

SPECIAL REPORT: COMMERCIAL REAL ESTATE

Change Remains a Constant in East Village

Developers Still See Potential Among Its Warehouses

■ BY BRAD GRAVES

All neighborhoods evolve over time. For East Village, the evolution is happening at breakneck speed. The transformation of the eastern portion of downtown into something other than a warehouse district began with the **San Diego Padres'** ballpark development. Petco Park was planned in the last part of the 20th century and opened in 2004. Since then, luxury apartment complexes as well as other types of buildings, including offices, have sprung up among vacant lots and 19th century houses.

The transformation continues. It won't be the crack of the bat, but the life of the mind that promises to reshape East Village in a new way.

Already home to **San Diego City College** and the **New School of Architecture**, East Village's educational bent will get more pronounced when **UC San Diego** opens its downtown center in the fall of 2021. The university will occupy a four-story structure at Market and Park Boulevard, recently



UC San Diego Associate Vice Chancellor Mary Walshok

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Rendering courtesy of Carrier Johnson + Culture
UC San Diego's downtown center, on Market Street between 11th Avenue and Park Boulevard, shares a block with Holland Partner Group's new 34-story apartment tower, called The Merian.

THE LISTS

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built along with **Holland Partner Group's** 34-story apartment tower, The Merian, at 11th and G streets.

While the exterior of the university building is mostly complete, the interior still needs finishing. The center was originally supposed to open in the spring, but for safety and planning purposes, it has been delayed until the late fall, according to a university spokeswoman.

The university predicts big things ahead.

"Unlike anything else in the region, our downtown center strives to be a pivotal intersection for our global research university to engage with people, ideas and plans to address the region's biggest question: What's next for San Diego?" said **Mary Walshok**, associate vice chancellor for public programs and dean of Extension at UC San Diego.

Drawing People Downtown

With special programs and events, UC San Diego will attract different people to the neighborhood, said **Mike Stepner**, professor emeritus at the nearby New School of Architecture. Because of UC San Diego, people who would not normally come to East Village will make the trip — and it will likely change their perspectives of the area.

The arrival of UC San Diego is "a really big deal for East Village and downtown," said **Betsy Brennan**, CEO of the **Downtown San Diego Partnership**, a nonprofit serving businesses downtown. "It brings an innovation economy with a demographic that

is highly desirable in a downtown."

East Village is a place for highly educated people to both live and work, Brennan said. There are 10,000 residents of East Village and city planning documents call for housing 30,000.

Developer **David Malmuth** said that East Village has fundamental elements that developers, and the people who finance them, look for. Malmuth is one of the people who built the recently completed, \$91 million IDEA1 housing and office block on F Street at Park Boulevard. He is involved in another project a short walk to the east.

San Diego is a growth city with a large population of millennials, Malmuth said. "People want to come here." Its universities turn out great talent. For its part, downtown has small, walkable blocks and great access to transit.

"Companies realize they want to be where the talent pool wants to be," he said. "I like the long-term prospects for East Village. ... All of that, to me, says it's a good place for development — and capital agrees."

Recognizing Potential

Developer **Jason Wood** sees potential in East Village too. Wood is a principal in **Cisterra Development**, which has already contributed to the new face of East Village. Cisterra built DiamondView Tower adjacent to Petco Park, as well as **Sempre Energy's** new high-rise headquarters a short distance north of the ballpark.

Cisterra plans to follow that with two sizable projects. It plans to break ground on its Cisterra 9G project — named for the two streets that intersect nearby — during the first quarter of 2021. It is looking to the spring of 2023 to finish the building, slated to have a two-floor **Target** store and 241 apartments for a total of 255,000 square feet. **Carrier Johnson + Culture** is the architect.

Carrier Johnson also designed a larger project for Cisterra. At 763,000 square feet, the 7th & Market high-rise complex will feature a **Ritz Carlton** hotel plus 59 residences associated with the hotel, as well as a specialty grocer, apartments and office space. Construction is expected to start by next summer with an opening is anticipated in 2024.

"I'm excited to get them going," Wood said. "I look forward to having them under construction and delivered."

Asked about untapped potential in East Village, Wood replied that "it's being tapped. I wouldn't call it untapped potential. ... The

question is how much of that potential will be realized, and how much will be lost potential."

A Foot on the Brake Pedal

Naturally, downtown developers are trying to contend with COVID-19.

"It's definitely had everybody hitting the brake pedal a little bit," Wood said. Whether development will simply slow or come to a halt has yet to be seen. Wood said he hopes for the former. He reported that people financing development projects are subjecting them to greater analysis than usual.

Brennan of the Downtown San Diego Partnership said she has seen construction projects continue without pause, though she has seen the financing process slow.

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"We want to contribute to everything that is vibrant and vital about that pivotal East Village corridor."

MARY WALSHOK

Pandemic or no pandemic, East Village retains a certain energy in its newly developed sections. On a recent Saturday evening, diners were seated outside restaurants on J Street on impromptu patios — streets and sidewalks walled off by sections of concrete K-rail. The **Quartyard** beer garden, formed by shipping containers placed at Market and 13th streets, had groups of people enjoying beer. People were out for a run or taking their dogs for a walk. A restaurant in Malmuth's IDEA1 building was serving Mexican food.

Malmuth is at work with partners on another nearby project, dubbed the "SuperBlock," bounded by 15th and 16th as well as E and F streets. The vision is for creative office space. Both SuperBlock and IDEA1 are part of what promoters call the I.D.E.A. District. The abbreviation stands for Innovation, Design, Education and Arts.

There are plenty of other projects in process in East Village. Another Carrier Johnson-designed complex, Jefferson Makers Quarter, will soon go up on a recently cleared site near San Diego Police headquarters, between 15th, 16th, Broadway and E streets. It will have 368 residential units.

A 1-acre park called East Village Green, with a recreation center, is expected to break ground in the coming year, Brennan said.

The city has requested proposals to redevelop the parking lots east of the ballpark, an area the city is calling the East Village Quarter.

Building a Downtown Presence

Against this backdrop, UC San Diego is working toward the day when it can open its East Village center.

The facility will contain a mix of public, meeting, arts and educational spaces. The first floor will have community and event space as well as a restaurant. The second floor is being prepped for a gallery and arts space. The third floor will be a mix of university and partner programs, courses, meeting space and activities. UC San Diego said it will reserve its fourth floor for its community partners.

The university said it plans to engage the community, students and alumni by offering learning, collaboration, civic and cultural experiences in its new building. Programs will be geared toward people of all ages; university leaders spoke of youth science programs, business executive training and post-retirement learning opportunities.

"The economic and cultural changes created by the coronavirus pandemic have made us even more committed to creating a place for a cross-section of our vast community to gather, learn, collaborate and prosper together in downtown San Diego," said UC San Diego's Walshok. "We want to contribute to everything that is vibrant and vital about that pivotal East Village corridor."

Workforce development will be an important theme at the center, according to a spokeswoman.

"Through economic research, business partnership, university education and training, the center will be uniquely capable of connecting our region's richly diverse, untapped talent pool with the skills they need most," said **Sophia Eichner**, project director of UC San Diego Downtown Center. She added that national research suggests that up to 40% of pre-coronavirus jobs will not return with the new economy.

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JASON WOOD

UC San Diego seems to have plenty of reasons to like East Village, including a transportation benefit.

Construction firms are pushing the network of San Diego's trolley tracks north. Once the new line is complete in 2021, a student will be able to take the trolley directly from the main UC San Diego campus on Torrey Pines Mesa to the front door of the East Village center. ■



**New School of Architecture
Professor Emeritus
Mike Stepner**



**Downtown San Diego Partnership CEO
Betsy Brennan**



**David Malmuth
Development President
David Malmuth**



**Cisterra Development
Principal
Jason Wood**

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1. 11TH& BROADWAY
Cost: Undisclosed
Location: 11th & Broadway
Description: 32- story, 641k SF mixed use 623 apartments, 10k SF retail and 6 levels of below grade parking
Developer: Pinnacle International
Contractor: Pinnacle International
Architect: Martinez+Cutri
Estimated completion: Q4 2020



2. Modera
Cost: Undisclosed
Location: 241 14th Street
Description: 7- story, 368 apartments and subterranean parking
Developer: MCRT Investments, LLC
Contractor: Undisclosed
Architect: Carrier Johnson + CULTURE
Estimated Completion: Q1 2021



3. UC San Diego Innovative Cultural and Education Hub
Cost: \$275 million
Location: Park & Market
Description: 34-story tower with 426 housing units and 4-story 53k SF office and classroom building, restaurant and amphitheater
Developer: Holland Partner Group
Contractor: Holland Construction
Architect: Carrier Johnson + Culture
Estimated Completion: \$42 million first phase 2020




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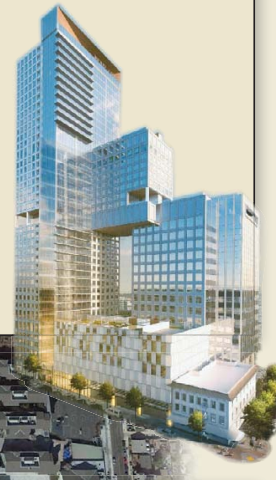
5. Broadway Block

Cost: \$200 Million
Location: 702 Broadway
Description: 2 Towers- 720k SF mixed use, 620 apartment units and ground level retail/commercial space.
Developer: Bosa Development
Contractor: Undisclosed
Architect: Joseph Wong Design Associates
Estimated Completion: 2020



4. 7th & Market

Cost: \$400 Million
Location: 7th & Market
Description: 39-story, 763k SF mixed use with 153-room Ritz-Carlton hotel, 59 Ritz-Carlton branded luxury condominiums, 125 market rate apartments, and 34 affordable housing units. 150k SF office space and 40k SF retail space- including grocer. 5 levels of below grade parking.
Developer: Cisterra Development
Contractor: Suffolk
Architect: Carrier Johnson + CULTURE
Estimated Completion: 2024



6. Father Joe's Village's 14th and Commercial

Cost: \$145 Million
Location: 14th and Commercial
Description: 14 & 7- story towers, 291K SF, 407 affordable apartments.
Developer: Undisclosed
Contractor: Undisclosed
Architect: Joseph Wong Design Associates
Estimated Completion: 2020



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