

SOUTH COUNTY Briefings:

January 2013



South County Economic Development Council

The Wheat Group Joins Foreign Trade Zone

On Tuesday, November 20, 2012, U.S. Customs and Border Protection, along with San Diego Mayor Jerry Sanders and Efrain Ibarra of South County EDC, welcomed The Wheat Group as the newest business to join the Foreign Trade Zone (FTZ) and the San Diego Regional Enterprise Zone. The Wheat Group is a Rancho Bernardo-based company that produces accessories including backpacks, handbags, golf bags and audio products. Company brands include Puma, Cobra-Puma Golf, Hurley, and Focused Space.

In October 2012, the company was approved to become a FTZ operator after leasing 56,000 square feet in Otay Mesa two years ago in order to expand their warehouse distribution center. FTZ program benefits include duty deferrals and exemptions on imported goods, which can provide the competitive advantage companies need to keep their manufacturing and/or distribution

operations in the U.S. As a FTZ operator, The Wheat Group will also enjoy incentives provided by the recent expansion of the San Diego Regional Enterprise Zone, which will benefit the company economically, as well as the local economy, by creating new jobs.

The Foreign Trade Zone program helps companies defer paying duties on merchandise imported into the U.S. which enables companies to free up capital that can then be used to invest in new technology or hire more employees.

"The Foreign-Trade Zone program will help us minimize costs and streamline logistical and processing efficiencies," stated The Wheat Group CEO Chad Grismer. "The collaboration and support we've received from the City of San Diego and the South County Economic Development Council have been instrumental in our Foreign Trade Zone activation."

Seaworld Parks & Entertainment Acquires Knott's Soak City

SeaWorld Parks & Entertainment, the Orlando-based owner of 10 U.S. theme parks, has acquired Knott's Soak City from Cedar Fair Entertainment Company. The park, located in Chula Vista, will undergo



*Artist rendering of Aquatica
– San Diego.*

extensive renovation in the fall and winter and re-open next spring as SeaWorld Parks & Entertainment's third Aquatica-branded

(continued on page 5)



The Wheat Group joins the Foreign Trade Zone.

What's Inside?

- Mayor Bob Filner to Establish San Diego Office in Tijuana [Page 2](#)
- National City Most Walkable City in San Diego [Page 3](#)
- Hotel del Coronado to Expand [Page 4](#)
- Walmart Comes to South County [Page 4](#)

Mayor Bob Filner to Establish San Diego Office in Tijuana

Newly elected San Diego Mayor Bob Filner, announced he will be establishing a binational affairs office in Tijuana. Hours after being sworn in, Filner met with Tijuana Mayor Carlos Bustamante, to begin a prosperous, collaborative, relationship between the two cities. Filner aims to build

closer political, economic, and cultural ties with our neighbors to the south.

"Tijuana has an office in San Diego. Why not have a San Diego office in Tijuana?" said Filner. "At every level we can think of, we're going to increase the relationships and make real the fact that we talk about dos ciudades y una region (two cities and one region)."

Filner hopes to unify border mayors and governors to collectively lobby for more

federal resources to help make the border more efficient. "Nobody should have to wait two to three hours to cross the border," he said. "We know we can do it in 10 or 15 minutes if the staff is there, if better technology is there. It's a question of will, and we want to change that will right away."

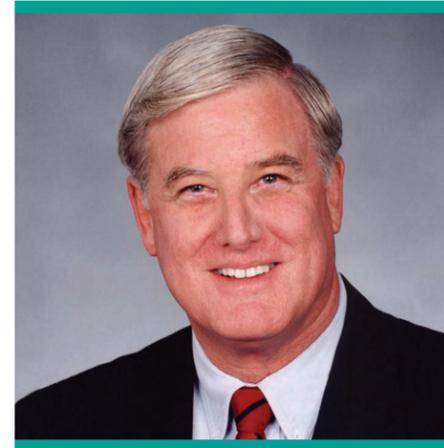
Parole Agent III, Supervising Noticing Agent Valdivia 3 Unit

"I want to thank you both and your teams again for putting on the re-employment workshops for our staff. Your presentations were very informative and professionally presented. It provided a wealth of knowledge that will benefit our staff greatly in the future. All of the feedback that I have received from our staff has been very positive. Great job! Once again thank you very much for your support."

- Keith Rosemond

COUNTY

Taking a Look at San Diego's Economy in 2013



By Supervisor Greg Cox

A new year is upon us and with it comes many questions about our local economy.

For 29 years now, the County of San Diego has helped to answer these questions by organizing what has become the region's longest-running, free economic forecasting event.

This year, the 29th Annual San Diego County Economic Roundtable was held at the University of San Diego's Joan B. Kroc Institute for Peace & Justice. The event was sponsored by the County of San Diego, the San Diego Workforce Partnership, the University of San Diego School of Business and U-T San Diego.

The Roundtable has proven to be a popular and necessary must-see event for local business people. Now, more than ever, the Roundtable is critical for those who want to stay informed about changing economic conditions.

"San Diego should see further progress in its economic recovery in 2013 although it will not be without hurdles and risks," said roundtable participant and Chief Economist at Point Loma Nazarene University, Lynn Reaser. "Congress must still agree to a plan by the end of February to avoid large cuts to defense outlays and spending on medical and scientific research. Assuming a

favorable outcome, consumer spending, investment by business, and a rebound in the housing market should help our region move forward."

"San Diego's economy will look much like it did during 2012, with some notable exceptions," said Marney Cox, Chief Economist at the San Diego Association of Governments, "Following the trend set by the US economy with slower growth expected during the first half of 2013, our region is expected to add about 12,000 new jobs. The unemployment rate will continue its slow decline ending the year at 7.5%, however, much of the fall in the unemployment rate will again be due to discouraged workers leaving the labor force. On the brighter side, the long slide in residential real estate has ended with increases in both building permits and the median price of homes sold expected to continue into 2013. One area of 'economic risk' for San Diego is the possibility of Department of Defense expenditure cutbacks affecting both military personnel stationed here and companies located here."

If you missed the roundtable, it is being broadcasted on the County Television Network (CTN), which is available on local cable channels: Cox Communications Channel 24 in the South County, 19 in North County, Time Warner 24 or Digital 124. The video is also posted on CTN's YouTube page. To find the video on YouTube, search for "County of San Diego."

NATIONAL CITY

National City Most Walkable City in San Diego

San Diego's largest walking advocacy group, WalkSanDiego, released its first Regional Walk Scorecard this fall. National City won the title of "Most Walkable" city in the region, with Solana Beach, La Mesa and the City of Imperial Beach coming in closely behind.

National City's Mayor Ron Morrison said, "We are thrilled to have the highest rating

for the Regional Walk Scorecard. National City has been working hard to make walking and biking safer and more convenient. It looks like our efforts are paying off."



National City Mayor, Ron Morrison accepts the award for "Most Walkable" city in San Diego from WalkSanDiego.

The scorecard ranked the walkability of each city in San Diego County by considering factors like number of people walking, safety, infrastructure, walk-friendly policies and aesthetics. In order to acquire data needed to fill out the score cards, WalkSanDiego teamed up with a local smartphone app developer to create a free app that enabled a high-tech data gathering technique called "crowd sourcing". WalkSanDiego plans to release a new scorecard annually in hopes of inspiring cities to become more walkable.

CHULA VISTA

Rouse Properties Announces Renovation of Chula Vista Center

On October 11, 2012, Rouse Properties, a New York-based owner and operator of regional malls, announced it will begin cosmetic renovations of the Chula Vista Center. The 875,000 square foot shopping center features many popular stores attracting large numbers of consumers each year. The Chula Vista Center is seen as one of the premier shopping destinations for South San Diego County, and the company anticipates that the improvements will be

(continued on page 4)

San Diego Padres and South County EDC...



...enjoying the annual holiday breakfast at South Bay Fish and Grill

CHAIR'S MESSAGE

By **Ricardo Macedo**, Chair of Board

Happy New Year! We've got a lot to look forward to in 2013, and I have high hopes for a prosperous New Year in the South County. There are abundant new opportunities and developments that have taken place in the past couple of months.

The South County Economic Development Council is proud to welcome the newest member of the Foreign Trade Zone (FTZ) and the San Diego Regional Enterprise Zone, The Wheat Group. We appreciate their decision to bring business to our area. It is great to see companies like The Wheat Group using the incentives offered by the FTZ, in addition to the incentives provided by the San Diego Regional Enterprise Zone, to grow their business. Not only does it benefit the company to set up shop in the South County, it benefits our region by creating more jobs thereby promoting economic prosperity.

I am also excited about the changes coming to Chula Vista as a result of Sea World's acquisition of Knott's Soak City. San Diegans and visitors alike have long enjoyed the attractions and entertainment provided by the ocean amusement park. Soon, South County will be able to enjoy a similar experience as Knott's Soak City

is transformed into Aquatica. The mixture of thrill rides and ocean animals will provide excitement for all ages. I also believe the improvements to the park will attract more business to the City of Chula Vista, which benefits us all.

Finally, I would like to congratulate the City of National City and Mayor Ron Morrison for earning the title of "Most Walkable" city in the county from WalkSanDiego. Promoting walking as a means of transportation is beneficial to the environment and promotes a healthy and active lifestyle. Thank you National City for your hard work...keep walking!

Let's make 2013 the best year for South County yet!



Roundup (continued from Page 3)
welcomed by mall goers and will help increase revenues of mall tenants.

In 2010, the South County Economic Development Council held a ten-member visioning session with the manager of the center, Alan Clark, to help envision what the mall could become. "Feedback provided by the members of that exercise was discussed and ultimately aided in the determination of the scope of work for the project," said Clark.

Participants included Pamela Bensoussan, Chula Vista Councilmember; Stacy Cannon of Gensler Architects; Joe Ellis of Solidus; Jeff Howard of Parsons Brinckerhoff; John Mendez of Mendez Consulting; Monica Montano of Scripps; Christine Moore of AT&T; Janine Pairis of Southwest Strategies; Virginia Partridge of Project Design Consultants; and Cindy Gompfer-Graves of South County EDC.

Improvements will include upgrades to the Center's common areas, including the addition of a comfortable fireplace surrounded by lounge seating, bistro-style seating areas, Wi-Fi throughout the Center, and a children's play area.

South County EDC's participation and involvement has been greatly beneficial to the project. The improvements to the Chula Vista Center will not only benefit the region economically, but socially as well, as it will provide a new and improved area or gathering.

Clark continued, "The Center serves a densely populated community of over one million people, and we expect the renovation to not only further differentiate and strengthen our position in the marketplace, but also to substantially increase the sales for the over 80 anchor and specialty retailers at the Center."

CORONADO

Hotel Del Coronado to Expand

An update to the Master Plan for the Hotel Del Coronado was approved by the California Coastal Commission. The update will allow the 122-year-old victorian hotel

the opportunity to better compete with more contemporary luxury resorts. The approval is the result of a two-year collaborative process between the California Coastal Commission staff, hotel officials and local residents. Renovations will allow for an expansion of facilities, including 144 new rooms, a conference center with guest rooms above, a new spa, fitness facilities and multi-million dollar beachfront cottages. Additional revisions to the master plan focused on construction in and around an earthquake fault, as well as ensuring rooms are made affordable for a variety of guests.



Coastal Commission approves plans to renovate the Hotel Del Coronado.

In addition to the facility improvements, the City of Coronado and the public will also benefit from the renovation through public improvements including two acres of once-private beach, the Paseo del Mar walkway and new traffic signal and additional on-street parking. The expansion will also create construction jobs, as well as permanent positions to staff the new parts of the hotel.

IMPERIAL BEACH

Filippi's Pizza Grotto to Open in Imperial Beach

The latest addition to the Filippi's family of restaurants is coming to Imperial Beach. Guests will be able to enjoy delicious food made from traditional family recipes passed down over 50 years, accompanied by a great selection of beer and wine. The restaurant will hold approximately 125 people and will include an outside patio for dining during the summer months.

Like all Filippi's Pizza Grottos, the Imperial Beach restaurant will be family owned and operated – in this case, by Bob DeFilippi's daughter Michelle. Michelle holds a business degree from Cal State San Marcos and has been working in her family's restaurants since age 12.

"We are really looking forward to opening a restaurant in Imperial Beach," Michelle explained. "We have easy parking, great food, and a friendly atmosphere just a couple blocks from the beach."

The local economy will also see benefits from Filippi's, as the family expects to hire approximately 30 new staff members. The pizzeria is set to open in early 2013 and is located two blocks east of Imperial Beach at 285 Palm Avenue.

SAN DIEGO

Walmart Comes to South County

A new Walmart store opened this October in the South County. The store now occupies a formerly vacant commercial space at 575 Saturn Boulevard, off of Palm Avenue.

Members of South County EDC joined Walmart associates and store manager Rick Balke for a ribbon cutting ceremony to celebrate the 19th Walmart store to open in San Diego County.

"We are proud to be opening during the year that Walmart celebrates the 50th anniversary of its first store," said Balke. "We look forward to serving the people of our community, helping save them money so they can live better."

"The opening of a new Walmart store in south San Diego is good news for everyone, as it will increase shopping choices and lower costs," said former San Diego Mayor Jerry Sanders. "Plus a previously vacant building is now being put to use and generating economic activity."

The new store will bring approximately 200 new jobs to the South Bay. South County EDC and the South County Career Center assisted Walmart with their new location and hiring of their employees.

"I am pleased to see an anchor tenant



Store Manager Rick Balke cutting the ribbon at the opening of new Walmart on Palm Ave.

move into this building that has been vacant for several years," said San Diego Councilmember David Alvarez, who represents the community where the new store is located. "I believe having a successful business here will assist in the economic rejuvenation of the community and will help serve the residents' retail needs."

PORT DISTRICT

Pond 20: Proposals Taken into Consideration

One of the original salt ponds of the Western Salt Company, Pond 20, now sits at the southern end of San Diego Bay, vacant and underutilized. Acquired by the Unified Port of San Diego in 1998, Pond 20 is now part of the City of San Diego, and is adjacent to the City of Imperial Beach. In June 2012, the three entities began seeking public input for what should be done with the open space at the request of South County EDC.

Numerous ideas were considered at a public outreach meeting held in December to discuss potential uses of Pond 20. Concepts were proposed by members of the community through letters of intent and public commentary. Propositions ranged from a historic dinner theater to a Gaelic

athletic center. One letter proposed a one-acre commercial complex for things like bicycle rentals, a coffee shop, and a restaurant overlooking the wetlands. Others included using Pond 20 as a mitigation bank.



Pond 20, located at the southern-most end of San Diego Bay

The Port of San Diego will now use the public input received to make a recommendation on what to do with the land.

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:

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Seaworld (continued from Page 1)
park in the U.S.

"These parks reflect the highest standard of quality in attractions, entertainment and theming, but the presence of animals makes the experience something truly special. Aquatica San Diego, like its sister parks, will feature guest experiences with a variety of exotic animals," said Jim Atchison, president and chief executive officer of SeaWorld Parks & Entertainment. "Having animals in our Aquatica parks adds an educational component to a waterpark visit that is both unexpected and enriching."

The first Aquatica opened adjacent to SeaWorld Orlando in 2008. It is now among the nation's most visited waterparks, with annual attendance of roughly 1.5 million guests. In addition to birds and tropical fish, Aquatica San Diego is likely to feature an enclosed, acrylic waterslide that allows riders to see animals underwater.

"When the gates of Aquatica San Diego open for the first time next June, guests will see what visitors to Orlando and San Antonio already know: No theme park company can deliver a waterpark experience quite like SeaWorld," said John Reilly, president of Sea World San Diego. "Aquatica will be a great complement to SeaWorld and help us continue to bring value to our guests and enhance this destination."

The improvements to the park will attract new visitors looking for a unique waterpark experience and will create new construction jobs, as well as new permanent jobs to staff the park.

WELCOME NEW MEMBERS

RAHD Group

Active Care Living

Turner Construction

The Heritage Group

Sea World Parks & Entertainment



South County EDC members enjoying the 8th Annual Elected Officials Reception held at the Living Coast Discovery Center in Chula Vista.

Save the Date

24th Annual Economic Summit:

September 13, 2013

San Diego Convention Center

South County Economic Development Council Wins Award for Excellence in Public Relations

The South County Economic Development Council was awarded an Edward L. Bernays Award from the Public Relations Society of America - San Diego / Imperial Counties Chapter for excellence in public relations.

South County EDC was honored with a bronze award, which recognizes outstanding public relations tactics or individual components of a campaign. The award was given to South County EDC along with the public relations agency, San Diego PR, in the press conference category for the execution of their cross-border press conference.

The press conference was held alongside U.S. and Mexican officials to announce the results of a year-long study conducted by SCEDC on pedestrian border crossing. The study's findings reinforced the need for a

more efficient crossing to help boost economic development and binational cooperation in the region. The hard work and dedication of South County EDC staff was integral in the success of the study.

“ I want to personally extend my gratitude to you (South County EDC) for the very successful Elected Officials celebration at the Living Coast Discovery Center this month. A lot can be said about the work that goes into such an event, yet you manage to carry on seamlessly. Thank you for your continued commitment to Chula Vista. ”

*– Pamela Bensoussan
Councilwoman
City of Chula Vista*



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