationwide and grew markedly from 2013 to 2016.

IMPERIAL BEACH



As construction continues on two upscale condominium projects in the city of Imperial Beach, one along San Diego Bay and one fronting the Pacific Ocean, construction is nearing completion at Sudberry Properties' Breakwater Town Center along Palm Avenue. Also under construction is the nearby Navy Base Coronado Coastal Campus, future home of the Navy Seal Team.

NATIONAL CITY

National City Seeking Developers To Assist With Smart Growth Objectives

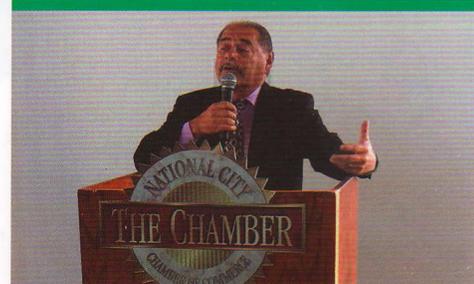
The city of National City has put out a comprehensive Request for Proposal and is actively seeking real estate developers to assist the city with its Downtown National City smart growth projects at 130 E. 8th Street and 921 National City Boulevard.

National City is seeking qualified development teams with the vision, resources and expertise to and promptly develop one or both of the city-owned properties as a mixed-use development with commercial, retail, residential and other uses. Decisions are expected to be made this month.

New development within the downtown area is regulated by the existing National City Downtown Specific Plan, which is currently going through an update process by the National City Planning Department. The updated National City Downtown Specific Plan is scheduled for approvals in June of this year.

Objectives of the city's smart growth initiatives include:

- Encourage investment in the downtown area.
- Highlight physical and policy changes that can make investment more feasible.
- Adjust zoning, land uses and development regulations to increase opportunities for the redevelopment parcels as well as other downtown parcels.
- Coordinate with the Navy to encourage more military personnel to live and shop in downtown.
- Encourage more housing in downtown to help support local retail and service markets.
- Encourage local landowner and tenant involvement in development and the financial rewards of real estate investments.
- Create a mixture of services and retail opportunities within the downtown to help keep money in the local economy.



The National City Chamber of Commerce and the South County EDC held a warm reception in March for our new Port of San Diego Chairman, National City's own, Robert "Dukie" Valderrama. Valderrama has been heralded by his colleagues, friends and community leaders as having endless energy and passion for his job, career, family and his community.

PORT OF SAN DIEGO

Port of San Diego Takes Big Step in Chula Vista Bayfront Project

The Port of San Diego has selected a national, award-winning leader in RV parks to develop and operate a new Destination

REGIONAL ROUNDUP

RV Park on the Chula Vista Bayfront, a significant step forward in the Chula Vista Bayfront redevelopment project.

The Port of San Diego sought proposals for an innovative developer to create a Destination RV Park with panoramic views from the Chula Vista Bayfront. Of the four complete proposals received, the Board of Port Commissioners selected the team of Sun Communities, Inc. & Northgate Resorts LLC. The Sun/Northgate team proposes to call the park "Costa Vista" with the following features:

- 267 sites with a mix of traditional RV stalls and vacation rental park models
- Amenities that include a camp store, pedestrian walkways, a clubhouse with a café, a pool and a fitness center
- More than 100,000 square feet of open space
- Offsite amenities including a public observation plateau in the area adjacent to the Sweetwater signature park

"The Sun/Northgate team has extensive development experience and a proven track record of success in financing, developing and operating quality RV resorts in 88 cities across North America," said Chairman Robert "Dukie" Valderrama of the Board of Port Commissioners. "For this project, the Sun/Northgate team developed a strong concept consistent with the overall look and feel of the Chula Vista Bayfront and demonstrated their ability to deliver an RV park that will achieve the goals of the Port."

"We are pleased that the national development community came to the table with a wide array of proposals to activate the waterfront. The Sun/Northgate team's proposal really stood out and they demonstrated a strong desire to be a good partner as they refine their concepts," said Port of San Diego Commissioner Ann Moore, the Board's Chula Vista representative. "This is a big, important step in moving forward with the transformation of the Chula Vista Bayfront."

The Board's action formally concludes the competitive process. Port staff will now commence environmental review and begin exclusive negotiations with the

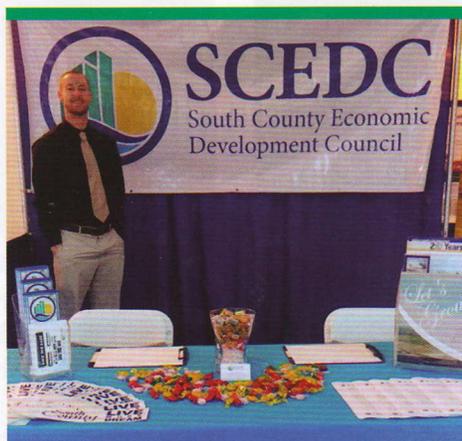
Sun/Northgate team.

The new Destination RV Park will be located at E Street and Bay Boulevard. It will pave the way for the future resort hotel and convention center, the anchor of the Chula Vista Bayfront Master Plan, as well as the Harbor District Park and roadways.

Aerospace (continued from front page) programs aim to help San Diego retain highly-skilled talent and create increased stability for defense companies in an increasingly uncertain defense budget world.

"The federal grant and Propel San Diego are welcome news for our region because they will help our critical defense industry stay strong in a fast-changing economy. It's a big boost for our military, local businesses and our communities," said San Diego County Supervisor Dianne Jacob.

"Similar to the Maritime Action Plan we developed, the OEA grant will allow us the opportunity to strategize with defense contractors and subcontractors to develop an action to strengthen the aerospace and aviation industries in our region," said South County Economic Development Council president and CEO, Cindy Gompper-Graves.



Meet our intern Jake Preuss. He is currently completing an exciting internship with SCEDC. If you are interested in our internship opportunities email SCEDC@SouthCountyEDC.com

TVs for Schools (continued from front page) South County," said Norma Hernandez, vice chair of South County EDC and co-chair of its Workforce and Education Committee. "It's been a highly anticipated moment since the beginning of South County EDC's partnership with Samsung, and I know it will have a tremendous impact on the academic development of students and the preparation of the future work force in South County."

The company will give away hundreds of televisions over the five years. On top of donating the televisions, Samsung has also agreed to deliver each one directly to the schools at no cost to South County EDC, the schools or the school districts.

Last fall public elementary and middle schools in South County submitted applications to be considered for the donation. A committee comprised of South County EDC education committee members and Samsung leadership reviewed the applications before selecting which schools to be awarded the televisions and how many each school receives based on their needs. Schools in South County will continue to receive the donations for the first two years, then the program will open to elementary and middle schools countywide for the remaining three years.

"Samsung strongly believes in children's innovative potential," said Kristina Kim of Samsung International, Inc. "We are so pleased to partner with South County EDC on this opportunity to provide students with the technological tools they need to help unleash this potential."

WELCOME NEW MEMBERS

Bankers Hill Law Firm
Foundation for Children

IDES 3

Kelly Services
McCarthy Builders

Grow Your Workforce; Grow Your Business

A new round of funding is now available for wage reimbursement through the South County Career Center. Reimbursement is available as subsidized employment or on the job training.

“Both reimbursement programs provide substantial financial benefits with wage reimbursements ranging from 100 percent for the first two months or 50 percent for up to six months,” said Diane Rose of the South County Career Center. “Local businesses can get cash back for every eligible new employee they hire and train.”

More than \$500,000 was reimbursed to local businesses this past year.

“The On the Job Training program helped our business continue to grow profitably and allowed us to double our service department by the end of the year,” said Alex Galicia, CEO of BPI Plumbing. “We appreciate all the work the Business Services Team did matching great candidates from the Career Center with our workforce needs.”

More information is available from the Business Services Team at the South County Career Center, at (619) 628-0300.



When conducting its annual outreach to businesses in the Otay Mesa area, staff at South County EDC uncovered the need to bring together businesses and the San Diego Police Department to share ways to make business more secure. EDC recently hosted the San Diego Police Department for a round table discussion with companies in Otay Mesa. Thank you to community relations officers Esmeralda Sanchez and Carlos Lacarra for leading the discussion!

WORDS

From Our Members

“As Vice President and Senior Relationship Manager for Torrey Pines Bank, I joined the South County Economic Development Council because I wanted to be connected to the San Diego South Bay business community. As a South Bay resident and Aerospace & Aviation Forum committee member, I am excited to have an opportunity to give back to my community with hopes for making a meaningful impact.

Aligning with SCEDC was a perfect fit.”

– Eric W. Washington
Torrey Pines Bank

Otay Mesa to Benefit From New Tax District

Earlier this year the San Diego City County approved creating one of California’s first enhanced infrastructure financing districts in Otay Mesa.

According to city officials, the district could potentially yield nearly \$800 million in estimated property tax increment over the next 45 years for infrastructure projects that are expected to accelerate economic development and job growth in Otay Mesa, including transportation upgrades, fire stations, parks and more.

“The Otay Mesa community is dynamic and rapidly growing,” said San Diego City Councilman David Alvarez. “This district will ensure that the new city tax revenue generated by Otay Mesa will stay in Otay Mesa and be invested for continued growth.”

“We applaud the city for its innovative approach to providing infrastructure in Otay Mesa,” said Cindy Gompper-Graves of South County EDC. “The vision of Otay Mesa as a future employment hub for the region and your planning efforts are appreciated.”

The district would encompass the entire 9,300-acre Otay Mesa Planning Area, which is bounded by the Mexican border on the south, Interstate 805 on the west, county land on the east and Chula Vista and the Otay River Valley on the north.

No California cities have formed enhanced infrastructure financing districts under the new legislation, so San Diego would be among the first. City officials said Los Angeles, Yucaipa and West Sacramento are also close to forming such districts.

FROM THE COUNCIL



A 2017 study conducted by Pacific Southwest Association of Realtors and South County EDC showed that the average household income in South County is \$75,090 compared to the nationwide average of 72,809. Average disposable income is \$61,098 in South County, compared to \$56,775 nationwide. The chart above shows the the number of people employed by industry in South County. For a copy of the full economic study, go to southcountyedc.com.



Pictured is National City Mayor Ron Morrison, in center, with, from left to right, Cindy Gompper-Graves, South County EDC; Jesus Mendoza, Willis Tower Watson and Willis Insurance Services; Bob Koerber, BAE Systems; Jim Edwards, Cubic Corporation; Mark Cafferty, San Diego Regional Economic Development Corporation, Bill Bacon, CBRE Inc.; Kevin Graney, NASSCO San Diego, and Josie Flores-Clark, city of National City. South County EDC and National City hosted business leaders to discuss ways National City and South County EDC can support their companies.

Save The Date

Smart City Forum

Thursday, June 8th

8:00 a.m. – 11:00 a.m.

Chula Vista Council Chambers

City officials from Chula Vista and San Diego along with Clean Tech San Diego will present improvements coming to South County businesses via smart technology

Thank you to sponsors SDG&E

WORDS

From Our Members

“South County EDC has always been the leader in stimulating the economy of South San Diego County with new businesses technology and innovation. The organization was the leader in the conception, development and inauguration of CBX Cross Border Express with gives us a San Diego terminal for Tijuana International Airport. No other organization is as effective in bringing together the business and governmental leadership of San Diego County and the five cities that make up this dynamic part of our county.”

– James C. Clark
California/Bajio Associates

The South County Economic Development Council is funded in part by grants from the cities of Chula Vista, Coronado, Imperial Beach, National City and San Diego, the County of San Diego and the Port of San Diego as well as our members.

WORDS

From Our Members

“The reason we joined the South County EDC is because Arts for Learning San Diego is following our mission to ensure that all students, families, and communities in all of San Diego County have access to affordable, quality arts education. Arts for Learning is the oldest, largest art education non-profit providing quality arts programming for almost 54 years in San Diego. We wish to be a resource and partner in South County, and we feel that our membership with South County EDC will gain us exposure and introductions so that we can fulfill our mission reaching students and families in South County.”

– Mandy Shefman
Arts for Learning San Diego

www.SouthCountyEDC.com



South County's Aerospace & Aviation Task Force recently visited the SDG&E training facilities where unmanned autonomous vehicles are being used to inspect utility poles in rural areas.

Save The Date

27th Annual Economic Summit

Friday, September 15, 2017

8:00 am – 2:00 pm

Sponsored by Tony McCune

San Diego Convention Center

The South County EDC's Annual Economic Summit gathers over 500 business and community leaders.



BRIEFINGS:

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