

SOUTH COUNTY Briefings:

December 2013



South County Economic Development Council

SD City Council Approves Aviation Business Park at Brown Field

In early October, the San Diego City Council unanimously approved the Metropolitan Airpark, a project that will redevelop the blighted and underutilized

Brown Field Municipal Airport on Otay Mesa. This milestone was 5 years in the making, according to the developers.

"Our objective is to transform Brown Field into a first-tier aviation-based business park similar to our Premier Jet facility at the Palomar Airport in Carlsbad," said Richard Sax, president of Brown Field International Business Park LLC.

The Metropolitan Air Park project is a public-private partnership between Brown Field International Business Park LLC and the city of San Diego that provides a master plan for development of 331 acres at Brown Field. The project will include an executive-jet aviation fixed-based

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"South County EDC has been a tremendous supporter, recognizing early on that transforming Brown Field Airport into a vibrant aviation and business center will have a positive ripple effect in South County. We value our continued partnership with the organization to cultivate more economic development and jobs in this binational region."

— Richard Sax



Aviation Business Park at Brown Field is anticipated to generate 8,000 temporary jobs during its 20-year construction and 4,000 permanent jobs upon its completion.

McMillin Breaks Ground on Millenia in Chula Vista

Business and civic leaders held a formal groundbreaking September 26 for the multibillion-dollar mixed-use Millenia community in Chula Vista, slated to include 3,000 residential units and related commercial elements.

The master builder of Millenia is The Corky McMillin Cos., which is building homes at the site and working with other developers on elements expected to include retail, offices and a 120-room hotel, as the development is built out over the next 10 to 20 years.

McMillin Cos. Chairman Scott McMillin said the 210-acre project, equivalent to about 80 city blocks, is envisioned as a future "City Center of South County." Plans call for 2 million square feet of office space, 1.5 million square feet of retail, six

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Tijuana– The Manufacturing Hub To Our South

Tijuana, immediately south of San Diego County, has an economically active population of 688,473. It is one of Mexico's top industrial cities with a burgeoning manufacturing industry.

Since the 1960s, Tijuana has been home to world-class manufacturing companies such as Solar Turbines, Bourns, Plantronics, Panasonic, Toyota, Samsung and many more. Currently, Tijuana is on a path to be the innovation-driven production capital of Latin America, with significant supply-chain opportunities.

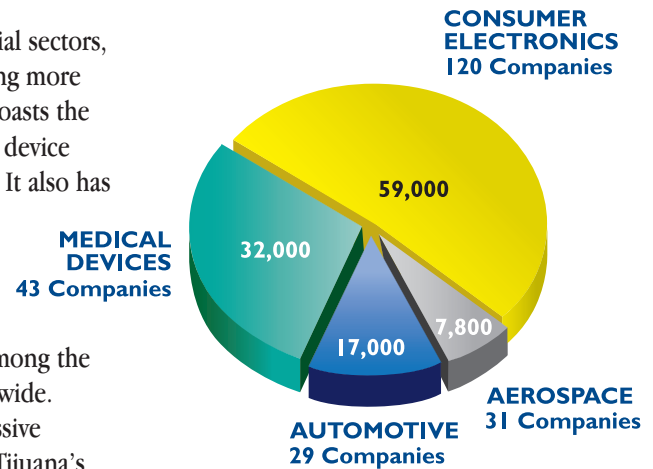
Tijuana is also a prime destination for production of short runs. When demand fluctuates wildly, the ability to respond quickly to market conditions can be critical for many companies. Tijuana's in-place manufacturing infrastructure and abundant

skilled labor supply perfectly position it to fill those needs.

Tijuana has four main industrial sectors, with 560 manufacturers employing more than 165,000 people. In fact, it boasts the highest concentration of medical device manufacturing in North America. It also has the largest concentration of aerospace firms in Mexico, reporting 6 percent annual growth in employment. Toyota's plant in Tijuana is consistently among the top three most productive worldwide.

The cross-border region's massive shipping capacity, coupled with Tijuana's responsive manufacturing power, make the San Diego-Tijuana region a world-class hub of trade and commerce.

TIJUANA'S INDUSTRY SECTORS



Number of employees per industry show electronics manufacturing is the No. 1 industry in Tijuana

CHAIR'S MESSAGE

By **Scott Parker**, Chair of Board

October was what I would call a red-letter month for the South County. Many of us who have been watching for McMillin's Millenia project to come to fruition after nearly 10 years in the planning, were delighted to witness the groundbreaking of this massive new community in late September. The Millenia ceremony seemingly kicked off of a series of monumental events throughout the South County in October.

October saw the hiring of a couple hundred people to run the new Pier South hotel in Imperial Beach – another project that has been in the making for nearly a decade. Pier South was the site for our organization's annual Elected Officials Reception in October, which was the largest such reception we have held to date.

Also in the same month, the South County EDC surpassed its goal to achieve 4,000 responses to its economic strategy survey. In addition, five workshops were

held in October that were invaluable to the South County EDC's visioning effort, which will plan the organization's strategy for the next five years.

And, as you read on the front page of this newsletter, October marked the approval of the new Aviation Business Park at Brown Field. The future is very bright for the South County with many development projects on the horizon and the business community working together like never before to make South County the best it can be.

I encourage all of our members to get involved in the council, attend our monthly board meetings and join one of our committees. There are many opportunities to lend your expertise and be part of our very bright future as it unfolds. I look forward to seeing you all at an upcoming event.



REGIONAL ROUNDUP

IMPERIAL BEACH

Pier South and Sea 180 Expected to Hire 200 Locals

Hundreds lined up in late October for a chance to work at South Bay's newest luxury hotel. Pier South is expected to open before the year's end in Imperial Beach. The hotel replaces the previous Seacoast Inn, which was demolished in 2011.

Pier South is expected to inject upwards of \$500,000 a year into the local economy. Almost 200 people will be needed to operate the hotel and restaurant, which will be run by the Cohn Restaurant Group.

“Pier South is an example of the positive momentum our city is experiencing. We thank South County EDC for sponsoring the Elected Officials Reception here, as it showcased our clean, safe beaches, friendly streets, residents and neighborhoods.”

— Mayor Jim Janney

PORT DISTRICT

Port Extending H Street to San Diego Bay

The Board of Port Commissioners voted in September to extend H Street in Chula Vista to the San Diego Bay, making way for the redevelopment of the Chula Vista bayfront. West H Street will be extended from Bay Boulevard to Marina Parkway, which will be extended south from H Street to Sandpiper Way. The project is expected to enhance and encourage public access to the waterfront, benefiting businesses and attracting future investments.

“This road will one day be the gateway to our revitalized waterfront,” said Mayor Cheryl Cox. “It will create direct access to the restaurants, businesses and marinas on our portion of San Diego Bay.”

The Chula Vista Bayfront Master Plan,

which has approvals from the California Coastal Commission, envisions more than 500 acres for hotels and convention facilities, homes, shops, restaurants, as well as more than 240 acres of parks and nature preserve. The project is estimated to create more than 7,000 construction and 2,000 permanent jobs.



Numerous elected officials and civic leaders attended the groundbreaking ceremony in mid-November for the extension of H Street in Chula Vista.

CHULA VISTA

Power Station on Chula Vista Bayfront to be Relocated

In late October, the California Public Utilities Commission unanimously approved SDG&E's substation relocation project. The project calls for the demolition of the aging substation on the Chula Vista bayfront and the building of a new station on a site south of the current location in an industrial area.

“This decision is a significant step toward implementation of the Chula Vista Bayfront Master Plan,” said Mayor Cheryl Cox.

Cox said the city will work with SDG&E, the Port and the California Coastal Commission to seek inclusion of SDG&E's proposed Bayfront Enhancement Fund Alternative as part of the substation relocation project's coastal development permit. This proposes funding the removal of two additional lattice towers and undergrounds their related transmission lines along with other environmental improvements.

AMC Theatres Coming to Downtown Chula Vista

Expansion plans are in the works at the Chula Vista Center, one of the premier shopping destinations in the South County. Following a recommendation by South County EDC members two years ago, the downtown Chula Vista mall underwent an extensive cosmetic renovation in 2012 that included upgrades to its common areas and the addition of an outdoor fireplace with comfortable lounge seating, shaded bistro-style seating areas with landscape borders and colorful umbrellas, and free Wi-Fi throughout the Center. In late October, the center's operator, Rouse Properties, announced it has signed an agreement with AMC Theatres® to open a 35,000-square-foot, state-of-the-art, 10-screen theatre. The new theater is scheduled to open in the summer of 2014.



A children's play area was one of the recent improvements made to the Chula Vista Center.

NATIONAL CITY

Construction to Begin on National City Aquatic Center on the Bay

A construction contract has been let for a 4,700-square-foot aquatic facility at Pepper Park in National City, which will give residents and visitors the opportunity for kayaking, rowing and environmental education courses along the San Diego Bay.

The project will be complete by Summer 2014.

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REGIONAL ROUNDUP

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“Our new aquatic center will not only provide a welcome recreational outlet for city residents but will attract visitors to our area from throughout San Diego County and beyond. We anticipate it boosting tourism in our area.”

– Mayor Ron Morrison

“This is an important step toward bringing the citizens of National City to the waterfront by providing new amenities and allowing the community to enjoy this area of San Diego Bay. The port and the city are elated to get this project moving forward.”

**– Dukie Valderrama,
National City
Port Commissioner**

CORONADO

City Bestowed with Two Prestigious Orchid Awards

Coronado has received two Orchid Awards from the San Diego Architectural Foundation. Both award recipients, the Coronado Club Room and Boathouse and the Village Theatre, have brought much excitement to Coronado. Mayor Casey

Tanaka, City Manager Blair King, Recreation Services Director Linda Rahn and Five Star Theatres owner Lance Alspaugh attended the presentation and accepted the awards.

"We were able to provide a much-needed recreation space to the community that didn't previously exist with the new Club Room and Boathouse at Glorietta Bay Park," King said. "The city also is proud of its involvement in seeing our beloved 1947 movie house polished into the attractive gem that it is today. Both projects created vital space for our community to recreate and be entertained."

COUNTY



Imperial Beach: City on the Move By County Chairman Greg Cox

There are a lot of good things happening in Imperial Beach. The classic Southern California beach city will soon be home to a luxurious, new boutique hotel - Pier South -

that will include one of the region's best dining venues.

Developments like these are vital to a city's fiscal stability, which is often dependent on sustainable commercial development and tax generation. But these types of projects don't happen without planning, and that's exactly what happened last month at the meeting of the California Coastal Commission.

At the meeting, which was held in San Diego, the Commission voted to approve much-needed changes to the city's commercial zoning that will allow Imperial Beach to expand and encourage development of commercial, retail and mixed-use, and multi-family residential projects.

The city boasts more than 1.3 miles of developed coastline, two public beachfront parks, a public fishing pier and an indoor and outdoor surfboard museum. It continues to invest in projects that provide access to the coast, including the Bayshore Bikeway.

But sometimes, even the best cities need to amend their zoning rules to improve their communities and keep up with the times. With these changes, Imperial Beach is poised to create a balanced, economically flourishing community that is attractive to both residents and visitors. And in doing so, they will bring more people to enjoy our golden California coastline. As a new member of the California Coastal Commission, that's the kind of project I love to support!



Pepper Park will be the site of a new 4,700-square-foot aquatic facility National City, expected to open at the end of 2014.

Check Out The South County EDC Website

For The Latest News On
San Diego And Baja Region

Upcoming Projects

Economic Reports

Tools For Business

www.SouthCountyEDC.com

REGIONAL ROUNDUP

Brown Field (continued from front page)

operation and support maintenance facilities, small hangars with solar panel roof tops, a solar field, an eco-industrial park, helicopter FBO, and two business hotels along with related commercial retail and restaurants.

Economic development experts see the Metropolitan Air Park as a catalyst for attracting further job creation in South County as well as adding to the critical infrastructure in the San Diego-Tijuana binational region.

“Moving this \$1 billion project forward is a win for all of San Diego. This project is one more step toward making Otay Mesa the economic engine for good-paying jobs in San Diego throughout the 21st century.”

*— David Alvarez
Councilmember*



Less than five months after opening, SeaWorld has announced expansion plans for its Aquatica water park with the addition of a new thrill ride. For those who prefer life in the fast lane, the new Taumata Racer® high-speed racing water slide at Aquatica SeaWorld's Waterpark will zoom riders down a 375-foot slide, around a 180-degree swooping turn, and in and out of tunnels before racing them across the finish line.

Working Committees of the SCEDC

Transportation and Infrastructure
Marketing and Membership
Workforce and Education
Loan & Finance
Public Policy

For more information or to join any of these committees, contact:

South County Economic
Development Council
phone 619-424-5143

Cindy@southcountyedc.com



The Living Coast Discovery Center announced in October that it received a total of \$401,064 in donations, nearly twice its goal, and is ready to launch a new sustainable strategic plan. Over the last year, the Living Coast worked with a task force formed by the Unified Port of San Diego and the city of Chula Vista to move the center toward a sustainable future. With the center's current budget deficit now closed, the comprehensive plan can be executed, allowing major new funding sources to be tapped, to secure the center's long-term future on San Diego Bay.

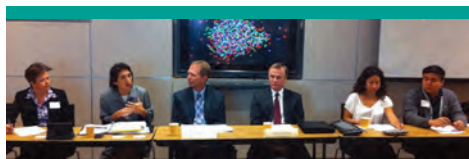
South County EDC Conducts Series Of 5 Workshops To Reach Stakeholders

As a part of its year-long visioning effort that will create an economic strategy for South County for the next five years, the South County EDC held a series of five workshops in October designed to seek input from a cross section of businesses, organizations and residents in the South County.

“Hundreds of millions of dollars in public infrastructure over the past decade have put South County in a great position to provide the connections between upcoming development projects. These strategic investments will provide necessary linkages.”

*– Todd Galarneau
The Corky McMillin Companies*

More than 30 stakeholders attended each of the five workshops and discussed the synergies between various new development projects coming on line in the South County in the near future and improvements that are necessary to make these projects successful.



The Balanced and Livable Communities workshop was conducted by Bob Penner of HomeFed and Todd Galarneau of The Corky McMillin Companies, along with Cecilia Estolano of Estolano LeSar Perez, consultants to the South County EDC.

Thank You

To Our Visioning Workshop Panelists!

Balanced & Livable Communities

Todd Galarneau, *The Corky McMillin Companies*
Bob Penner, *HomeFed*

Education & Workforce Development

Victor Castillo, *SD Center for International Trade Development*
Dr. Melinda Nish, *Southwestern College*
Flavio Olivieri, *Tijuana Economic Development Corp.*
Dr. Randy Ward, *SD County Office of Education*

Border Economy

Elisa Arias, *SANDAG*
Sen. Denise Moreno Ducheny, *Former State Senator*
Michele Nash-Hoff, *ElectroFab Sales*

Transportation & Infrastructure

Larry Blumberg, *SD Military Advisory Council*
Gary London, *The London Group Realty Advisors*
Hector Vanegas, *SANDAG*

Emerging Industries

Nathan Cadieux, *The Corky McMillin Companies*
Crystal Crawford, *Ygrene Energy Fund*
Michael B. Jones, *The Maritime Alliance*
Dr. David Shirk, *UCSD*

South County Career Center Announces On the Job Training Wage Reimbursement

The South County Career Center recently received federal funds in order to reimburse local employers who hire eligible new workers. Members of the South County EDC can take advantage of substantial financial benefits including reimbursement of 50 percent of the wages of a new employee. In addition, the South County Career Center will assist South County EDC members with recruiting and screening of applicants.

“As a small business, the financial benefits of the On the Job Training program allowed us to build up our current workforce. We were very pleased with the process and with our new employee.”

*– Deb Janney
O.A.P. Packaging*

“It’s quick and simple – all paperwork is managed by the South County Career Center,” said Diane Rose, business services coordinator. “Get cash back for every new employee in the program you train and hire. Pre-qualified candidates will be selected for your review, according to your specifications from our motivated, capable and skilled pool of workers.”

Words From Our Members

“I wanted to take a moment to tell you how impressed I am with your organization. The programs are interesting, relevant and informative.”

*– Lori Ann Stevens
Turner Construction*

FROM THE COUNCIL

Millenia (continued from front page)

themed urban parks, bikeways and public promenades. The company has estimated that Millenia will represent a total investment of about \$4 billion by various developers by the time it is fully built out.

Grading on approximately 100 acres has begun, with construction expected to start within 12 months on the first components. Those include a 270-unit apartment community being built by San Diego-based Fairfield Residential, and 214 attached homes being built by McMillin Cos.' residential division, McMillin Communities.

SD Enterprise Zone Office Still Accepting Applications for Tax Credits

As previously reported in this newsletter, recent legislation signed by Governor Brown will result in termination of the State's Enterprise Zone program as we know it. Although the legislation will

exclude new employees hired after December 1, 2013, from the program's tax-credit incentive, the state is allowing local Enterprise Zones to continue processing applications throughout the coming year for all eligible employees hired prior to December 31, 2013.

While some Enterprise Zones in California may opt to close down between now and the end of next year, the SDREZ Partnership -- which includes the cities of Chula Vista, National City and San Diego as well as the Port of San Diego -- intends to continue accepting applications until late October or early November of 2014.

The SDREZ office is procuring software that will allow applications to be completed online instead of the current paper submittals. This feature will significantly reduce approval processing times. This service is expected to be up and running by the end of February. Until the online software becomes available, it will take approximately 60 to 90 days for the SDREZ office to respond to applications.



Pictured from left to right are Todd Galarneau, Guy Asaro and Mark McMillin of the Corky McMillin Companies along with Chula Vista Mayor Cheryl Cox, Cindy Gompfer-Graves of the South County EDC and Scott McMillin.

Alan Decker Photography

Thank You



**South County
Economic Development
Council Says Thanks
To Our Annual
Elected Officials
Reception Sponsors**



Pier South Hosts Record-Breaking Crowd for Elected Officials Reception

The annual Elected Officials Reception in October drew a record-breaking crowd of nearly 500 people on the outside lanai of the new Pier South hotel and Sea 180 restaurant, located on the beach in the most southwesterly city in the United States – Imperial Beach.



Manuel Cavada / Creative Images



BRIEFINGS:

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1111 Bay Blvd., Suite E
Chula Vista, CA 91911
(619) 424-5143
(619) 424-5738 fax
www.SouthCountyEDC.com

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