

A SAN DIEGO BUSINESS JOURNAL SPECIAL REPORT

DOWNTOWN



Stephen Whalen

Chelsea Bakewell, marketing and public relations manager for Red Door Interactive, lives and works in downtown San Diego and said it is an environment geared toward any stage of life — she and her fiancé can easily see retiring there.

It Takes an East Village, a Little Italy, a Gaslamp...

ECONOMY: Downtown's Hot Spots Draw Residents; Now They Need Businesses

■ By EMMET PIERCE

Chelsea Bakewell can't picture living and working anywhere other than downtown San Diego.

It's a place, she said, with plenty of theaters and high-end restaurants, as well as many families — a place "geared toward any stage" of life.

"My fiancé and I can see ourselves retiring and living downtown," said Bakewell, a 27-year-old marketing and public relations manager for Red Door Interactive who walks to work each day.

And contrary to what many might think, she said, you don't have to be

involved in the party scene to appreciate downtown amenities. "They have a scene for everything. ... There really is just a lot going on."

The process isn't complete, but since redevelopment in downtown San Diego began gaining momentum in the 1970s, the district has evolved into a diverse place where people can live, work and play. The 92101 ZIP code added 180 businesses from 2002 to 2011, according to the San Diego Regional Economic Development Corp.

Nevertheless, downtown has a long way to go in terms of addressing social issues like the homeless and the need for more jobs there, said Michael Stepner, a professor at the NewSchool of Architecture and Design who was San Diego city architect from 1988 to 1992. Better transit serving downtown is also needed.

Still, he said, downtown's story is positive, having evolved from a high-crime area into a collection of vibrant neighborhoods. He also cited plans for remodeling and repurposing Horton Plaza, the downtown shopping mall that opened in 1985.

"We have come a long way," Stepner said. "We have a long way to go. ... But we are making progress."

A Diverse Population

A variety of housing types downtown has attracted people from all income groups, Stepner said.

"There are young people and older people who have moved out of their suburban homes," he said. "You have high-, low- and medium-end residential. That provides for diversity."

Meanwhile, progress is being made

toward getting more businesses to locate downtown, said Kris Michell, president and CEO of the Downtown San Diego Partnership.

There are about 75,000 employees downtown, Michell said.

"Downtown has a pretty vibrant tech economy system," she said. "Where talent goes, companies go. And that is downtown."



Kris Michell

A Magnet for Young Adults

In a 2011 report, the nonprofit CEOs for Cities group found that young adults with four-year degrees were 94 percent more likely to live in "close-in urban

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Businesses Embrace Working in San Diego's Dynamic Urban Core

ECONOMY: Downtown Is Attracting Technology Cos. And Other Startups

■ By EMMET PIERCE

Downtown boosters long have been urging more companies to come to the city's commercial center, but some businesses need no convincing.



Steven Cox

Steven Cox, CEO and founder of **TakeLessons.com**, occupied several downtown offices before his recent move to the NBC Building on Broadway.

"We really believe in downtown," Cox said. "It is an up-and-coming tech hub. We are super excited to be a part of it. We just continue to outgrow our space. When we started, we were three people. We are about 62 people now."

Cox said his company links people who want to learn new skills with teachers in numerous fields. To keep his firm on the fast track, he said he needs a creative atmosphere. He finds that downtown.

Finding the Right Vibe

"What it really boils down to is what is the right vibe for the type of company we want to be," he said. "We are a smart-tech company focused on providing a great workspace for our people. Walkability is super important. The atmosphere of collaboration with other startups was key to our decision to stay downtown."



Photo courtesy of Red Door Interactive
Red Door Interactive, a downtown marketing and advertising agency, designed its office to match the vitality and energy of the city, which fosters creativity and collaboration.

On 10th Avenue, at the **Red Door Interactive** marketing and advertising agency, President and CEO **Reid Carr** said being downtown stimulates the creativity of his staff of about 50 workers.

"We chose downtown because it gives our people an opportunity to walk outside throughout the day to enjoy our weather and be inspired by all the new activity," Carr said. "They can get to parks, restaurants, coffee shops, the bay



Reid Carr

and the new library. As busy as we are, people need to refuel their creative spirit and the vitality of our downtown can help keep our energy levels high."

Carr's company has been downtown since in 2004. It currently occupies offices in DiamondView Tower. The open, airy floor plan was designed to reduce stress and promote collaboration.

Interaction and Collaboration

"You can get tons of work done at home, but I think people come to the office for human interaction," Carr said. "To see your colleagues and friends and to collaborate in order to help each

other win."

A few blocks away on Cortez Hill, **The London Group Realty Advisors** occupies offices in the historic El Cortez building. Once a hotel with a panoramic view of San Diego Bay, the landmark El Cortez now is primarily an apartment building. Real estate economist **Gary London** and his six-person staff occupy 1,800 square feet there. London described his office as a loft environment.

The London Group was formed in 1991 to advise people in the development, investment, estate planning, government and litigation industries. Like Cox and Carr, London said he enjoys the atmosphere downtown.

No Plans to Leave

"I bought an office-condo space," he said. "I don't have any plans to go. I think it's important that you live close to where you work. I live in Point Loma. We all have a responsibility to try to locate our offices in a way that we can reduce the amount of miles that we travel."

London said he would like to see more city-sponsored incentives for new businesses to locate in the commercial district. Some sections of downtown remain badly in need of redevelopment, he said.

Cox thinks downtown is doing a good job of drawing in new tech companies. He said the area is on the upswing.

"Starbucks is just around the corner," Cox said. "The mall is in our backyard. There is a plethora of activity with respect to bars and restaurants. It is the type of environment that tech companies like to be around."

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neighborhoods” than young adults with less education.

“Urban centers are almost a calling to these young folks,” Michell said.

She said millennials — people born between the early 1980s and the early 2000s — are attracted to urban areas. Millennials have several downtown neighborhoods to choose from, as defined by the Downtown San Diego Partnership: Little Italy, Cortez Hill, Columbia, the Gaslamp Quarter, the Marina District, East Village and the Civic Center-Core. And, in turn, many technology businesses are being drawn downtown by the large number of young workers who choose to live and work there.

“There are startups, incubators, accelerators, people who are growing their businesses,” said **Steven Cox**, the CEO and founder of downtown-based **TakeLessons.com**. “Companies are attracting highly talented people who live the idea.”

“My employees love downtown,” Cox said. “I have a younger group of people from their 20s up through their 30s and 40s. We have people who ride their skateboards to work.”

‘Everything You Need’

And it’s not only millennials heeding downtown’s call.

Ron Donoho, a 48-year-old freelance writer who calls the East Village home, has lived downtown since 1995. Having moved there from Manhattan, he said that compared to New York City, downtown San Diego seemed very suburban.

“I am very downtown-centric,” Donoho said. “I have friends who joke that I never leave. Everything you need is within



Ron Donoho

‘I am very downtown-centric. I have friends who joke that I never leave. Everything you need is within a walk or a bike [ride] away, and I like that convenience.’

— Ron Donoho, freelance writer and East Village resident

a walk or a bike [ride] away, and I like that convenience.”

Similarly, **Joyce Glazer**, a professional writer, has been living downtown for 21 years. She appreciates the sense of energy she finds there.

“It is pretty exciting to live in the city,” she said. “The more activity on the streets, the better I like it.”

Striving to Be Better

Real estate economist **Gary London** of **The London Group Realty Advisors** said that although downtown is a great place to live and to play, it has not fulfilled its potential as a place to work.

“Basically, with some exceptions, the commercial office market is very stagnant,” London said. “There has been precious little development of office space downtown. Some of the Class A has slipped into Class B status, and rents



Joyce Glazer



Gary London

have dropped dramatically. There is a substantial vacancy problem.”

Downtown faces tough competition for office space from complexes along the Interstate 5 and Interstate 15 corridors, London said. “The other problem is you have a regional office market whose recovery is steady but sluggish.”

A Brighter Future

Jerry Sanders, president and CEO of the San Diego Regional Chamber of Commerce, considers the redevelopment of downtown hugely successful, given the progress made since the 1970s.

“It gets better all the time,” said Sanders, a former San Diego mayor and police chief. Sanders foresees ongoing improvements, particularly in the East Village, over the next decade.

“The east end still is pretty rugged,” he said. “A lot of homeless, a lot of pretty tough areas. They are already starting to do some building there. I think you will see apartment complexes there that cater to students. I think it will be very exciting.”



Jerry Sanders

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