

SOUTH COUNTY Briefings:

November 2016

South County Poised for Greater Economic Growth

The local and national economy, binational efforts and a spotlight on the aerospace industry were the main topics of discussion at the South County Economic Development Council's 26th Annual Economic Summit. Panelists and keynote speakers all pointed to opportunities for greater economic growth in the region.

A sold-out house of nearly 500 of San Diego's business leaders and public officials gathered in late September for the summit, which offered attendees a comprehensive look into the South County and Baja region's latest business development and economic outlook news.

Event masters of ceremony were Clarissa Falcon, board chair of South County EDC, and Robert "Dukie" Valderrama, Port of San Diego commissioner.

"The many panelists and speakers provided insightful information, including

a report with comprehensive data about the growth of South County's economy," said Cindy Gompper-Graves, president and CEO of South County EDC.

"South County is outpacing the rest of San Diego County and the rest of the nation in terms of our growth."

*– Cindy Gompper-Graves
South County EDC*

Ron Araujo of Mission Federal Credit Union was the keynote speaker of the economic panel and presented findings on South County's economy, noting that home remodeling is hotter than the new housing market and with consumer

(continued on page 5)

Aerospace Industry Keynote Speakers Came to Impress

Luncheon keynote speakers at the South County Economic Development Council's 26th Annual Economic Summit delighted the nearly 500 attendees and spoke of future innovations to come in San Diego's aerospace industry.

David McBride, director of NASA's Armstrong Flight Research Center, revealed how new aircraft designs for the commercial airline industry are now being created by NASA that will make planes faster, quieter, safer and more energy efficient. He displayed drawings of the future of airplanes, which look nothing like what we fly on today.

While McBride talked about the

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Pictured from left to right are David McBride, director of NASA's Armstrong Flight Research Center; Robert "Dukie" Valderrama, Port of San Diego commissioner; Leah Koontz, vice president and controller of Southwest Airlines, Clarissa Falcon, board chair of South County EDC, and Pedro Villegas, director of regional public affairs for SDG&E.

Baja Governor Announces Major Addition to Tijuana's Medical Device Manufacturing

The governor of Baja California announced a major investment in the medical device sector earlier this year. CODAN, a German manufacturer of intravenous sets and accessories for infusion and transfusion therapy will open a manufacturing facility in Tijuana.

The announcement was made during the governor's visit to the company's headquarters in Lensahn, Germany. The project is expected to bring 150 new jobs to Baja in the first phase, which is slated for completion by 2020.

CODAN also operates manufacturing

plants in California, Denmark, Switzerland and Portugal and brings a strong commitment to outstanding quality, on-time delivery, flexibility, quick response and innovation.

"CODAN is a significant addition for Baja California," said Cristina Hermosillo, chair of the Tijuana EDC. The company's decision to open a manufacturing facility here demonstrates the state's attractiveness for medical-technology projects. Few regions in the world are able to concentrate the kind of capabilities, such as highly experienced workforce, engineering talent,

and a binational innovation platform, as we do.

"In the last year we have made important investment announcements," Hermosillo continued, "such as Flex Medical Device Center of Excellence moving to Tijuana; Greatbatch launching its second plant in Tijuana, and Fisher & Paykel expanding with new molding capabilities, reaffirming our region's position as a thriving center of manufacturing."

Hermosillo went on to say one reason why a highly innovative company with 60 years in the healthcare market like CODAN chose Tijuana is because of the proximity to the U.S. healthcare market. Tijuana now holds the largest concentration of medical device manufacturing jobs in North America.

CHAIR'S MESSAGE

What a thrill it was to be with all of you at our 26th Annual Economic Summit. As you know, our annual summit is the largest public forum the South County EDC holds annually and this year we had a sell-out crowd of nearly 500 people.

I had the distinct pleasure of chairing this year's Economic Summit and I want to thank my committee members from the bottom of my heart. You made it all come together!

Summit committee members were Jennifer Bustamante, Josie Clark, Leonardo Flores, Hector Gastellum, Katie Hansen, Lisa Johnson, Ana Melgoza, Jill Monroe, Monica Montano and Vanessa Mapula.

A highlight this year was having San Diego Mayor Kevin Faulconer speak to our packed room in the morning. Faulconer spoke to the opportunities in San Diego, noting that San Diego is open and ready for business. He also spoke of the medical manufacturing industry, which is currently a leading and growing industry in South County and the Baja region.

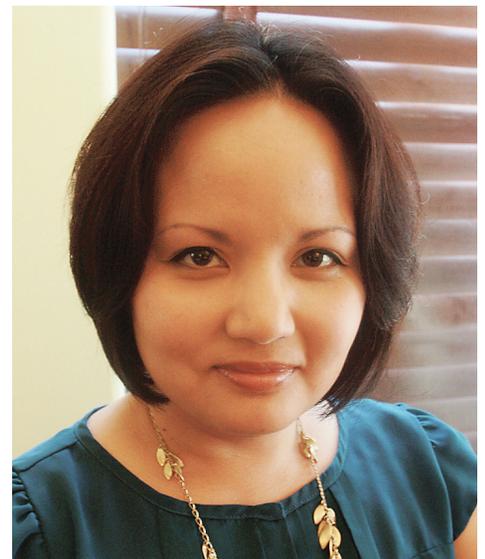
Another notable speaker was Deborah Szekely, Rancho La Puerta founder, who discussed the importance of bi-national relations. At 94, Szekely encouraged the

crowd to create cross-border business and marketing strategies to maintain a thriving economy. It truly was a binational event!

Thank you to Ron Araujo of Mission Federal Credit Union, Erik Bruvold of National University System Institute for Policy Research, Dr. Lynn Reaser of Fermanian Business and Economic Institute, and Ray Major of SANDAG who provided a very informative economic outlook. Thank you to Nels Jensen of the San Diego Business Journal, who moderated this panel.

The crowd also enjoyed the elected officials panel, comprised of Sen. Ben Hueso, Assemblywoman Lorena Gonzalez, Supervisor Greg Cox, National City Mayor Ron Morrison, Imperial Beach Mayor Serge Dedina, Coronado Councilman Bill Sandke, San Diego Councilman David Alvarez, Chula Vista Councilwoman Pamela Bensoussan, and Port of San Diego Commissioner Marshall Merrifield. Thank you to Jeff Light of the San Diego Union-Tribune, who moderated this panel.

I personally appreciated Mayor Dedina's overview of all of the new construction and economic development happening in the city of Imperial Beach.



Clarissa Falcon

Chairwoman of the Board

Our luncheon keynote speakers were also informative and entertaining. Our Economic Summit has certainly reached new heights after 26 years, and that is due, in part to our illustrious summit sponsors, especially to those who sponsor year after year. For a list of all of our sponsors of the Economic Summit, please see the back of this newsletter.

REGIONAL ROUNDUP

PORT OF SAN DIEGO

BAE Contributes \$300,000 to San Diego-Coronado Bay Bridge Lighting Project

BAE Systems San Diego Ship Repair presented a check for \$300,000 – the largest contribution to date – to the Port of San Diego recently for the proposed project to artistically light the San Diego-Coronado Bay Bridge.



A project to light the external structural and architectural features of the iconic San Diego-Coronado Bay Bridge has been designed by London artist Peter Fink.

“Lighting the iconic San Diego-Coronado Bay Bridge will add inspiration and beauty to the region’s landscape,” said Port of San Diego Chairman Marshall Merrifield. “This contribution from BAE combines with a recent contribution from the development team of BRIC on the Lane Field site, to get us started on the design and engineering needed to implement the project. The Port’s goal is to light the bridge by its 50th anniversary in 2019.”

“We take great pride in being a good corporate citizen and a good neighbor,” said BAE Systems San Diego Ship Repair Vice President and General Manager Bob Koerber. “We are pleased to participate with the Port for the artistic lighting of the iconic San Diego-Coronado Bay Bridge. We look forward to the completion of this project for the enjoyment of residents and visitors alike.”

The Port held a design competition and selected an international design team led by London artist Peter Fink to develop an artistic lighting design for the bridge. The proposed project would illuminate the San

Diego-Coronado Bay Bridge’s external structural and architectural features. It would involve mounting energy-efficient LED lighting fixtures to the piers, structure and parapets.

The total amount raised to date, including the new BAE contribution, is approximately \$455,000.

IMPERIAL BEACH

Vertical Construction Under Way for Breakwater Town Center

“Breakwater,” the long-awaited 45,000-square foot shopping center in Imperial Beach along Palm Avenue/state Highway 75 at 9th Street is showing exciting signs of progress. Site preparation is complete and vertical construction on the wood-framed Grocery Outlet is well under way. Other tenants at Breakwater Town Center will include Five Guys, T-Mobile, Jersey Mikes, SportClips Haircuts, Baskin Robbins, Wing-Stop, Starbucks and Chipotle. Another anchor tenant is still being sought for the western portion of the property.



City Manager Andy Hall and Mayor Serge Dedina recently toured the construction site at Breakwater Town Center with a representative of Sudberry Properties, the developer.

CORONADO

Dock, Boat Launch Project to Begin Soon

A \$3.2 million Dock C and Boat Launch Ramp project includes the demolition of the existing 34-slip concrete dock system,

dredging and the installation of new piles, a new gangway and fire line and power. The new Dock C will contain the same number of slips and be brought current with Americans with Disability Act and Boating and Waterways criteria.



All the boat slips in Dock C behind Coronado's City Hall have been vacated to begin work on a project to modernize Glorietta Bay Marina.

The Boat Launch Ramp project will replace the existing dock at the Glorietta Bay Boat Launch Ramp to incorporate a longer dock, space for temporary public docking, and a low freeboard dock for sculls, kayaks and rowing shells. It will also provide a sandy beach for launching non-motorized craft. The project will enhance recreational amenities for boaters and encourage public use of Glorietta Bay Marina.

NATIONAL CITY

First-Time Homebuyers Now Have Financial Assistance in National City

A new First Time Home Buyer Program has been launched in National City for current and prospective National City residents. The program provides up to \$70,000 toward the down payment on a principal residence located within the city limits and is expected to allow more South County working families to afford to live where they work.

The funds are intended to maximize purchasing power without raising monthly payments. In order to be eligible for the

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REGIONAL ROUNDUP

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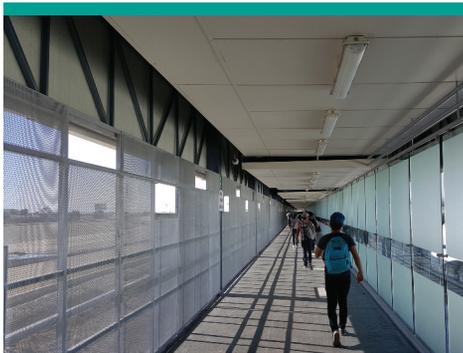
program, the buyer may not have owned residential property in the past three years and total household income must be with 80 percent of the region's median income.

SAN DIEGO

Pedestrians Praise New Pathway to San Ysidro

A new 437-yard elevated walkway from Tijuana to San Ysidro is making a big difference for thousands of pedestrians that cross the international border each day and thanks to South County EDC, the project was fast-tracked and finished ahead of expectations.

The bridge, known as PedWest, includes a covered corridor with windows and lighting that protects pedestrians from the elements. PedWest is open 24 hours a day. It is currently limited to northbound foot traffic only but is expected to open to southbound traffic in the future.



Mexico's portion of the new PedWest bridge, crossing from Tijuana to San Ysidro, opened in September.

When a temporary structure opened in advance of the new bridge, residents and business owners throughout the region complained about safety concerns with the temporary bridge. South County EDC took immediate action and sent a letter to Mexican officials who responded by moving up the construction schedule and completing PedWest ahead of time.

An average of 20,000 pedestrians cross into San Ysidro daily, many to utilize

businesses on the other side of the border.

CHULA VISTA

White House Announces Chula Vista Participation in Dept. of Energy Initiative

Chula Vista is one of only 34 cities/counties nationwide joining the Better Communities Alliance, launched by the U.S. Dept. of Energy to accelerate local clean energy progress and leadership.

Through the Better Communities Alliance, city and county leaders are making commitments to reduce wasted energy in homes and buildings, expand renewable energy and sustainable transportation options for residents and businesses, harness new energy-saving technologies, and invest in resilient power systems and community infrastructure.

The Better Communities Initiative expands the successful Department of Energy's Better Buildings Initiative, during which Chula Vista found success in working with a network of cities focusing on how to improve the efficiency of city-owned buildings. Chula Vista has reduced greenhouse gas emissions from city facilities by nearly 30 percent since 2005.

"We look forward to expanding our recent success and to assess community-wide energy use and how we can improve the city's environmental and economic performance," said Dennis Gakunga, Chula Vista's chief sustainability officer. "By participating in the Better Communities Alliance, we will be leveraging the resources and experiences of partners across the nation to achieve our goals."

COUNTY

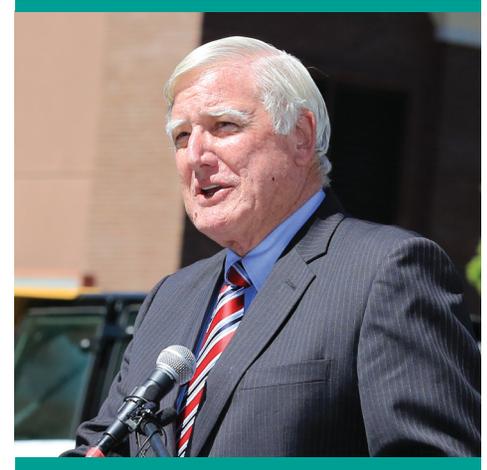
Stake Your Claim to a Premier Location

By Supervisor Greg Cox

In real estate, they say location is everything. Let me interest you in a great location for new and expanding businesses.

For years, our South County elected officials and business leaders have worked

to develop the economic potential of East Otay Mesa, one of the most strategic and desirable locations in our region, located along our international border. Today, we are getting the word out about East Otay Mesa to a wider, global audience.



Our South County EDC has developed a website that touts East Otay Mesa's future, and its current advantages. Those advantages include access to the major, growing markets of the West Coast, Mexico and Asia. And East Otay Mesa is close to transportation, including major roadways, freeways, airports on both sides of the border and the new Cross Border Express, which allows easy and direct access to Tijuana's Rodrigues International Airport from the U.S. side of the border in Otay Mesa.

The new website contains information about all that, and even more, including maps, parcel listings, government resources, fact sheets and an economic impact study.

I was proud to facilitate the creation of this website through a County grant, and have long championed the South County EDC's role to create a more robust economic engine in our region.

Share the website – eastotaymesa.com – with anyone you know who is looking to do business in our region or expand their business.

South County is growing up. And as the web site says, it's time to "stake your claim to a premier location."

REGIONAL ROUNDUP

Chula Vista

Our Location. Your Success.

CITY OF CHULA VISTA
Economic Development

chulavistaca.gov/business 619.691.5248

2016 Gold Sponsor

Greater Growth (continued from front page)
confidence up and job growth good, consumer spending is steady.

Erik Bruvold, president of National University System Institute for Policy Research; Dr. Lynn Reaser, chief economist of Fermanian Business and Economic Institute; and chief economist at SANDAG, Ray Major, rounded out the economic panel.

During the panel discussion Bruvold addressed the progress the San Diego economy has made over the past few years. He highlighted the increase of gross domestic product, total personal income and employment from 2010 to 2014. GDP saw a 16.9 percent increase from \$17.7 billion in 2010 to \$20.7 billion in 2014, while TPI increased by 88.4 percent from \$16.8 billion to \$31.7 billion. Employment grew from 192,766 to 206,350; a 7 percent increase. Bruvold added that the majority of South County employment – 17.1 percent – in 2014 came from retail and wholesale trade, with the biggest growth from 2010 to 2014 in health care and social assistance.

Major shared his predictions for the coming year, stating how the innovation sector continues to thrive, while travel and hospitality will outpace GDP growth in 2017. He projects the military will continue to expand its strong presence, health care will grow as the population ages and new therapies and treatments are made available, education will remain stable, and the government will grow proportional to population.

Reaser noted that the world economy is sluggish but oil prices have stabilized and Mexico is seeing modest growth. She said the U.S. should see a two percent gain in gross domestic product this year; wages are increasing on average across the nation and are exceeding any rise in consumer prices. The best news, according to Reaser, is that California's growth is outpacing the national average.

Keynote Speakers (continued from front page)
different San Diego-based companies NASA collaborates with to improve upon the future of aerospace technology, such as Northrop Grumman, Elotek, Boeing, Sidus, Blue Tech, Global Airparts Direct, MSN and True Champions, he also noted that the wheels of the Mars Rover were made in San Diego, leaving the region's footprint in space.

Leah Koontz, vice president and controller of Southwest Airlines also addressed her company's upcoming projects and the resulting impacts they'll have on San Diego's economy. She noted that Southwest carries the largest share of San Diego's international visitors and the top-ten visitor origination markets for San Diego all have nonstop Southwest flights.

At the end, Kootz announced a free gift of 10,000 airline miles from Southwest Airlines for all those in attendance.

WELCOME NEW MEMBERS

Southwest Airlines
Child Development Associates
Chesnut Properties
San Ysidro School District
Life Vantage
Southwestern College Foundation
Action Drone
Spirit Printing
Plaza Bank
CEO
Irish Outreach
Point Loma Trust
Elite Athletic Services
BAE Systems
Wells Fargo
HDR
Autoplex
South Bay Union School District
Aquarius Group
American Lung Association
CW Driver

WORDS From Our Members

“I joined South County EDC because collaboration and information sharing among businesses and across sectors is critical to everyone's success.

South County EDC plays a critical role in facilitating that.”

*– Stephan Padilla
Aquarius Group, Inc.*

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.

South Career Center is Now Offering 100% Wage Reimbursement

Are you expanding your business? Would a 100% wage reimbursement of new employees help offset the cost of increasing your staff? Does having hand-picked, pre-screened job applicants to choose from sound attractive?

Then the Expanded Subsidized Employment program is for you.

Your business can receive 100% wage reimbursement for the first two months of employment for eligible new hires, followed by two months at 50 percent and another two months at 25 percent, for a total of six months of wage reimbursements. Higher reimbursements are possible on a case-by-case basis.

“Working with the South County Career Center and its Expanded Subsidized Employment program has been a dream come true,” said Mya Morris, manager at Synergy Home Care. “We have recruited exceptional employees that our clients and their families love and trust.”

In its most recent fiscal year, the South County Career Center paid out more than \$500,000 in employer wage reimbursements.

For more information on the Expanded Subsidized Employment program, contact Business Services Consultant Paul Aceves at paulaceves@workforce.org or via phone at (619) 628-0321.



South County EDC board members met in August to set priorities for the upcoming fiscal year. Doug Kerner of Higgs Fletcher Mack hosted the event at the law firm's offices in downtown San Diego.



The Maritime Alliance, South County EDC, XPRIZE Foundation, Boarding Ring and Marine Group Boat Works teamed up in August for an educational event to honor the long-distance swimmer Ben Lecomte who will swim 8 hours a day for approximately 6 months to complete the 5,500-mile journey across the Pacific Ocean from Tokyo to San Francisco. A support boat will sail along his side and carry research equipment provided by several science partners and a crew of citizen scientists who will collect data throughout the journey.



A task force of South County EDC members was recently assembled to investigate potential drone testing facilities in South County. Pictured from left to right are Bob Penner, Kurt Nelson, Dhore Anunciado, Eric Crockett, Susan Guerra, Viry Martino, Patricia Trauth and Bill Tunstall

FROM THE COUNCIL



Chula Vista Elementary School District and Qualcomm shared the Pioneer Award – sponsored by MAAC -- for their collaboration on the Innovation Station. The station exposes students to the World of Work with the experience STEAM – Science Technology Engineering Arts and Math happens in a maker-space environment.



The Bi-National Endeavor Award presented by the city of Imperial Beach was won by the Cross Border Xpress Terminal, a historic project bridging two countries to serve the needs of airline passengers. The project received the award for the bi-national work that it took to approve the permit and maintain efficiency in CBX operations.



Norma Hernandez won the Corky McMillin Best of South County Award for her tireless devotion to improving education throughout the region. The award was sponsored by McMillin LLC, a new entity formed by the Scott McMillin family.



The Marilyn Lassman Lifetime Achievement Award, sponsored by Southwest Airlines, went to County Supervisor Greg Cox and National City Mayor Ron Morrison, both active members of South County EDC. Collectively, they have more than 50 years serving South County as elected officials.



Monica Montano won the Regional Leadership Award presented by SDG&E in recognition of her leading the way in volunteerism in the South County. She is the immediate past chair of the South County EDC.



The Outstanding Corporate Citizen Award, presented by US Bank, went to Dr. Hamid Mani who runs a free eye clinic on the weekends for uninsured residents of South County.





The 12th Annual Elected Officials Reception was held at Imperial Beach's Portwood Pier Plaza in early October. Thanks to all attendees and elected officials for making this great event a resounding success. And a special thanks to the Port of San Diego, the city of Imperial Beach, SDG&E and Pacific Southwest Association of Realtors for underwriting this event.



BRIEFINGS:

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